

EDWARD LUCAS ON  
THE NEW COLD WAR

PAINFUL AND VITAL: THE UPCOMING REFORMS  
IN UKRAINE'S ENERGY SECTOR

EX-CHAIR OF THE STATE PROPERTY FUND  
ON OLIGARCHS AND THE NEW GOVERNMENT

international edition

# The Ukrainian Week

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## CONSOLIDATION OF RUSSIA



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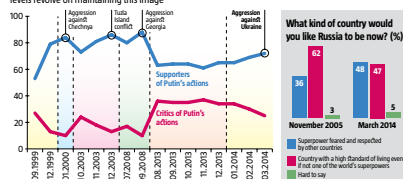
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# Who's the Realist Here?



**Author:**  
**Philippe de Lara**

**O**n November 3, 2013, and, sadly more so after February 18-20, 2014, the voice of the Ukrainian revolution is heard better in the world. The people of Maidan have inspired all democrats while the temporary government established as a result of the revolution is doing well as I am writing this: it stays under control in the face of the Russian invasion and other developments that risk destabilizing Odesa and Eastern Ukraine. It has taken active steps, articulated its choice in favour of parting with the sovietized economy and corruption, is preparing the election, has signed the political part of the Association Agreement with the EU, has brought numerous OSCE observers to Ukraine and has not pronounced the dangerous NATO word. Mistrust of many Ukrainians for this temporary government after 23 years of betrayed independence is justified. Still,

its accomplishments are worth of respect. Europeans realize this. A switch to the change of Constitution over a few days of the heroic uprising is an unprecedented move in modern history – and an encouraging one. By contrast, justifying Russia in all this seems impossible. Its aggression with “green men” in Crimea and “Russian-speakers” who lifted the Russian flag on the oblast administration in Kharkiv, only to return home to Moscow later, is excessively brutal and grotesque. Europeans are outraged and stand with Ukraine, supporting sanctions against Russia, worrying that they may be too weak, and wondering what could be more effective.

Still, this democratic revolution in which we, the French, can see ourselves, raises some questions. Geography and history cast doubts about the legiti-

WWII. I have written about this and I will write more about this.

Plus, we have geography. Isn't Ukraine within the orbit of the Russian influence, whether it wants this or not? Doesn't Russia have fair reasons to treat an independent Western-oriented country on its threshold as an unbearable threat to itself (Donetsk is on the same longitude as Moscow)? Isn't it perfectly natural for every big country to protect its area of security and influence in this multipolar and globalized world? Didn't the West betray Russia by promising to stop spreading eastward after Germany reunited with NATO in 1990?

Talk like this irritates Ukrainians – and they are right to feel that. It also rightly irritates those who realize that Ukraine's freedom today is the soul of Europe. But I think that we should separate blatant lies that can only meet disdain and sophisms that require patient and thorough answers because they tend to confuse honest people.

These sophisms have been answered a thousand times, yet they have to be answered two thousand times, and ten thousand times if needed. In my opinion, the Ukrainian cause has three vulnerable aspects which we have to keep explaining over and over again.

1. Ukraine's division into east and west. The widespread opinion is that Eastern Ukraine is pro-Russian because it still bears the Soviet trace, while civil society has emerged in Western Ukraine only. The widespread opinion is that the divide is of religious nature (sometimes, the French media write that all Ukrainians in Western Ukraine are Catholics

**RUSSIA LOST UKRAINE IN 1991. THEN, IT KEPT LOSING UKRAINE EVERY NEXT DAY, ACTING AS A RUINOUS CORRUPT FORCE**

macy and feasibility of this democratic revolution.

I will not tackle history even if it is the essence of the problem. Ukrainians are a nation whose history was banned, a nation struggling in the prison of Soviet lies. This lies has already lost much of its power (few deny the Holodomor today). Yet, it still tarnishes the minds of many Europeans. Their ignorance makes many of them still believe in one or another aspect of Russia's official version of





**Crimean Tatars offer priests of Ukrainian Orthodox Church, Kyiv Patriarchate, to hold sermons in mosques** if they face threats in their churches. Greek Catholic priests have faced threats, some have been kidnapped. The priests evacuate families to mainland Ukraine

In his address to Ukrainians spread by Russian news agency ITAR TASS, **Viktor Yanukovich calls on a referendum on the status of every region in Ukraine**

while the rest of the country is Orthodox).

Ukraine (Georges Nivat brilliantly described it as the "old young country" in his piece for *Le Monde*), just like other modern nations, has some internal diversity. This is exactly because it is a nation, not an ethnic group, and not a divided country by all means. Meanwhile, Russia manipulates these diversities because it knows: it will find no supporter of Ukraine's annexation to Russia in Kyiv, while Crimea has 40% and Kharkiv has 16%. This is always a minority, yet it is always sufficient to justify "a little brotherly help".

It takes a lot of time to explain people that a Russian-speaker is not necessarily a Russian.

2. The "right extremists" on the Maidan and in the temporary government. When Western Europeans speak of the "right extremists", the first thing that comes to mind is Greek neo-Nazis, Hungarian nationalist party Jobbik, or the French National Front (ultra-pro-Putin by the way) and the Freedom Party of Austria – these are not as radical, but still xenophobic, blatantly racist and secretly anti-Semitic. Ukrainian "right extremists" are a completely different movement. They make a nationalist party – more nationalist than liberal, just like parties in all national liberation movements. For various reasons, this party has no much electoral weight and will hardly affect the May 25 presidential election. This party is an effective bogeyman.

3. The zone of "natural" influence. At first sight, this seems to be the strongest argument backed by geographic common sense and the convincing phrase that Ukraine is geographically and economically integrated into the Russian World, so Russia has every reason to feel disparaged,

betrayed etc. Yet, no panic needed here: the explanation is that it wasn't the US or the EU that stole Poland and other FSU countries, as well as the Baltic States, and are now trying to whisk away Ukraine. It is Russia that has lost them and it is the only one to blame for this. For them, Russia has always been about bad memories. It knew this but never offered them anything other than conservation of sovietism, albeit with different tools. We are told to stop being idealistic intellectuals and switch to reality based on geopolitics rather than democracy, peoples' rights to self-determination, international law and the like. Nonsense! Realistic geopolitics proves that Russia lost Ukraine – on its own – and not only on paper in 1991. It kept losing Ukraine every next day, acting as a ruinous corrupt force. USSR 2.0 is only USSR, a dead model that cannot attract anyone.

After all, no domination can rely on force entirely. In order to last, even the most violent colonization (Mongolian yoke in Kyiv Rus and European colonization of Africa) must give something to the peoples it enslaves, such as roads, schools, a capital that attracts local elites who send their children to its schools, and brilliant culture. Russia, and then the USSR, could be that for Ukraine in times when it thrived. Now, it is nothing but a faded star. That is the essence of the Maidan: we do not want to live like Soviets did. That is the geopolitical fact that the smart should keep in mind. This is not about NATO or the EU. This is about freedom, dignity and truth.

Nothing suggests that there could be an alternative scenario to build mutually beneficial integration of Ukraine and Russia. Hopefully, the Ukrainian revolution will outline this scenario. Unrealistic? Perhaps it is, but is there another way? ■



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# Russian Aggression: Genesis, goals, counteraction and legal consequences

Ukraine itself must spearhead efforts to counteract Russian aggression. Only then can other countries be expected to help. Disregard for the motivation behind Russia's policy and a failure to understand Russia's geopolitical goals are the fundamental reasons why the Ukrainian government is so irresponsible in security issues and the West so helpless in counteracting Russia's expansion

**Author:**  
**Volodymyr**  
**Vasylenko**

**R**ussia's military aggression against Ukraine began on 27 February 2014 with the forceful takeover of the Crimean Supreme Council building followed by the occupation of the peninsula by Russian regular army units and irregular formations. On 16 March 2014, under conditions of military occupation, an illegitimate pseudo-referendum on joining the Russian Federation was held in Crimea. On 17 March, Crimea's Supreme Council, previously disbanded by a resolution of Ukraine's Verkhovna Rada, proclaimed Crimea's independence. On 18 March, its self-appointed leaders signed a treaty with Russian President Vladimir Putin making Crimea part of the Russian Federation. In other words, an illegal and hasty transaction took place in order to lend an air of legitimacy to Russia's forceful annexation of a part of Ukraine.

## GENESIS

The immediate factors that caused Russia's military aggression and Crimea's annexation were the weakness of Ukraine's national security sector and the West's excessively tolerant attitude toward Russia's revanchist, neo-imperialist policy in the post-Soviet territory.

The criminal and prolonged underfinancing of Ukraine's Armed Forces under presidents Leonid Kuchma and Viktor Yushchenko led to the ruination of the entire national security sector under Viktor Yanukovych. The actions of his team, which not only robbed the country but also deprived it of its defence capacity, should be viewed as high treason. The army and navy, external intelligence and counterintelligence, Security Service, National Security and Defence Council all underwent degradation not without the help of Russia's special services and agents of influence who widely infiltrated government struc-

tures at all levels and acted with impunity and without hindrance.

As it committed premeditated aggression against Ukraine, Russia's leadership was perfectly aware of the pitiful condition of Ukraine's armed forces and other components of national security. However, aggression against Ukraine was also a consequence of the total helplessness of Western democracies in counteracting Russia's expansionist policy, which was most vividly revealed during its attack on Georgia. Russia's impunity for its criminal actions in August 2008 led to another crime – aggression against Ukraine in March 2014. The Russian invasions of Georgia and

Ukraine would not have happened if both countries had been NATO members or at least had NATO membership action plans. However, German Chancellor Angela Merkel, French President François Mitterrand and Prime Minister of Ireland Geir Haarde stood in the way. To block Ukraine's and Georgia's NATO membership aspirations, Russia mobilized the entire arsenal of its diplomatic corps and special services and prevailed. As he spoke at an extended meeting of the Federal Security Service on 29 January 2009 in Moscow, the then President Dmitry Medvedev stated: "An unstable social and political situation persists in a number of



neighbouring countries; attempts at NATO expansion have continued, including in the form of the so-called accelerated accession for Georgia and Ukraine. Naturally, all of this required the precise and synchronized operation of all special power structures and law enforcement agencies, as well as a very high level of coordination of their activities. I have to say that the Federal Security Service has, in general, successfully fulfilled its tasks."

Disregard for the motivation behind Russia's policy on Ukraine and, thus, a failure to adequately assess Russia's geopolitical goals and the resulting strategy regarding Ukraine are fundamental reasons for the Ukrainian government's failure to guarantee national security and the West's inability to counteract Russia's expansion.

Ukraine played a special role in the history of Russia, so its independent existence is a challenge to the Russian imperial consciousness and a psychological trauma to modern-day Russian imperial chauvinists. For a while in the past, Ukraine was

a powerful spiritual, cultural and material donor and, at the same time, an engine for the transformation of the Muscovite tsardom into an empire. After annexing Ukrainian lands, Muscovy extended its borders to the frontiers of Eastern Europe and later proclaimed itself an empire and adopted the name of an ancient Ukrainian state, Rus', claiming the entire history of Ukraine-Rus' prior to the Mongol and Tatar invasion as its own.

The revival of an independent Ukraine has inevitably led to the restoration of its national memory and its own national history, thus excising a huge chunk of Russia's history, ruining the myth of its 1,000 years of statehood and debunking Russia's claim that it has been a part of European civilization since time immemorial. Russian imperial chauvinists understand that without Ukraine (its territory, resources and human potential), any of Russia's attempts at restoring its imperial status are pointless. As a result, the Russian political elite and the majority of citizens believe that:

- Ukraine is a part of Russia and should not exist separately from Russia;
- Ukraine is to blame for the disintegration of the Soviet empire and the ensuing hardships in Russia;
- Russians and Ukrainians are one people and their unification within one state should end in the formation of one powerful super-ethnos and the creation of the "Russian World" with one church, one language and one culture;
- Ukraine's independent statehood is a geopolitical anomaly and is a strategic threat to Russia;
- Without Ukraine, Russia is not geopolitically complete and cannot reclaim its status as a global superpower.

The anti-Ukrainian ideologies deeply ingrained in the Russian mentality and Russia's revanchist aspirations define its policy on Ukraine with the ultimate strategic goal being the total destruction of Ukraine as a geopolitical and national entity and a subject of international law. Behind the façade of civilized relations, Russia is carrying out a special operation against Ukraine with three key tasks:

1. Counteract Ukraine's integration with the West, because its membership in NATO and the EU

will render the very idea of reviving Russian (apparently Eurasian) empire impracticable.

2. Eradicate all things Ukrainian inside and outside of Russia, because such an empire will be impossible to create and operate as long as Ukrainians maintain their national identity.

3. Perpetuate guided chaos and provoke separatist movements to weaken Ukraine's government institutions, splitting the country and undermining its statehood.

The implementation of these tasks is carried out by Russian diplomats and special services using Soviet-era methods. These include subversive activities by undercover agents and agents of influence, misinformation and blackmail, threats and pressure, bribery and the involvement of criminal elements in special operations.

An important factor that affects the content, methods and implementation of Russia's policy on Ukraine is the personality of Vladimir Putin, a former KGB officer who wants to be a lifelong "national



## THE ANTI-UKRAINIAN IDEOLOGIES DEEPLY INGRAINED IN THE RUSSIAN MENTALITY AND RUSSIA'S REVANCHIST ASPIRATIONS DEFINE ITS POLICY ON UKRAINE WITH THE ULTIMATE STRATEGIC GOAL BEING THE TOTAL DESTRUCTION OF UKRAINE

leader" and exhibits a paranoid hatred for and contempt of Ukrainians and Ukraine.

With his election as Russian president in 2000, Russia's policy on Ukraine became crueller and more insidious, larger in scale and more systematic. In addition to preventing Ukraine's European and NATO integration, Russia has kept expanding humanitarian aggression through its agents and the fifth column in the informational, linguistic, cultural, historical and religious spheres. In this way, Russia is trying to destroy the identity of Ukrainians, which is a formative element of the Ukrainian nation state, and secure the "final solution to the Ukrainian question" in the context of its traditional imperial ambitions.



PHOTO: REUTERS



Controlled by the Kremlin, the Yanukovych Administration extended the stay of Russia's Black Sea Fleet in Crimea, abandoned the course for European and NATO integration and acted as an accomplice to Russia's humanitarian aggression against Ukraine aimed at shattering Ukraine's statehood by demolishing its national identity.

## GOALS

The fiasco of Yanukovych's regime and his removal from power suggested that the new Ukrainian government would busy itself with renewing the course toward European and NATO integration, counteracting Russian humanitarian expansion, restoring law and order, strengthening democratic government institutions and preserving the unity of the country.

Sensing that he was losing his grip over Ukraine, Putin resorted to military aggression and split Crimea off from Ukraine. This was revenge against the Ukrainians for the Maidan and, at the same time, a large-scale special operation designed to subdue Ukraine once and for all.

Russia's aggression in Crimea critically precipitated a conflict in Ukrainian-Russian relations and has a farther-reaching goal than simply stripping Ukraine of one of its territories. This is confirmed by the plan offered by Russian diplomats as a way of settling the conflict. The plan is disastrous for Ukraine's statehood and unity, but the Russians also want to involve Western countries to legitimize it. On 5 March 2014, Russian Foreign Affairs Minister Sergey Lavrov set forth the plan's main elements in a conversation with US Secretary of State John Kerry: Ukraine forfeits the Association Agreement with the EU and abandons its NATO aspirations; the presidential election is moved from 25 May 2014 to a later date; a new Constitution is drafted; Ukraine becomes a federation and grants Russian the status of a second state language.

An extended and somewhat modified version of the Lavrov plan was presented in a statement by Russia's Foreign Affairs Ministry about the Ukraine Support Group published on 17 December 2013. Instead of offering to settle the conflict, it essentially exacerbates it by denying Ukraine a place in the Euro-Atlantic security system, leav-

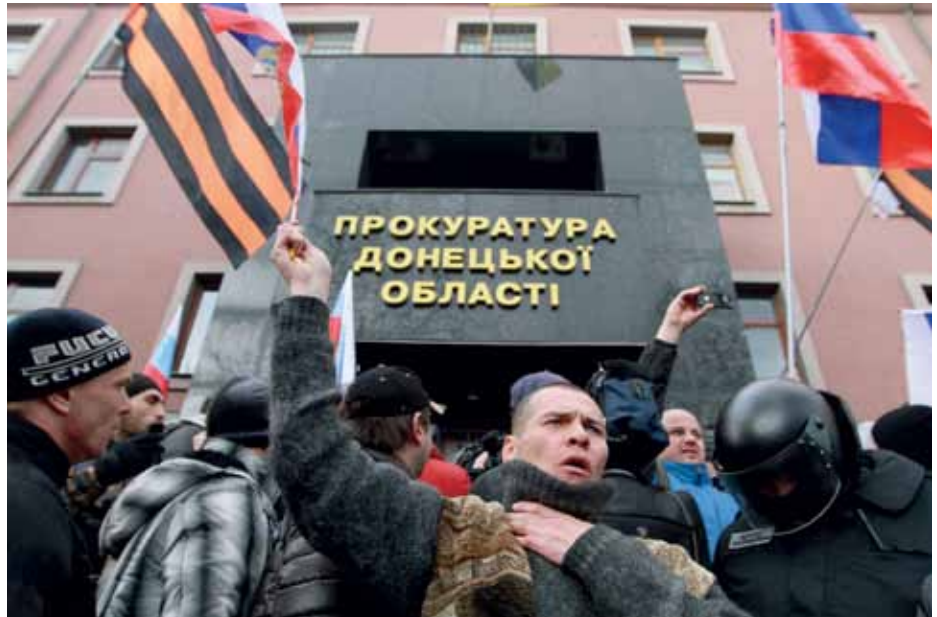


PHOTO: UNIAN

On 16 March, pro-Russian activists in Donetsk stormed the regional Prosecutor's Office and the building of the Security Service

ing it all alone against Russia and setting the stage for interference with Ukraine's internal affairs.

The Lavrov plan is a programme aimed at Ukraine's international isolation, fragmentation and division. It will Russify the nation, destroy Ukrainian identity and annihilate its statehood. The fact that the Kremlin wants to have the Ukrainian presidential election postponed probably means that it has yet to find a puppet who will replace Yanukovych and execute its malicious plans. Hopefully, it will be rejected by both the Ukrainian government and Western democracies.

It should be understood that the forceful separation of Crimea

the eastern oblasts with the help of political provocateurs brought across the border from Russia.

In his speech in the Kremlin on 18 March 2014, Putin said that there are "large territories of southern Russia" in the composition of Ukraine. Russia may soon try to annex these as well.

It cannot be ruled out that Russia may at one point give the go-ahead to its agents in other European countries where there are Russians or Russian-speaking "compatriots" in order to create chaos and make unjustifiable demands under the guise of protecting their rights.



## THE WEST CANNOT ACHIEVE SECURITY FOR ITSELF BY APPEASING THE AGGRESSOR AND SATISFYING ITS ILLEGITIMATE WHIMS AT THE COST OF UKRAINE'S LEGITIMATE INTERESTS

A new Russian empire should be averted, for it would be an aggressive totalitarian entity hostile to European civilizational values and fundamental human rights and freedoms

from Ukraine will not satisfy Russia's appetite and will only incite the Kremlin's dictator to go ahead with further expansionist actions to destabilize and fragment Ukraine and to threaten other countries. This is evidenced by the high concentration of Russian troops along Ukraine's eastern border, as well as by the separatist rallies that the Russian special services are trying to organize in

## COUNTERACTION

In this situation, the Ukrainian government must act resolutely to neutralize and punish those guilty of threatening Ukraine's territorial integrity and fomenting separatism. Acting President of Ukraine Oleksandr Turchynov should publicly announce an order allowing Ukraine's Armed Forces to use force if Russia tries to expand its aggression beyond the Crimean peninsula.

As a country that has suffered a military attack, Ukraine has the right to individual and collective self-defence under Article 51 of the United Nations Charter. This means that individual and collective sanctions of military, political, diplomatic and economic nature can and must be used against Russia as the aggressor country.



Ukraine itself must spearhead the efforts to counteract Russia's aggression. Only then can other countries and other international organizations be expected to help. Unfortunately, the new Ukrainian government has been hesitant and lacked political will, while Russia has acted insidiously. As a result, Ukraine has not been able to quickly neutralize puppet leaders of the Crimean separatists and nip Russian aggression in the bud. Turchynov's public statement on Russia's aggression and his announcement of mobilization came nearly three days after 27 February 2014, when Russian military without insignia seized the Crimean parliament building which illegitimately voted to separatethe peninsula from Ukraine. The Shevchenkivsky District Court of Kyiv granted the appeal of the Chief Investigation Directorate of Ukraine's Security Service to detain illegitimate Crimean Prime Minister Sergey Aksionov and Speaker of Crimea's Supreme Council Volodymyr Konstantynov. The decision was passed on 5 March 2014, when these individuals were already protected by Russian occupation forces. If the separatist leaders had been detained in a timely manner, the Security Service had been more active and the Armed Forces had been rapidly deployed to Crimea early on, Putin would not have dared to continue the aggression.

From the time Ukraine restored its independence, it has striven to develop good neighbourly relations with Russia and has viewed it as a strategic partner rather than a potential enemy. Russia's military aggression, which is just an element of a much largerspecial operation against Ukraine, is the moment of truth. Faced with military aggression, Ukraine must fundamentally revise the postulates and priorities of its National Security Strategy and Military Doctrine. These documents must clearly state that Russia is a real, rather than potential, enemy of Ukraine which, under the cover of slogans about developing friendship with a "brotherly people", is prepared to declare war on the Ukrainian nation. Consequently, the Ukrainian government must act decisively to systematically restore the entire national security sector and secure its appropriate and constant financing.

In order to strengthen and reform some elements of the national security sector to meet present demands, Ukraine must arrange for consultative, technical and financial aid to be provided by the states which are the guarantors of its security under the Budapest memorandum, as well as by NATO and the EU.

Western states must, if they care about their own security, stand beside Ukraine and counteract the invader. Russia's aggression violates the global legal order, compromises global security and undermines existing nuclear non-proliferation agreements, thus threatening every member of the international community, particularly Western democracies.

The security of the West cannot be achieved by appeasing the aggressor and satisfying its illegitimate whims at the cost of Ukraine's legitimate interests. To guarantee its own security and protect its own vital interests, the West should prevent a new Russian empire from springing up in the post-Soviet space. Because it would, by definition, be an aggressive totalitarian entity hostile to European civilizational values, principles of democracy and respect for fundamental human rights and freedoms.

A powerful containment factor here should be more comprehensive and severe political, diplomatic and economic sanctions against Russia, something the US and its allies have already started imposing.

Ukraine's full-fledged membership in the European Union and NATO would be a radical means of stifling Russia's expansionist policy and guaranteeing security for both the West and Ukraine. Signing the Association Agreement with the EU and its diligent fulfilment by Ukraine will put the necessary preconditions in place for the country's membership in the EU and its access to the NATO membership Action Plan in the foreseeable future.

## LEGAL CONSEQUENCES

The annexation of Crimea does not take away Ukraine's legal title to the Crimean peninsula, which is, legally, part of its territory. Moreover, both Ukraine and the international community have stated that the Crimean referendum was illegitimate and refused to recognize its results. The results of an il-

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Russia's aggression violates the global legal order, compromises global security and undermines existing nuclear non-proliferation agreements, thus threatening every member of the international community, particularly Western democracies

Meeting between US President Barack Obama and Ukrainian Prime Minister Arseniy Yatseniuk in the White House on 12 March

legitimate referendum and the annexation acts are legally null and void. In practice, this means that the Ukrainian state has every right to demand restoration of its territorial sovereignty over Crimea and to take measures in the future to realize this demand.

Under United Nations General Assembly Resolution 3314 (XXXIX) "Definition of Aggression" of 14 December 1974 and Article 5 of the International Criminal Court, the act of Russia's military aggression against Ukraine is a grave international crime. This crime does not have a statute of limitations and entails international responsibility of all persons in the top political and military echelons involved in preparing, planning, initiating and continuing aggression against Ukraine.

As a state that has suffered from aggression, Ukraine has the right to demand that Russia stop its aggression, withdraw its occupying forces from Ukrainian territory and reimburse damages. It can also demand that Russian President Putin, Defence Minister Sergey Shoygu, Foreign Affairs Minister Sergey Lavrov and others are brought to justice as war criminals. The Kremlin-controlled Crimean leaders who organized the illegitimate referendum to legalize the annexation should be viewed as accomplices to Russia's crime.

Today, this framing of the question appears unrealistic. However, it should be borne in mind that Hitler's henchmen who once committed acts of aggression against European states with impunity eventually found themselves in the dock. Hitler avoided this fate by committing suicide. Putin, then, has a choice. ■



# The Old New Cold War

Edward Lucas: “The new Cold War has been about the use of Russian money to divide the weak of the West and also the use of the energy weapon”

General Philip Breedlove finally said the following: “Now it is very clear that Russia is acting much more like an adversary than a partner”. It is very likely that for NATO's Supreme Allied Commander Europe, what he voiced was already obvious, but, as has happened before in history, even a “small” war puts everything in its place. After the brazen seizure of part of Ukraine by its Eastern neighbour, American-Polish journalist Anne Applebaum feels that: “many are beginning to understand that the narrative is wrong: Russia is not a flawed Western power. Russia is an anti-Western power”. For more than 20 years, many people were deluded, particularly in Europe, by the new Russia's easily understood greed for money. Although they were cautious of the representatives of Russian capitalism in the world and oligarchs, they were ready to offer them their hand.

British journalist and Senior Editor for The Economist, Edward Lucas, was one of the first who, back in the 1990s, was already warning the international community that post-Soviet incumbents in Moscow were abusing the trust of the West.

**Author:**  
**Bohdan**  
**Tsioupine,**  
**London**

One of his books is entitled *Deception: Spies, Lies and How Russia Dupes the West*. Another book is entitled *The New Cold War: Putin's Russia and the Threat to the West*. In an interview with *The Ukrainian Week*, Edward Lucas speaks about the Ukrainian crisis as a whole and about the new Cold War.

**U.W:** When did the new Cold War begin?

– I think the new Cold War really started several years ago and it was a mistake on the behalf of the West to think that Russia had changed completely in 1991. Unfortunately, we saw the return of the kind of Chekist deep state, even in the Yeltsin years, with the growth of the Korzhakov (Aleksandr Korzhakov, ex-KGB officer, head of the Presidential Security Service for Boris Yeltsin in 1993-1996 – Ed.) faction in the Kremlin and Mr. Primakov (Yevgeny Primakov, Prime Minister of Russia in 1998-1999, diplomat – Ed.) being Head of the Foreign Intelligence Service. This intensified when Mr. Putin and his KGB friends from St. Petersburg took over in Moscow, and it's been getting worse ever since. I think the difference of the old Cold War is that the old Cold War was about a very sharp military confrontation and a very sharp ideological confrontation and without much use of money. And the new Cold War has been about the use of Russian money in the West to divide the weak of the West and also the use of the energy weapon. As we watch the situation develop in Ukraine, the new Cold War and the old Cold War are looking more and more similar.

**U.W:** Is there any ideology behind the current confrontation between Moscow and the West?

– Oh, very much so. Just read Mr. Putin's speeches. It's

clear that he believes in Russia as a civilizational power with all sorts of specific characteristics, deeper values and with a sort of historical destiny behind it. That old Tsarist era of a triad of autocracy, orthodoxy and nationalism, which has come back. I think there was a bit of an ideological vacuum in Russia in the 90s, but Mr. Putin is quite busy filling it.

**U.W:** So what we have now is a serious threat to European and possibly world security. Where is the place of the old structures, such as NATO, the EU and others under these conditions? Do they have the same role to play?

– I think that NATO is back in business, big time. The organisations that are struggling to find a role are the OSCE, which is now deadlocked and has in fact been deadlocked for many years. It's just that we haven't really noticed. The Council of Europe and the European Security architecture, which dates from the Paris Charter from 1990, about inviolability of borders and respect for common human rights values and so on, that's gone. And I don't think Europe's really woken up to this. We are still pretending that the old game will work. For the new game to work, which is back to NATO and territorial defence, we need to spend a lot more on defence and we need to restore our relations with America. And that's going to need a lot of new thinking and new efforts in Europe.

**U.W:** Would you agree that there is a problem with NATO. That essentially this is an organisation that only guarantees security to its members and in this case we have a problem with Ukraine, which is not a member. Is there something that should be changed in the statutory documents of the organisation? Or is the only way for countries like Ukraine, for example, to join NATO to guarantee their security?

– No, it's not the only way. I think the problem with NATO is





that it's a bit like a close family and you can't just join like that. You are requiring other countries to risk their lives for you and this is something that happens only after quite careful consideration. It's not like just joining a golf club and joining NATO requires a long period of reforms and military development to ensure interoperability from a military point of view. It's not just a political alliance. So even if we want it to, I don't think that Ukraine can join NATO for several years. And I'm not sure that the NATO members would want to extend the Article 5 guarantee to Ukraine until we have a clearer idea of what the Ukrainian government is going to be and how Ukraine is going to be run. So I think I would put that on one side. NATO's job is to defend its own members and create a kind of a real red line in Europe, that whatever Putin does in Ukraine, which is terrible and will cause him a lot of problems, is not the same as attacking a NATO country or is completely off-limits. So to that extent, it's a kind of security fence in Europe.

**U.W:** But Ukraine is on the other side of this fence. Does that mean that it is completely unprotected?

– I didn't say that. I think we need to do different things with Ukraine. This is where the EU comes in to try and help with the financial and economic stabilisation of Ukraine and giving any help it can with the new constitutional settlement and so on. But from the security point of view, there's room for intelligence-sharing. I would personally be in favour of selling weapons to Ukraine, or giving weapons to Ukraine. I would be in favour of having joint military exercises with Ukraine and I think that the most important thing we can do for Ukraine is to impose much more serious sanctions on Russia. But we will save Ukraine not by having a military confrontation on Ukrainian territory, but by raising the cost to Putin. I think we should be trying to bring down the Putin regime completely. This is a good opportunity to try and destroy this whole overlap between crime, business and the KGB in Russia. We should be aiming to split the regime, turn Putin's supporters against him and give him some really serious problems.

**U.W:** Zbigniew Brzezinski is quoted as proposing "Finland's scenario"

**for Ukraine and even from Russia we hear demands that Ukraine should be completely neutral and not part of any military or even political blocs. In addition, the Kremlin wants Ukraine to be divided into some kind of federation or confederation. Is this something that sounds acceptable to you? Is this something that would increase Ukraine's security or security in Eastern Europe?**

– No. I think this is an extremely bad idea. It both misunderstands Finland's position during the Cold War and it would be completely wrong for Ukraine. We are over the days when other countries make decisions about people's futures and Ukraine's future security is for Ukrainians to decide. If I was the Ukrainian government, I would say that we are going to have a five-year moratorium on any discussion of membership in the EU or NATO, because we need to get on with stabilisation and reform. And if at the end of these five years the Ukrainian people choose to open discussions on either NATO or the EU, that's for them, but it will come as a result of the political process. As membership of both organisations is totally impossible within a five-year framework, you don't lose anything by saying that you'll have a moratorium on it. But that has to come from Ukraine, rather than from outside. I think that on the whole, being a neighbour of Russia is an extremely uncomfortable business, even in Finland now, which is historically against military alliances. The people there are increasingly worried about Russia and I think there is quite a good chance that Finland and Sweden will be joining NATO quite soon.

**U.W:** Countries like France were sometimes irritated by what was perceived to be "unjustified phobias against Russia" in countries like Poland, Estonia or Latvia. Would you now say that the "old" and "new" Europe understand each other better when it comes to the danger of Putin's Russia?

– I think the "old" Europe and "new" Europe is quite out of date. This divide is not between "old" and "new", it's really between North and South. So you have the North European countries; Sweden and Estonia also the Netherlands, Denmark and Britain, taking a very bleak view

of Russia, and the Southern European countries such as Slovenia, Croatia, Greece, Italy and Spain being very much against any sort of real sanctions. So the real divide is North-South, not "old"–"new".

**U.W:** For many Ukrainians there is a dilemma, in how Ukraine responded to events in Crimea. On the one hand Ukraine was commanded to show restraint and not respond with fire to Russian action in Crimea, but on the other, there is the feeling that if a country does not defend itself, how can it expect to be defended by the outside world?

– I think it is very difficult. But you are paying the price for the Yanukovich government and actually for the governments that preceded it. Clearly the contingency planning was extremely weak. And you start from a position where all the options are very bad. This is true not only in Crimea, but in many other things. So I think one can certainly fault the Ukrainians for not having concentrated their forces. If they had had a good intelligence analysis



The New Cold War. Putin's Russia and the Threat to the West

## RUSSIA'S IDEOLOGY – IT'S THAT OLD TSARIST ERA OF A TRIAD OF AUTOCRACY, ORTHODOXY AND NATIONALISM, WHICH HAS COME BACK



Deception: Spies, Lies and How Russia Dupes the West

of what was going on, it might have been a good idea to concentrate all the Ukrainian forces in Crimea in one place, rather than having them scattered all over the place in different, completely indefensible locations. That would have been a much more difficult target for the Russians. I don't know the military geography of Crimea very well, but I suspect that there would be at least one or two places that would have been more defensible. Ukraine should also have stockpiled some food, water, communications and so on, to make themselves a bit more able to resist this sort of Russian pressure.

But I think this is the same dilemma the Baltic States faced in 1940; resistance is hopeless and if you don't resist, people will say you consented. It's a tactic that Russia is well-able to use and which we have suffered from in the past. ■



# Dear Price for Cheap Popularity

By plunging Russia into a full-scale confrontation with the West to boost his own popularity ratings Vladimir Putin may be preparing his country for another sobering shock from the defeat in a conflict with the entire world

The latest opinion polls in Russia show rapidly increasing support for Vladimir Putin's actions and his improving chances of winning a hypothetical presidential election against the backdrop of Russia's aggression in the Crimea. According to the Obshchestvennoye mnenie (Public Opinion) Foundation, 53% of Russians, up by five percentage points in just a week's time between late February and early March, support him for president.

This fact again draws attention to a characteristic regularity in Putin's Russia in the past 15 years. Over many years, population surveys have shown that the majority of Russian citizens view Putin precisely as a power imperialist capable of "rubbing them out in the outhouse", meaning the Chechens, Georgians and

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

now Ukrainians. Meanwhile, he has never been associated with any positive developments in the socioeconomic sphere, improving moral and psychological climate or easing interethnic relations in Russia's multinational federation. Nor has he chalked up any special international successes (**see Putin's major achievements in the eyes of Russians**).

In order to win and maintain support among the Russians who have nostalgia for imperial might, Putin has shown his willingness to start bloody wars and constantly seek "external enemies" since he rose to power.

Poll data collected by Levada Centre since the late 1990s reveals that, starting from the Chechen campaign in 1999-2000, Putin's support levels have always skyrocketed in conflict situations with the neigh-

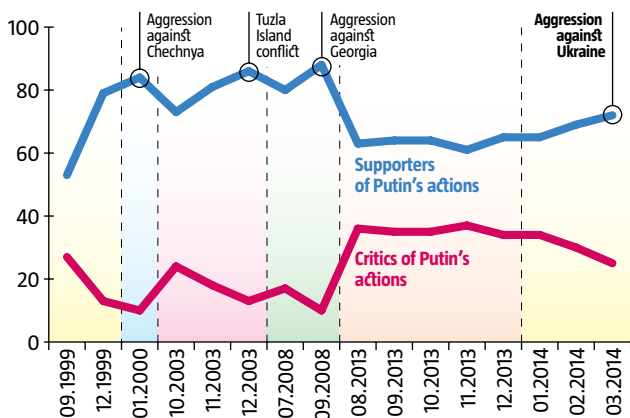
boring post-Soviet countries: the Tuzla Island incident with Ukraine, the disruption of NATO action plans for Ukraine and Georgia in spring 2008, Russia's aggression against Georgia in August 2008, the trade blockade of Ukraine in August 2013, the derailing of the Association Agreement with the EU for Ukraine in 2013 and, finally, invasion of the Crimea. Putin's popularity ratings slumped between these crisis points (**see So that others would fear and not sneer**).

In March 2014, the proportion of the respondents who view contemporary Russia as a "superpower" has reached the highest value in the history of such surveys: 48% want to see Russia as a "superpower respected and feared"; two-thirds believe their country is already playing a decisive (11%) or quite important (56%) part in solving international problems.

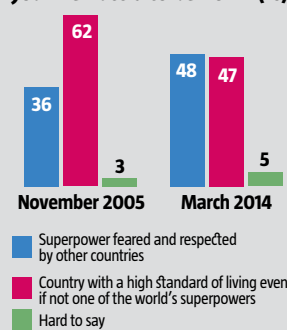
It is in this context that the reasoning behind Putin's actions in the Crimea should be interpreted. From a purely practical viewpoint, the annexation of the peninsula (or even keeping it in a condition similar to that of Transnistria) does not give Russia any significant advantages. On the contrary, it creates colossal problems, threatening financial and economic losses for the country and the elites close to the Kremlin, fuelling anti-Russian sentiments across the world, including in the European capitals which were loyal to Moscow until recently, and precipitating the confrontation with the USA. This is not to mention next-to-zero chances of any pro-Russian

## So that others would fear and not sneer

Putin is aware that his authority in the country rests merely on an illusion that he has restored Russia's "might" in the international arena. Russians view him precisely as a power president, and his support levels revolve on maintaining this image

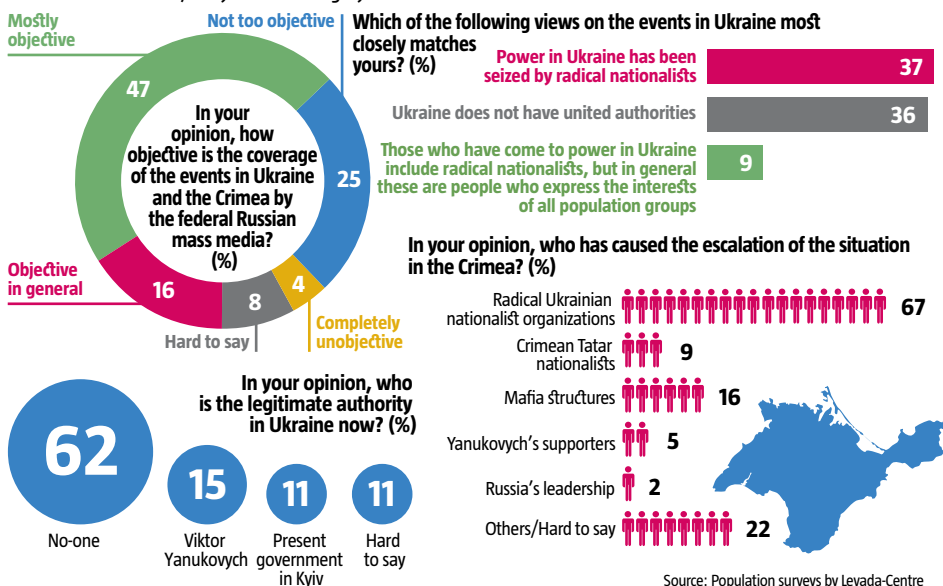


## What kind of country would you like Russia to be now? (%)



## Parallel reality

Not only do Russians live in a parallel reality created by the propaganda spewed by the Kremlin-controlled federal mass media, they are also largely clueless about the fact



projects rising to power in Ukraine, which seems to be what Putin is fighting for. With the annexation of the Crimea by Russia, Ukraine's electoral field has lost regions in which up to 80-90% of voters favoured pro-Russian forces.

## LIGHTNINGROD.UA

Even with the Russian mass media being completely controlled by the government, it is much harder to deceive Russians about the situation inside the Russian Federation, particularly with regard to corruption, slumping socioeconomic growth and the plummeting standard of living, than to lie about what happens abroad – people tend to follow stereotypical notions. This is what Putin's propaganda exploits as it totally dominates the federal TV channels, which shape the attitudes of most Russians. Its extensive influence became vividly obvious when Russians sharply changed their attitude to Ukrainians in 2010. A Levada-Centre survey showed that after media coverage of the developments in Ukraine was modified, the proportion of sympathetic respondents grew from 29% in 2009 to 52% in 2010, while the share of negatively-minded Russians dropped from 62 to 36%. Russia's aggression in Ukraine is indeed diverting

Russians' attention from the problems in their own country. This has been clearly demonstrated by recent population surveys. Levada-Centre has found that the share of Russians who are watching the events in Ukraine very or fairly closely has grown from 25% in December 2013 to 60% in March 2014, while the number of those who do not keep track or have not heard of the developments has fallen from 35 to 8% over the same period.

The war will be used as an excuse to explain the steep devaluation of the rouble, the falloff in

## JUSTIFICATION OF A STEEP INCREASE IN MILITARY EXPENSES IS AN IMPORTANT PURPOSE OF PUTIN'S AGGRESSIVE POLICY

the standard of living (Russians depend on imported consumer goods to a much greater extent than Ukrainians do) and the worsening economic crisis. For example, GDP growth rates fell from 4.3-4.5% in 2010-11 to 1.3% in 2013 and may hover around zero in 2014, even without factoring in the possible negative consequences of Western sanctions. Russia's ex-Finance Minis-

ter Alexei Kudrin has said that the sanctions against Russia over the situation with Ukraine may affect Russia's economy more seriously than the Russian government expects.

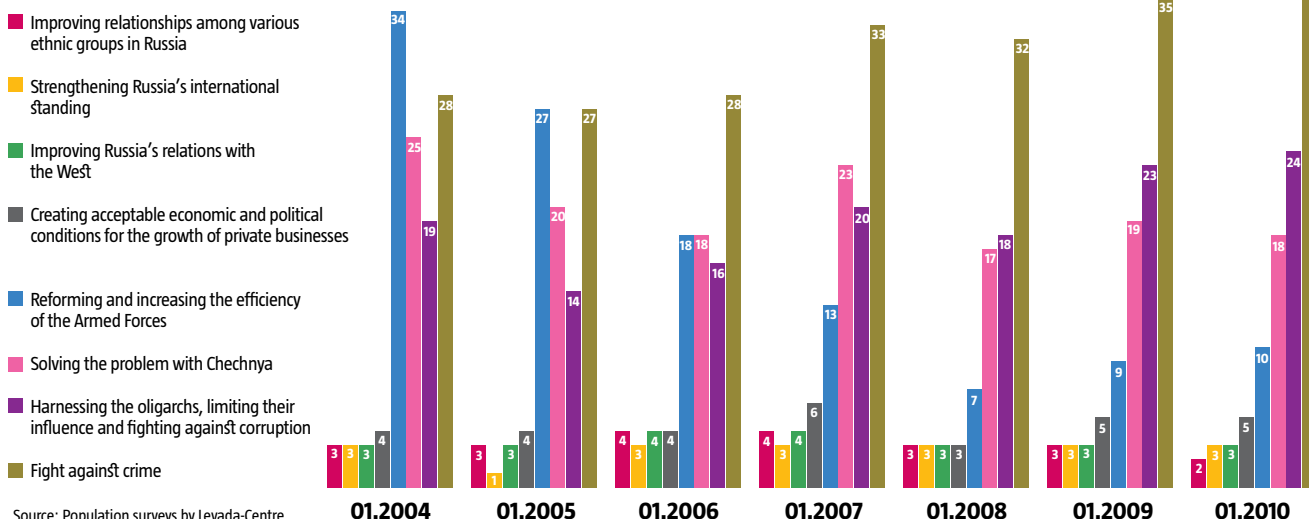
Putin's aggressive policy seems to have an equally important goal of justifying a rapid increase in defence spending with the hope of boosting the economy, because the potential for energy-driven growth is essentially exhausted. Defence spending is growing by leaps and bounds. In November 2013, Putin dramatically announced: "The overall amount of allocations for defence contracts by the state has exceeded 1.3 trillion roubles in 2013. This is one and a half times more – not some per cent but one and a half times more – than in the previous year." The total federal military expenses (2.1 trillion roubles in 2013) are already comparable to what Russia spends on education or medicine at all levels. You cannot increase defence spending so fast without a real picture of a "big war".

## THE PRICE OF PUTIN'S RATING-BOOSTING GAMES

However, Russia is paying a steep price for the Putin Administration's bull-in-a-china-shop policy pursued for the sake of shoring up popular support – the country is losing allies, instead surrounding itself with a widening circle of enemies. This once again confirms a well-known truth: Russia can never have allies along its borders, only vassals or enemies. In the present crisis, even Russia's partners in the Customs Union and the Collective Security Treaty Organization are not acting like allies, for each of these countries understands that it may be the next target after Ukraine. Belarus may be annexed, while Kazakhstan has a risk of losing, at the least, its northern and north-eastern regions, which are dominated by Russian-speaking descendants of settlers from the European part of Russia. Putin's invasion was supported by the semi-overthrown Assad regime, which controls only a small part of its own country, and North Korea, humiliating and symbolic as it is. They were joined by the puppet

## Putin's major achievements in the eyes of Russians

In your opinion, what are Putin's major achievements during his rule, and what has he handled the worst? (%)



regimes in Russia-occupied territories – Abkhazia, South Ossetia and Transnistria.

The West is highly likely to ratchet up its sanctions. In this case, Russia may be forced to co-operate with the rest of the world along the lines of “oil and gas in exchange for food”, as was the case with the Saddam Hussein regime at one point. According to the Russian Federal State Statistics Service, energy resources accounted for 70.6% (US \$371.8bn) of Russia's exports in 2013. Losing even a third of these revenues may give Russia's economy and its federal budget a severe shock. Nearly 60% of Russia's foreign trade is with the EU, US, other G7 countries (Canada and Japan) which have condemned Russia's actions in the Crimea and Turkey.

By feeding its population dubious “circuses” via controlled mass media outlets in an artificially created information vacuum, the Russian government may be doing just enough to make people ignore increasing problems with “bread” provision, but this policy is unsustainable in the long term. This is especially true if what Russia is faced with is not a brief “express reaction” (something the Kremlin is hoping for) but truly prolonged, systemic opposition by the wealthiest powers. Naturally, sanctions may provoke the Kremlin into more aggression, such as an attempt to confiscate the assets of

Western investors or direct aggression against Ukraine.

However, in the present situation this scenario may lead to truly catastrophic consequences for Russia, including US and NATO military intervention. According to some sources, US and NATO leaders are trying hard to avoid making direct public threats in order not to “humiliate Russia”. However, they have in-

creasingly given to understand that they are not “ruling out any scenarios”. For example, Senior Advisor to the US President Dan Pfeiffer has said that supporting the new Ukrainian government “by all possible means” is a priority for the Obama Administration.

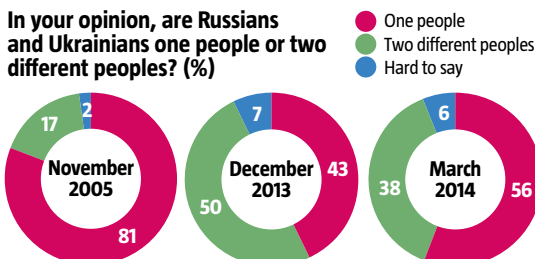
If Western pressure on Russia is consolidated and eventually reaches maximum intensity, this may well deliver a powerful blow against Putin and possibly even lead to a putsch in the Russian government. This brings to mind the Crimean War of 1853-56. Back then, the Russian Empire, the “gendarme of Europe”, looked to score a victory over the Ottoman Empire, an apparently much weaker enemy, but it turned into a shameful defeat when Russia was faced with a united front of Europe's leading powers. This fiasco led to serious internal reform in Russia, something it also badly lacks today.

This time around, though, the war may continue without the use of military force. Moreover, the well-known cyclic nature of Russian history may thwart Putin's plans. In Russia, cruel autocrats alternated with relatively liberal reformers: Stalin, then Khrushchev and Brezhnev; then, briefly, Andropov and Chernenko; and again liberal Gorbachev and Yeltsin. Now, Putin has been ruling the country for 15 years. ■

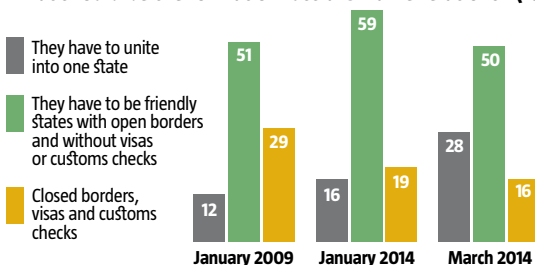
## Denying the right to exist

Echoing Putin's propaganda, most Russians subscribe to Putin's declared belief that “Russians and Ukrainians are one people”. This is a way to form ideological foundations for annexing Ukraine

In your opinion, are Russians and Ukrainians one people or two different peoples? (%)



What should be the format of Russia-Ukraine relations? (%)



Source: Population surveys by Levada-Centre on 7-10 March 2014



# Oleksandr Bondar:

## "The lack of discussion about ways to reduce the power of oligarchs is a grave mistake"

Ex-Head of Ukraine's State Property Fund Oleksandr Bondar on handling oligarchs that lay the golden eggs in the wrong place

Interviewed  
by Yuriy  
Radchenko

**O**n the wave of patriotism spurred by external aggression, fewer and fewer people risk criticizing the tactics and, even less so, the strategy pursued by the Ukrainian government. Any voiced doubts may be easily interpreted, in the best-case scenario, as a lack of patriotism.

Few people realize that the price of returning to the non-critical, totalitarian ways of thinking and total support of anything even for the sake of the most patriotic

goals may actually be too high. The recent events – from direct appointments of oligarchs to high offices in the executive government to the reorganization of the Ministry of Revenues and Duties into the Tax Administration and the Customs Office and to the flat refusal to cancel the absolutely disastrous pension reform – clearly point to the direction in which the current government is heading.

So far, Ukraine has the same coterie of oligarchs with certain division of authority and spheres of

influence, and hence property, but they are not as bold and prominent as they used to be. In this sense, even foreign governments show a better understanding of the underlying causes of Ukraine's problems as can be seen from the arrest of Dmytro Firtash in Austria on 12 March on a US warrant.

This makes it all the more interesting to meet with a specialist who stands by his professional principles regardless of the political situation – ex-Head of Ukraine's State Property Fund Oleksandr Bondar. He urges Ukrainian parliament to immediately consider two draft laws, On Returning Capital and On Eliminating Private Monopolies.

**U.W.:** Could you please explain why you want to carry out re-privatization, even though large capital (companies like Microsoft, General Motors, Shell and others) is known to be the foundation of national economy? There is a saying, "what's good for General Motors is good for America". By the same token, "what is good for Kolomoisky, Firtash and Akhmetov" should be good for Ukraine, shouldn't it? Is it worthwhile to kill the goose that lays the golden eggs?

No-one is suggesting killing the goose. It should only be forced to lay its golden eggs in its own roost rather than that of a neighbour! There is a serious difference between oligarchy and large business. The examples you have mentioned illustrate the latter but not the former.

Big business does not have direct leverage with the authorities. It does not own mass media outlets through which to indirectly influence the government or society. Its resources are not so diverse. In ►



PHOTO SEND AUTOPROM

other words, these are not the trusts and cartels we see in Ukraine. Big business keeps its money in the country of operation or in its legal branches rather than hides them away in Cyprus or offshore areas. Finally, today big business does not support criminal regimes like that of Viktor Yanukovich.

What I am trying to do through the proposed draft laws is precisely turning oligarchy into big business. In other words, I want to bring oligarchs back to patriotism and market economy. I am not a person of socialist persuasions; I believe in cultural, socially-oriented capitalism. I worked in the State Property Fund for 12 years and held the top office there for five years. I have been dealing with privatization for the past 20 years. Therefore, I cannot be opposed to big business which has taken shape in the country with my involvement. No-one is laying claims to someone else's capital. The task is to bring it back to Ukraine.

If you are Ukrainian businessmen and link your future with Ukraine, keep your money here, rather than abroad – this is the foundation of a healthy economy. However, our oligarchs live outside the country, buy real estate there, send their children to study abroad, so to them Ukraine is only a source of income. But there are examples worth emulating! Mittal Steel did not create an offshore structure but founded a subsidiary in Ukraine. The same is true of Sibirsky Aluminium and countless Western companies. So what keeps our own businessmen from working in a civilized fashion?

There is also another aspect – there are no other monopolies on the Western markets except natural monopolies. In contrast, Ukraine's economy is fully monopolized by private companies, which means that a law on returning capital should be enforced jointly with another one, on fragmenting private monopolies. Everything will then be transparent. Is this a fight against oligarchs? Yes, it is. I propose having influential wealthy businessmen instead of oligarchs. But this is absolutely not a "fight against the rich".

**U.W.: In this light, what should we make of the government's decision to appoint businessmen regional governors?**

Oligarchs wielding power is the most frightening thing there is. Evidently, this is a temporary measure aimed at rallying society in the face of external aggression. But I'm not sure it will work. I personally know both Serhiy Taruta and Ihor Kolomoisky and don't think they are indeed able to rally the regions where they are now working or are compromise figures for these territories. It doesn't take much time to put "your own men" in key offices in the regions. The question is whether there is a way to take them out of there...

Mind you, after these appointments neither parliament nor experts have discussed either bringing capital back to Ukraine or ending the total monopolization of our markets by private companies. No-one is offering any alternatives, even though this issue was raised at the Maidan many times. Therefore, there is a real danger that the "old-new" oligarchs will entrench themselves in their offices with time and the evil economic system will operate as it has done until now.

It is believed that now is the time to defend Motherland rather than recover capital hidden offshore. However, economic security

is a part of national defence. It can and should be coupled with military defence. I don't know how the economy is going to survive without such measures. What we see is a great, perhaps even fatal, threat!

**U.W.: Could it be that your proposals are too radical, considering that you suggest confiscating 50% of capital and nationalizing companies in case of refusal to voluntarily re-register them in Ukraine?**

When we held discussions about this topic within the Svoboda (Freedom) party, some said it was too liberal. Now, when these same questions are being debated within the present coalition, Freedom is being accused of radicalism.

The figures are not set in stone. Rather, we are talking about a general principle! There is a procedure for reviewing a draft law in committees; there is the first and second reading. Make your own proposals and improve the bill! Let them pay a "tithe" as Vitaliy Klitschko suggested. Or let them keep 100% of their money on their companies' accounts. Any consensus decision will do, but the problem itself must be urgently resolved.

The loans the Ukrainian government is taking out now will have to be paid back, just like the huge loans the country obtained under Yanukovich. The USA is giving us as much as a billion dollars; we have received 600 million from Europe; the IMF promises US \$15bn under very strict conditions. Meanwhile, according to the Finance Ministry, the financial gap for 2014-15 is some US \$35bn. Add to this the urgent need to restore a full-fledged army, upgrade production facilities, etc. At the same time, companies that are, in fact, Ukrainian [but are registered abroad] have accumulated over US \$100bn on their accounts! Doesn't it make sense to put this financial power to use? Moreover, this will serve the interests of the companies' owners as well.

The situation is special in that if you reject an agreement-based solution to the problem of offshore assets, "arbitrary" alternatives will begin to emerge and take shape with time. These will range from total re-privatization to nationalization or even something worse. It is no longer possible to stop the

#### INFO ON THE DRAFT LAWS

##### **On Returning Capital Located and Registered in the Republic of Cyprus, Offshore Zones and Other Jurisdictions Exempt from Double Taxation or Those That Have Preferential Taxation Terms**

1. Within three months from the passing of the law, physical and legal persons registered in Cyprus and other jurisdictions with preferential taxation terms voluntarily (this is emphasized in the text) transfer their ownership rights to production facilities, movable and immovable property in Ukraine and the money on their accounts to economic entities in the territory of Ukraine. (In other words, they transfer their assets to Ukrainian jurisdiction). During such transactions, half of the money goes to the State Budget and the other half can be spent exclusively to develop the economic entity involved.

2. If voluntary re-registration is not carried out within three months' time, such persons are removed from the Unified State Register and ownership rights to their companies are transferred to the state.

##### **On Eliminating Private Monopolies**

If the market share\* of a private monopoly exceeds 25% of the national and/or regional market of goods (works or services), the monopolist must reduce it to 25% or lower by voluntarily disposing of its property through transfer or sale (thus losing its monopolistic position). If the owner refuses to "demonopolize" his business, his assets become state property and the state reimburses the value of the property paid at the time of privatization.

\*Note: The text uses the term "share in the property", which is taken from the current anti-monopoly legislation. This is controversial, because the share of the monopoly's property may not be closely linked to the size of a goods market and even less so to that of a market of works and services.

transformation of Ukraine into civil society, the fundamental overhaul of the principles and norms for doing business in the country and social development itself. External sanctions may also come as a shock to oligarchs, as it was in case of Pavlo Lazarenko and is now happening to Firtash. Why take the situation to the extreme when there is an opportunity to solve the problem in the form of a social agreement with your own people, legalize your capital and, most important, preserve your core assets? Indeed, what it takes is simply re-registering offshore businesses in Ukraine. All income will then stay inside the country. This will solve tactical and strategic economic problems of the Ukrainian state and, after all, help the businessmen themselves.

To register and keep your money in the country where you have a business is simply the cultural norm. Mind you, a number of EU countries have no billionaires, but at the same time – and actually owing to this fact – their population is much better-off than the Ukrainian people are. The secret is simple: progressive taxes and strict enforcement of anti-monopoly legislation.

**U.W.: How transparent can privatization by oligarchic groups be in Ukraine?**

I have recently avoided touching on this topic for two reasons. First, whether privatization is legitimate or unlawful is always subjective. Second, a large-scale revision of its results is an international scandal. Moreover, in the current conditions in Ukraine this will inevitably lead to corruption and transfer of property between oligarchic groups, especially now that oligarchs have direct executive authority. Trying to change anything that happened in the past is a sure way to invite more problems in addition to those we now have on our hands.

In this sense, the proposed draft laws have a much milder effect: without violating the basic principles of capitalist economy they afford an opportunity to minimize the negative aspects of “big privatization”. They will also level the playing field by expanding the circle of owners who will buy companies put up for sale to break up monopolies. At the same time, in

the process of bringing capital from abroad the state budget will be receiving money that will be used to enhance the standard of living of the population through social programmes and government-run development programmes. This money can also be utilized to stimulate small businesses.

**U.W.: Oligarchs have diverse assets scattered across dozens of companies most of which are registered abroad and are outside Ukraine's jurisdiction. How are you going find these assets from the purely technical point of view? Is there any guarantee that some of the companies will not be sold to associated business structures?**

That is the essence of the proposal. If we use coercion, it is indeed almost unfeasible, and the task will then be somewhat like the decades-long search for the “treasures of the Reich”. That is why we are suggesting a voluntary mecha-



**IF YOU REJECT AN AGREEMENT-BASED SOLUTION TO THE PROBLEM OF OFFSHORE ASSETS, “ARBITRARY” ALTERNATIVES WILL BEGIN TO EMERGE AND TAKE SHAPE WITH TIME, RANGING FROM TOTAL RE-PRIVATIZATION TO NATIONALIZATION**

nism: the scheme is interesting to oligarchs, because it lets them keep their companies. Under any other scenario, they will lose either their plants, or, as we can see, their will. The longer we drag our feet with this decision, the bigger the potential losses are.

There are virtually no other viable options. If the system is “frozen” again and “their” oligarchs are replaced with “ours”, we will experience an explosion, instability, default, depreciation of assets and the danger of total nationalization.

“Associated structure” is a term taken from anti-monopoly legislation, from the laws on privatization. Such structures are tracked down using registration codes – this was the reason for introducing the business registration system in the first place. There are no technical problems;

tried and tested methods of proving association between businesses are used here. People in Ukraine's Anti-Monopoly Committee and the Tax Administration know very well who owns which company. Incidentally, there is an equally good method of proving collusion involving unrelated business structures. A vivid case in point is the cancellation of the competition to buy the Odesa Portside Plant the bids offered by “competitors” were not significantly different from each other.

**U.W.: The review of your draft laws by the Verkhovna Rada Expert Directory says that any nationalization is carried out only in conditions of a dire social need or force majeure circumstances.**

What can be more force majeure than the present situation: the country is essentially in the state of war, and the economy is teetering on the brink of default? In conditions like these, Western countries resorted to much more serious measures in their time. In Georgia, the oligarchs were simply arrested, and no-one said a word. Moreover, my draft laws put special emphasis on the norm about reimbursing money (the nominal price at the moment of privatization) to former owners even during nationalization. Therefore, there is no contradiction with the norms of the Constitution or international legislation.

**U.W.: Many people doubt whether it is advisable to privatize infrastructure sectors, because private management is not more efficient than state management.**

This is a question related to the political and economic foundations of the country. The idea that private management is much more efficient than state management is, no doubt, a myth – both operate in the same conditions and commit abuses by exploiting the same loopholes. However, in the condition we are in, neither this question, nor the question of further privatization in general is not on the agenda. To determine which management is more efficient in each specific case, we must first create competition, eliminate monopolies and put money to work inside the country. In Ukraine, rather than abroad! ■



# Mykhailo Honchar:

“Ukraine is paying a huge price because its politicians do not know the basics of economics and security”

**T**he energy sector was always the sore spot that Russia hit every time Ukraine went “too far” in exercising its independence. And the Kremlin was always able to bring the “unruly” Ukrainians into line again. This is how it was, but now things have changed: Ukrainians are no longer afraid of pain and have a chance to fundamentally reform the energy sector in the interests of society. *The Ukrainian Week* talks to Mykhailo Honchar, one of the few professional Ukrainian experts who view this sector from the standpoint of Ukrainian society and national security rather than personal gain.

**U.W.: In connection with the recent revolutionary events in Ukraine, the European Union has announced it has a serious intention of helping Ukraine overcome energy-related problems. Can the EU offer anything new?**

In my opinion, nothing new will be offered. There is no need for that, because the agenda for Ukraine-EU energy cooperation was set nearly nine years ago and is still valid today. It was first formulated in a strategic document, the Yushchenko-Blair memorandum of 1 December 2005, and established forms of cooperation in the energy sector. Cooperation was launched nine years ago, but today there is little to show for it. Less than a third of the plan has been realized. At the least, the to-do list is longer than the list of what has been done. There is essentially just one question that has been resolved: secure operation of Ukrainian nuclear power-generating units, which was a sensitive issue in Ukraine-EU relations.

On the issue of oil and gas and the respective markets, there has been minimum progress and even that largely on paper. For example, Ukraine acceded to the treaty of the European Economic Community (EEC) as late as in 2011, even

**Interviewed by  
Lyubomyr  
Shavalyuk**

though it had to be done earlier. But this step did not bring any significant results anyway. The reason is that the Ukrainian government – regardless of who was the president and prime minister – largely imitated action rather than acted.

Take, for example, the very practical project to modernize Ukraine’s gas transportation system (GTS). The Brussels declaration to this effect was signed (incidentally, when Yulia Tymoshenko was the prime minister) on 23 March 2009 in what was Europe’s almost immediate reaction to the 2009 gas crisis. Nothing has been done since then to implement it. If Ukraine had tackled this project right away and the EBRD and the European Investment Bank (EIB) had provided financing, we would now be speaking about its final

stage, because its most time-consuming subprojects, such as the replacement of the pipeline infrastructure and gas compressing units, were to take seven years.

**U.W.: Why has Ukraine chosen to imitate activity rather than make real changes?**

In the conditions of the economic and political system that was in Ukraine until very recently – I hope it will now be transformed – the leadership of the country had other priorities. An oligarchic economy must have a shadow sector to replicate itself. It needs large public contracts to extract the lion’s share of their budgets and non-transparently redistribute money within a coterie of players. European projects financed by the European Commission, the EBRD



and the EIB are transparent. You cannot steal anything there, because all expenses are clearly specified. That is why these initiatives are a priori unattractive to the key Ukrainian players, and not only in the energy sector.

**U.W.: So it appears that if Ukraine now launches similar transparent projects, they will be a litmus test for the maturity of Ukraine's political system?**

Absolutely. Ukraine is paying a huge price because its politicians do not know the basics of economics and security. Let me give you just two examples. First, one of the cornerstones of doing business is diversification. It applies not only to energy resources but to the entire economy in general. Your business must be diversified if you want to keep it afloat when one sector fails. Second, the minister of defence recently announced that Ukraine is not ready to contain Russia militarily, because we have never expected a threat from there. But the government and the military cannot ever think like that. They must be prepared for anything, including a threat from the least likely direction. There are no permanent friends, just permanently changing interests.

Thus, in the 23<sup>rd</sup> year of independence, we are finally beginning to sense what price we are going to pay if we remain ignorant of the fundamentals. All of these things are in the textbooks read by all masters of public administration, people with degrees and those who graduated from the academies run by the General Staff. However, in their practical activity, they were guided by blind faith in luck, so now entire society has to pay a price. It has allowed people like that to come to power, distribute social resources and pursue this kind of policy.

**U.W.: The EU is ready to help Ukraine upgrade GTS and invest into its underground gas storage facilities. In which of the two does the EU see its biggest interest?**

GTS and facilities make an integral complex technologically so they are always discussed as one. The EU, however, has a different approach to running the business: gas transportation is one thing, storage is another thing, i.e. different companies should run these

two businesses. Europeans are interested in using the potential of Ukraine's GTS for transportation, including reverse flows, and for storing gas in summer to consume it in winter. The German RWE, for instance, became a pioneer in reverse gas flows to Ukraine. On the day when Gazprom CEO Alexey Miller cancelled discounts for Ukraine in compliance with Putin's instructions starting from Q2'14, RWE CEO said his company was prepared to resume reverse gas flows to Ukraine. So, we already see the benefits of a liberalized European market, something Russia has always resisted. This market is oriented at consumers rather than the interests of suppliers – monopoly suppliers like Gazprom.

I see European rules as a challenge for the Russian business. Therefore, the latest developments in Ukraine fuelled by the Kremlin reflect its reluctance to allow rules that are different from the ones set up by Moscow into the post-Soviet territories. Transparency, accountability, competition and consumer orientation are not what Russia needs. With all that, it will have to run its business just like others do, and that means inevitable defeat for it. The Kremlin's systemic game is aimed at undermining Eastern Partnership, EEC and the EU overall. It has succeeded in fragmenting Europe's single voice in negotiations on fuel supplies by exploiting bilateral relations with the leading players, such as Germany, France and Italy, to quickly kill the initiative.

**U.W.: Does it make sense for Ukraine to build an LNG terminal?**

The prospect of building our own terminal in Ukraine is quite murky. We only have access to the Black Sea, and that raises the issue of Bosphorus. Turkey is now abusing its exclusive right to maintain security in the Bosphorus and that will be a tough issue to solve. However, it is risky to build the terminal before the solution is found. Plus, it is obvious now that the LNG terminal project lobbied by the Yanukovich regime was only needed for massive corruption. Even Russia did not use it as a trump in its bargaining game over gas price.

There are other options, too. Poland is launching its LNG terminal in Świnoujście at the end of

We have under 8bn cu m of gas in underground storage facilities, so we will face problems in the next heating season

this year. Its capacity can expand to 7.5bn cu m from the current 5bn, and more. This is sufficient for Polish consumption so they will look for clients to pay off the project cost. Ukraine can join in and buy the fuel from this terminal. For this, it needs a short pipeline in addition to the ones we already have.

**U.W.: Who has had more influence on Ukraine's failure at energy security, Ukrainian oligarchs or Russia?**

Business puts a premium on profits, but not at any cost! In normal economies, national interests and priorities, as well as security issues, draw the lines that cannot be crossed even in pursuit of big profits. In the past years in Ukraine, business operated under

**THE UKRAINIAN GOVERNMENT – REGARDLESS OF WHO WAS THE PRESIDENT AND PRIME MINISTER – LARGELY IMITATED ACTION RATHER THAN ACTED**

a totally corrupt government, and these lines were either moved or completely removed using certain channels.

Russia did not only exploit it – it cultivated this approach. Russia also has an oligarchic economy, and the only difference between Ukrainian and Russian nouveaux riches is that the Russians, just like the Russian government, have a certain geopolitical vision of “Great Russia” and “gathering of the Russian lands”. Meanwhile, to our oligarchs Ukraine is just a territory in which money can be made, so they easily betrayed national interests in exchange for profits. And Russia stimulated this attitude through schemes like RosUkrEnergo in the gas sector and earlier through Eural TransGas. It enabled certain businessmen to do highly profitable business but always with strings attached, namely political tasks. By pressing this button over and over again, the Russians forced the Ukrainian government into disadvantageous decisions that were contrary to Ukraine's interests but in line with Russia's geopolitical vision. The Kharkiv Treaties and the mysterious Moscow accords in December 2013 are two cases in point. Few people re-

European projects financed by the European Commission, the EBRD and the EIB are transparent. That is why these initiatives are a priori unattractive to the key Ukrainian players, and not only in the energy sector





member that the scheme involving RosUkrEnergo emerged after Leonid Kuchma removed a clause about Ukraine's aspirations to join NATO from the country's military doctrine. Kuchma's edit came out two weeks before his meeting with Putin in Yalta in July 2004.

So here is a conjunction of business, corruption, big politics for Russia and the "pragmatic" policy of the Ukrainian government. Now we can say what it has led to. Ukraine is a non-aligned state which no-one wants to defend. And we have been incapable of creating our own armed forces and building a security and defence system. We have lacked an understanding that non-aligned status demands even more expenses on defence, because every other country must be viewed as a potential enemy. The following mantras have been repeated to us: we are strategic partners with Russia; the Russians are a brotherly nation; there can be no aggression and so on. Nevertheless, the Tuzla incident was the first wake-up call.

**U.W.: Russia has recently said that it may stop delivering gas to Ukraine. What is the likelihood of this happening, considering that Russia has contract obligations before European countries which it must honour?**

Russia can do it. Moreover, I believe they have made technical preparations to reduce or discontinue deliveries to Ukraine without affecting gas transit volumes to Europe. But this is precisely where the trap is. The next step, as we already know, will be an allegation

that Ukraine is syphoning off gas from the pipeline. What will happen in reality, however, will be a pressure drop-off in the pipeline which will cause the system to use more power gas to sustain the flow. Moscow will then try to redirect as much gas as possible via the Nord Stream. It has the capacity of 55bn cu m per year, but less than 20bn cu m is being pumped. Moreover,

and the Europeans can see that. They understand that Russia will do everything to show Ukraine as the guilty party and persuade the European Commission to change its policy on the South Stream. Things that have been brought up again include the third and fourth strands of the Nord Stream, the Yamal-Europe-2 gas pipeline bypassing Ukraine and so on. Russia will try to push through all of this, but I believe that they have a case of overkill here. The other day, the European Commissioner for Energy clearly said that negotiations over the OPAL pipeline and South Stream have been postponed indefinitely. Russia believed that by provoking a crisis in Ukraine it would urge the EU to make quick decisions. In late January, the European Commission was essentially ready to pass them but took a pause to see what was really going on. This is a case when European bureaucracy has benefited both the EU and Ukraine.

**U.W.: The Customs Unions is imposing sanctions on petroleum product deliveries to Ukraine. Moreover, due to the schemes run by Serhiy Kurchenko and Viktor Yanukovych's Family, the official imports of petroleum products to Ukraine fell nearly 80% in 2013. Is there a risk of petrol shortages in Ukraine?**

I view this as one of the levers of pressure on Ukraine. In addition to military pressure, Ukraine is now facing a wave of economic pressure: higher gas prices and now disruption of oil deliveries. The Russians understand that we

## TO RUSSIA, GAS IS NOT JUST COMMODITIES. IT IS POLITICAL LEVERAGE

Russia enabled certain businessmen to do highly profitable business but always with strings attached, namely political tasks. By pressing this button over and over again, the Russians forced the Ukrainian government into disadvantageous decisions that were contrary to Ukraine's interests but in line with Russia's geopolitical visions

under the EU's Third Energy Package, 50% of the maximum capacity must be reserved for access by other suppliers. Russia will press the European Commission to make an exception for the OPAL pipeline, which is an extension of the Nord Stream and runs north of Germany. Russia will demand that it be operated at full capacity in order to save Europe from the "unreliable and unpredictable" Ukraine. Russia is prepared to pull off this manoeuvre but doubts its efficiency. First, few countries now believe the Russians. Second, the timing is off: it's not January but a warm March outside. Third, Europe has surplus gas in its storage facilities. Experts estimate that these reserves will last 40 days, so there will be no catastrophic consequences.

Therefore, the EU is calm about this threat, but the problem will persist for the next heating season



largely consume imported ready-to-use petroleum products, because our own refineries are standing still thanks to their Russian owners who have rendered them unprofitable. The bulk of petroleum products, up to 40%, are being imported from Belarus, which is a member of the Customs Union and is making these products from Russian oil. That is the reason why Russia is putting pressure on Belarus to obtain the desired effect. However, there was no catastrophe last year when the Mozyr Oil Refinery, the biggest supplier of petroleum products to Ukraine, was shut down for a month-long overhaul. If this is any indication, nothing bad will happen in the future. In 2013, Belarus imports were replaced with Lithuanian imports. If the channel from Lithuania is blocked, Ukraine can bring imports through Poland. In other words, we can neutralize this threat. There may be temporary price hikes, but nothing more. Ukraine has also imported petroleum products by sea from a Romanian refinery owned by Russian Lukoil. The situation may become

problematic if the Russian Black Sea Fleet blocks Ukrainian ports or if there is intervention into Ukraine's southern oblasts (Kherson, Mykolaiv and Odesa) and access to the sea is blocked. In this case, we will only have the Western direction from which to receive petroleum products. We should be thinking about this now.

**U.W.: How quickly can Ukraine build a plant to produce nuclear fuel? In the light of recent events, is it feasible to resume uranium enrichment in order to restore nuclear status for Ukraine?**

As far as nuclear status is concerned, it takes time and a lot of money. Moreover, many international legal issues arise. We have acceded to the Non-Proliferation Treaty as a non-nuclear state. Naturally, the behaviour of the states that have guaranteed our security de facto unties our hands but they remain tied de jure. It is a question of big money and a lot of time. That is why I view such talk not as an incentive to real action but as a means of creating a kind of political-psychological counter-pres-

Russia believed that by provoking a crisis in Ukraine it would urge the EU to make quick decisions. In late January, the European Commission was ready to pass them but took a pause to see what was really going on. This is a case when European bureaucracy has benefited both the European Union and Ukraine

sure. There is also an option of obtaining nuclear weapons illegally, but this requires a highly functional government apparatus. As of today, Ukraine is not prepared to handle nuclear weapons.

As far as nuclear fuel is concerned, there has been an understanding – ever since the discussions in the 1990s – that this project is much needed. However, my assessment has been unchanged: we cannot and have no right to do it jointly with Russia. In nuclear power generation, we have strategic dependence in on Russia, so why increase it? It would mean returning to where we started... A Russian company was chosen as Ukraine's partner. What else is there to say? Will this company be implementing this project now? And if it will, in what condition will this plant be, and what will it be producing? There is no doubt in anyone's mind that they want to burn the money and shift the debt onto Ukraine. We can now see that projects of this kind cannot be purely business projects – other aspects also need to be taken into consideration. ■



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# How Far Will the West Take It?

The West regards Crimea as a lost cause. The key aim now is to prevent any further Russian incursions into Ukraine

**T**hough deeply alarmed by Russia's seizure of Crimea and determined to keep up the pressure on Moscow with sanctions, asset freezes and possible expulsion from the G8 group of nations, the West regards Crimea as a lost cause, with little chance of reversing the results of the peninsula's referendum. The key Western aim now is to prevent any further Russian incursions into Ukraine and to make it clear that fresh military action in support of pro-Russian demonstrators in eastern Ukraine would trigger a much more serious crisis. This, Western politicians say, could even lead to an East-West military confrontation as serious as anything seen since the height of the Cold War.

Western statesmen are well aware that President Putin has calculated that the response to his lightning occupation of Crimea would be hesitant and half-hearted. They know Moscow was counting on divisions between NATO allies, the self-interest of European countries with economic and energy links to Russia and public alarm at any further escalation. These, he believed, would limit the West's response. And so far they have. But Western leaders are determined that Putin should nevertheless pay a price for his actions and should be deterred from further aggression by a clear signal of Western anger.

That signal was sent immediately after the vote on Sunday. European leaders went further than expected in agreeing a package of measures that will hurt those closest to Putin and those responsible for Russian actions in Crimea. The West knows this is unlikely to force a Russian withdrawal. But it is determined to keep up the pressure, even if this leads to a new

Cold War that could cut Russia off from normal relations with the West for many years.

Western politicians are still trying to keep open the door for negotiations. They believe that even the limited sanctions so far agreed will cause real concern in Moscow, especially if the Kremlin sees that Russia's economy will suffer, investment in Russia will fall and Europe is to begin long-term moves to reduce dependence on Russian gas. As John Kerry, the US Secretary of State, and others have warned Sergei Lavrov, the Russian foreign minister, any further provocations or intervention in Ukraine would bring about a much more forceful Western response.

The aim is to persuade Moscow quietly to begin talks – direct, or through intermediaries – with the Ukrainian government, to defuse tensions in eastern Ukraine and to play a constructive role in keeping Ukraine together (minus Crimea). There are still hopes that Russia might eventually join a contact group or join the West in proposing a looser federal structure for Ukraine with outside economic support.

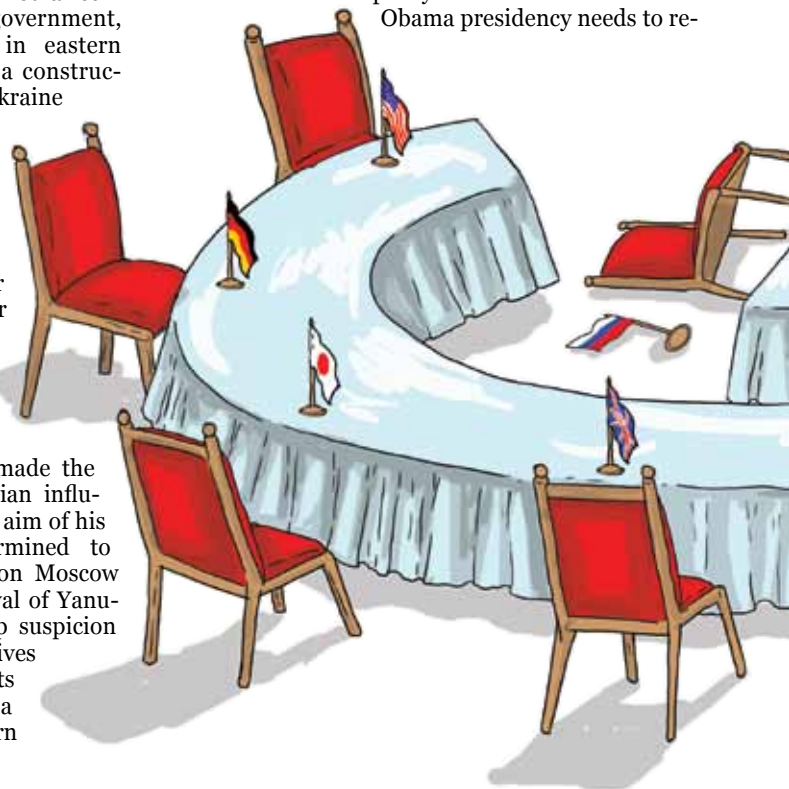
The difficulty, however, is dealing with Putin. He has made the reimposition of Russian influence in Ukraine a key aim of his policy. He is determined to avenge the humiliation Moscow suffered in the removal of Yanukovich. And his deep suspicion of all Western motives has taken on a life of its own, reinforced by a stream of anti-Western

**Author:**  
**Michael Binyon**

and especially anti-American propaganda that it will be hard to reverse without further loss of face.

Western policy, therefore, is now focused on two strategies. The first is to lay out the scale of further sanctions that could be imposed and make clear to key decision-makers in the Kremlin and those around Putin the damage these could do to Russia's already stuttering economy. The second is to contain Russia's ability to cause trouble elsewhere, either in the Middle East or in damaging Western economic interests.

To do this, the West needs to show unity and solidarity. This is not easy. The US has been tougher in its response to Moscow, partly because it has little economic interest in Russia, and partly because a weakened Obama presidency needs to re-



but taunts by his domestic enemies that he is already a lame-duck leader unable to project American power. Europe, by contrast, is divided into two groups: the Baltic states and those former communist countries which have been deeply alarmed by Russia's actions and fear that Moscow may stir up trouble among their own Russian ethnic minorities; and the larger Western countries such as Germany, Britain and France which have so far been reluctant to sacrifice their own important economic links to Russia – in Germany's case over energy supplies, in Britain over Russian financial involvement in London and in France over the proposed defence sales.

The West has nevertheless so far stuck together in its response over Crimea. The bigger question is whether it will stick together in confronting Russia much more forcefully should Moscow attempt to intervene in eastern Ukraine.

Would an attack on Ukraine trigger a NATO military response? The answer is probably no. First, Ukraine is not a NATO member, and therefore Article 5 – stipulating a joint response to an attack on any one of its members – does not apply. Secondly, despite public disdain for Putin and his dictatorial style of government, there is little warm enthusiasm for Ukrainian politi-

cians, who appear to have mismanaged the economy and undermined democracy almost from the start. And thirdly, getting involved in a regional war greatly increases the danger that this could become an all-out East-West confrontation.

A unilateral attempt by Russia to change the borders of Europe has nevertheless already caused considerable alarm and set a dangerous precedent – even though the West has supported the unilateral declaration of independence from Serbia by Kosovo. Western countries might offer Ukraine military advice and even some weapons. But there is no appetite at the moment to offer Ukraine formal membership of NATO. Not only would that further infuriate Moscow; it would also probably exacerbate the east-west divisions within Ukraine. There was little support in Britain to offer NATO membership to Georgia, either before or after the Russian intervention in 2008.

The Crimean crisis and how the West should respond have been headline news in Britain for two weeks. But neither the Government nor the opposition has suggested a military response to Moscow. At the same time, British politicians are urging the new Ukrainian Government to take more steps to calm the internal divisions, remove far-right elements from the new government, reinstate Russian as an official regional language and resist provocations by pro-Moscow activists in Donetsk, Kharkhiv and other eastern cities.

This is seen as the best way of preserving the integrity of Ukraine (apart from Crimea) – and also of preventing its economic collapse. The West is probably now ready to offer considerable financial support – though not the full USD 35bn which Ukraine says it now needs to avoid economic disaster.

Britain and the United States have announced that they are suspending military co-operation with Russia, and France said it was also considering such a move. This is part of the NATO decision to review all aspects of the alliance's relations with Russia. It is

more of symbolic than of strategic importance, as Western countries have few institutional links with the Russian military. But it does isolate Russian commanders from the latest Western strategic thinking, and will increase uncertainty in Russia over NATO's tactics and intentions.

Britain is also to suspend GBP 80mn in proposed arms sales to Russia – a tiny fraction of Russian military spending, but including specialist equipment that was needed to modernise the Russian armed forces.

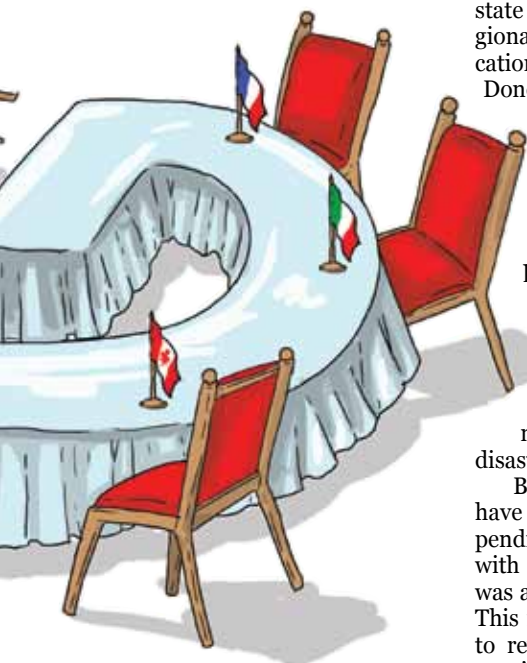
In 2008 there was little NATO cooperation with Russia, but after the Russian intervention in Georgia, western nations halted all existing military-to-military links. These were quietly reinstated a year later.

Those who argue that Britain has a duty to intervene on

**SUSPENSION OF MILITARY CO-OPERATION WITH RUSSIA IS MORE OF SYMBOLIC THAN OF STRATEGIC IMPORTANCE. BUT IT ISOLATES IT FROM THE LATEST WESTERN STRATEGIC THINKING, AND WILL INCREASE UNCERTAINTY OVER NATO'S INTENTIONS**

Ukraine's side because it is one of the signatories of the Budapest Agreement are probably too optimistic. Britain was also one of the three guarantor powers that signed the agreement on the integrity of Cyprus after its independence. But Britain did nothing to respond militarily to the Turkish military intervention in 1974, and has instead for the past 40 years urged both sides to negotiate directly with each other.

This raises the bigger question of how international law can be upheld if international treaties are not observed. In the end, such issues can only be resolved in the United Nations. And Russia has a powerful voice and a powerful veto. So far, the rest of the world has managed to isolate Russia over its actions in Crimea. Whether such isolation in the long-term will force Putin to change his policies remains to be seen. ■





# All For One

The alliance must banish the suspicion that it would not always defend its eastern flank

**I**N 1997, when the world was a gentler place, NATO and Russia came to a far-reaching security agreement. As part of this, the Kremlin accepted the idea that several countries from the former Warsaw Pact would become full members of the alliance; in return, NATO agreed not to mass lots of troops, equipment and nuclear missiles on Russia's border. Now Russia's president, Vladimir Putin, has annexed Crimea and is threatening eastern Ukraine. This is particularly scary for the three Baltic states which became members of NATO in 2004: Estonia and Latvia both have Russian-speaking minorities of the sort Mr. Putin "protected" in Crimea, while Lithuania stands between mother Russia and its Kaliningrad exclave. All three have been a target for Russian mischief, from cyberattacks to mock invasions.

The Balts worry that the West will not protect them (see article). It is not hard to see why. Mr. Putin has an inkling that NATO's newer members are second-class citizens. There is some truth to this. For a long time before Russia's annexation of Crimea, the alliance's western powers pooh-poohed warnings from east of the Oder that Russia still posed a threat. NATO refrained from drawing up contingency plans against a Russian attack on its former vassals or from holding exercises to demonstrate that it knew how to defend the east. Even today, when it does have plans and exercises, only 136 of the 66,217 American troops in Europe are based in the central and eastern parts. Until now, Russian aggression towards the Baltics has been met with words from the West, and little else.

Instead, the West should forcefully reassert NATO's willingness to defend itself and make it clear that all members of the alliance share its complete protection. In particular, that means



other NATO members sending at least a few troops, missiles and aircraft to the Baltics (or to neighbouring Poland), and making clear that bigger forces will follow if there is any continued aggression from Mr. Putin.

Why go that far? Plenty of people in the West would prefer to

**THE GREATEST PROVOCATION  
TO MR. PUTIN IS TO FAIL TO  
STAND UP TO HIM,  
AND THE LEAST COSTLY TIME  
TO RESIST HIM IS NOW**

"wait and see". The Balts have the promise of protection, they point out, so there is only danger in provoking Mr. Putin. Wishful thinkers say that having made his point in Crimea, he will probably stop while he is still ahead. Instead of ratcheting up tension, the West should provide "off-ramps" that steer Russia towards détente. Other hard-nosed foreign-policy "realists" argue that Russia has legitimate interests in its near-abroad. It is madness, they say, to pick a fight when Russia and the West have other business to be getting on with—Syria's civil war, Iran's nuclear programme and China's growing power.

## HOT FOOT FROM THE COLD WAR

In fact the opposite is true. The greatest provocation to Mr. Putin is to fail to stand up to him, and the least costly time to resist him is now. Emboldened, Mr. Putin could test NATO's resolve by changing the facts on the ground (grabbing a slice of Russian-speaking Latvia, say, or creating a corridor through Lithuania to Kaliningrad) and daring the alliance to risk nuclear war. More likely he would try destabilisation—the sabotage of Baltic railways; the killing of Russians by agents provocateurs; strikes, protests and anonymous economy-wide cyberattacks. That would make life intolerable for the Balts, without necessarily eliciting a response from the West.

Either way, if the Balts begin to disintegrate, it would leave the West with a much less palatable choice than it has today: NATO would have to walk away from its main premise, that aggression against one is aggression on all, or it would have to respond—and to restore deterrence, NATO's response would have to be commensurately greater. That in turn would pose the immediate threat of escalation.

Better to take steps today, so that Mr. Putin understands he has nothing to gain from stirring up trouble. Barack Obama, visiting the alliance's headquarters this week, made a start, by reaffirming the principle of mutual protection and saying that some American troops would be shifted eastwards. More is needed. More exercises should take place in Eastern Europe. The region's air and cyber defences need boosting. NATO's next head, to be appointed in September, should be someone who understands Russia—Jens Stoltenberg, a former Norwegian prime minister, or Radek Sikorski, Poland's foreign minister. The alliance should work with Sweden and Finland and leave the door open to their membership. And all members should honour their pledge to spend 2% of GDP on defence.

With its difficult mission in Afghanistan drawing to a close, NATO had been looking for a purpose. Mr. Putin has given it one. If the leaders of NATO countries can show they understand that, then all of Europe will be safer. ■

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# A UKRAINIAN FOREIGN LEGION

Does Ukraine need mercenaries in its army

**SOLDIERS OF FORTUNE.** The French Foreign Legion was always a place where people from the whole world went to in order to earn money and clear their reputations

**Authors: Bohdan Butkevych, Stanislav Fedorchuk**

**T**he use of foreigners as mercenaries in wars is a long-time military tactic. In this day and age, when virtually all armies in the world are professional, two basic mechanisms for the formation of military detachments made up of foreigners exist. One is the patriotic-mercenary based on the Israeli experience, the other one is classic mercenary from France. Ukraine, a geopolitical outpost of the battle against Putin's imperialism, has every chance to engage quite a few mercenaries from the Baltic States, Central Europe, Transcaucasia and others for this battle, not to mention from the numerous Ukrainian diaspora. These are not

only "soldiers of fortune", thirsting for money, but also ideological fighters who oppose Russian expansionism. The main obstacles to this are a lack of funds and Ukrainian legislation, according to which, foreigners do not have the right to serve in Ukraine's Armed Forces.

## STARTING LIFE WITH A CLEAN SLATE

Many countries, such as the USA and Belgium, permit foreigners to serve in their armed forces in exchange for a pretty good salary and certain privileges in the future. Even Russia has offered citizens from CIS States the opportunity to serve in the ranks of its Armed Forces since 1 January 2004. However, serving in the Russian Army requires them to

take Russian citizenship from the moment they start serving. One of the main reasons why Moscow decided to recruit people from the CIS was because of the unsatisfactory status of recruitment in Russia. Great Britain has a tradition of engaging ethnic groups, such as Sikhs in India and Gurkhas in Nepal, in its military service.

The French Foreign Legion, the most famous formation existing legally to this day, is made up of classic mercenaries. Its combat history began in 1831, when French King Louis Philippe I decided to establish this detachment to engage in an efficient war for colonies at a time when his own army was inadequate to fulfil the task. This also allowed the then government to get rid of much of the undesirable elements of society, which joined the Foreign Legion





en masse in the hope of earning themselves pardons and prosperity.

From the very start of the Legion's existence, anyone from any country could join, regardless of their past and with dedicated service, they could cleanse their image, earn money and start their lives with a clean slate. Enlistment rules provided for complete anonymity on the part of recruiters and actually offered the opportunity to conceal their real persona. Little has changed since then. Possibly only a person wanted by Interpol cannot join. The Legion's career officers are selected from the ranks of the regular French Army, while volunteers come from literally all corners of the world.

Legislatively, the Legion is part of the regular French Army. It is made up of 11 regiments with 7,699 legionnaires from 136 countries of

the world. More than 600,000 soldiers have served in the legion over its entire existence. Of them, 36,000 died in combat. Previously, the majority of legionnaires came from Western Europe, particularly Switzerland, Spain and Germany, but since the early 1990s, the majority of legionnaires have come from Eastern Europe and the Balkan Peninsula, specifically Ukraine, Croatia and Serbia. Only men aged between 17 and 40 are accepted for duty. The first contract is signed for a period of five years, after which the legionnaire has the right to apply for French citizenship. Valid grounds for gaining citizenship include combat injury, the rank of sergeant and at least three years of service. The average salary is about EUR 1,500 per month, which is doubled or tripled in case of participation in combat.

The Foreign Legion only has the right to execute military tasks outside France. The geography of its operations covers literally every continent, with participation in all of France's wars in the 19th and 20th centuries. In recent times, the Legion participates ever more often in peacekeeping missions, particularly engaged in policing operations. Legionnaires fought in the Persian Gulf, were in Cambodia and Somalia, also conducted a mission in the Balkans for 10 years (1993–2003). At present, they are executing their obligations to France in Guinea, Djibouti and Cote d'Ivoire, as well as in Afghanistan.

### ISRAELI EXPERIENCE

The structure and principles for the recruitment of foreign volunteers to the Israel Defense Forces (IDF or Tzahal) are fundamentally different. Volunteers have patriotic motivation as most of them are ethnic Jews. Service in the IDF does not guarantee Israeli citizenship. Instead, it is a sort of mobilisation of Jewish diasporas from the whole world to support the State of Israel and improve its defense capabilities.

Tzahal was first formed on the eve of the Arab-Israeli War, which began in 1948. About 3,500 volunteers from more than 40 countries participated in the military action of the regular Israeli Army. Most of them came from the American continent, specifically the USA, Canada and Latin America, as well as from Britain, France, Belgium, North and

South Africa. Since the Israeli Defense Army did not have its own air force, it applied for help to volunteers from all countries of the world, which became the basis of its future military aviation and won a convincing victory in the sky over hostile planes. It turned out that the pilots-volunteers included quite a few World War II veterans, who had previously fought on the side of the anti-Hitler coalition.

Israel is currently running the Mahal (translated as "volunteers from outside the Land of Israel" – **Ed.**) programme for volunteers, who want to undergo service in the Israeli Defense Forces. It operates under the control of the army's mobilisation agency and the Jewish Agency. Both men and women aged 18–25 are eligible to undergo military service in the IDF.

Candidates face a range of restrictions. First and foremost, they must have documents confirming their Jewish origins, such as parents' marriage certificates or a reference letter from the community where the volunteer resides permanently. Based on the decision of the Medical Commission, the volunteer is directed to a military unit. No

**IN CASE OF RUSSIAN  
AGGRESSION AGAINST  
UKRAINE, THERE ARE QUITE  
A FEW FOREIGNERS WHO  
WOULD BE WILLING TO  
PROTECT OUR COUNTRY**

separate formations are envisaged for foreigners, they serve together with the citizens of Israel. The service lasts one to two years. After this, the volunteer must work in a Jewish community for one year, taking part in social and humanitarian work. Non-citizens cannot serve as commanders, nor do they have access to military secrets.

The Mahal programme is not the only one that involves foreign volunteers in the ranks of the army and logistics. Others require a candidate to first work in Jewish communities and join the army after that. Some programmes entail short-term boot camp training for volunteers.

Those who do not practice Judaism can participate in volunteer programmes focused on logistic maintenance of the Army. One of the best

known is Sar-El, the Service for Israel, established in 1983. It was volunteers back then that came to work for the mobilized residents of the country's farming regions. More than 80,000 volunteers from 30 countries of the world have participated in Sar-El since its founding.

### PROSPECTS FOR UKRAINE

Ukrainian legislation does not prosecute citizens who voluntarily serve in legal foreign military formations, but provides for criminal prosecution for illegal mercenary activity. The most famous case was in 1994 when Fizuli Verdiev from Azerbaijan was arrested for recruiting 156 people to fight in the Armenian-Azeri conflict.

In case of Russian aggression against Ukraine, many experts feel that it would be expedient to establish a Ukrainian foreign legion. According to information in public sources, quite a few foreigners would volunteer. Such initiatives have already come from the Karakalpaks (a Turkic community in Karakalpakstan, an autonomous republic in Uzbekistan – **Ed.**), Georgia and the Baltic States, not to mention the Ukrainian diaspora. Not to use this resource would be very short-sighted. All volunteers should not necessarily be in the military, however giving people of good will the opportunity to protect Ukraine in wartime is definitely the right thing to do. According to information obtained by *The Ukrainian Week*, some former and current officers of the Ukrainian Armed Forces are already preparing a draft law to create a Ukrainian foreign legion.

This would clearly require legislative support, not to mention the determination of the rights and obligations of volunteers without Ukrainian passports. The experience of the French Foreign Legion and its history, first and foremost colonial wars using mercenary forces, seeking a good salary and citizenship, is hardly the one Ukraine can use. The Israeli system whereby all Jews and supporters of Israel are mobilized is more applicable for the current time in Ukraine.

Not all experts agree that Ukraine needs a foreign legion. "Clearly, money should, first and foremost, be invested in Ukrainian soldiers," Valentyn Badrak, Director of the Research Centre for the Army, Demilitarisation and Disarmament, says. "Running a foreign legion is



extremely expensive. This money would be better spent on Ukraine's own army. Ukrainians are very good fighters, something that all international training and competitions have proved. Ukrainian pilots, marines and paratroopers always score among the best in them."

Experts who, on the contrary, are lobbying for the creation of a Ukrainian foreign legion, feel that in the current situation Ukraine could use a highly-professional albeit small special force units for specific operations. Units made up of people from Muslim countries could work in Crimea, while volunteers from the Baltic States and Central Europe could serve as strike force in Eastern Ukraine. Ukrainians from the diaspora could serve under general conditions in the army, as in Israel.

As far as the structure is concerned, the Ukrainian foreign legion could be made of two battalions (500–600 soldiers), led exclusively by Ukrainian officers, while foreigners who have signed relevant military service contracts with Ukraine would serve as privates and sergeants. The legionnaires must be given a guaranteed social package and a competitive salary, although the most important motivation should be the desire to participate in the protection of Ukraine. The units should be subject to the Ukrainian Armed Forces and their respective commandment. Recruitment must be conducted with a very diligent background check by the Ukrainian Security Service and military coun-

UNSO MEMBERS IN CHECHNYA. Ukraine's informal experience of establishing a foreign legion that fought in the First Chechen War

ter-intelligence, taking the candidate's country of origin into account, his motivation to serve in the ranks of the Ukrainian Armed Forces and his level of military training. Under no circumstances should anarchy, competition with other Armed Forces units or illegal voluntary formations be permitted.

"From the military point of view, such a formation is more of a propaganda move," says Serhiy, a former Ukrainian Army Colonel who worked as a military expert in many countries. "After all, Ukraine cannot afford such large units. Yet, we must now take every effort to show others

## THE CURRENT SITUATION IN UKRAINE MAY REQUIRE THE FORMATION OF SMALL YET HIGHLY-PROFESSIONAL SPECIAL FORCE UNITS

that we are Europe's outpost in the battle against Russian imperialism, like the victory of Kyivan Rus over the new Horde, etc. Accordingly, the existence of a foreign legion as a component of the Ukrainian Armed Forces is a good and necessary step. In addition, such a mechanism always offers the opportunity to get assistance quickly and legally from our foreign partners in NATO. Moreover, during peacetime, such formations can be used in peace-keeping missions abroad, which will increase Ukraine's influence in the international arena." ■



# Russia's Tango with the Devil

**N**ot long ago, a group of prominent Russian culture personalities signed their letter of praise up to the skies fully endorsing and blessing the occupation and annexation of Crimea by Russia. It dealt a blow to many people who tried to convince themselves that a déjà vu trajectory undertaken by the revisionist state and its revenge-seeking regime would be met with contempt or at least some reservations by the most noted Russian music, theater, film and arts celebrities.

Among those who discredited their names, are dozens of talented people whose merits and credentials in music and arts are too obvious to be put into question. Yet the fact that the conductor Valery Gergiev and the violist Yuri Bashmet have signed the disgraceful document hardly came as a shock. Both had long been and continue to be the hundred percent court musicians – overpaid, overrated, posh, easy to manipulate, and, in effect, devoid of any independent political views and liberties if they, God forbid, contradict those of the Master.

The names of such noted actors as Oleg Tabakov and Mikhail Boyarsky, stand-up comedians as Gennady Khazanov, or film directors as Karen Shakhnazarov led the entire generations of the admirers of Russian culture to dismay and disenchantment. The question floating in the air was as simple as that: What happened to Russia? We can understand all ups and downs in a country where a promise of political liberty and individual freedom failed once again leaving all of us in a sad and silent agreement with those Russian dissenters who spoke about the matrix of Russian captivity and the country's inability to embrace the modern political and moral sensibilities.

Happily, the pride of Russian culture people was saved by the veterans of Russian culture, such magnificent movie and theater actors and directors as Mark Zakharov, Eldar Ryazanov, Liya Akhedzhakova, Oleg Basilashvili, Valentin Gaft, Armen Dzhigarkhanyan, and also by such widely admired and beloved writers as Mikhail Zvanetsky – they all refused to sign the letter.

The sinister paradox is that among those who signed the aforementioned infamous letter are two people of cinematography who are closely related to the immortal works of Russian literature. The film director Vladimir Bortko made a cinematographic production of Mikhail Bulgakov's *The Heart of a Dog* choosing the work of literature that seemingly left no doubt as to how the film director viewed the Soviet Union and its legacies – as the greatest political and moral catastrophe of Russia, or as the greatest achievement in Russian history and politics whose destruction was to become the greatest geopolitical catastrophe of the twentieth century, as Vladimir Putin put it. We had long thought, and not without reason, that Bortko opted for the former assessment of the evil empire, instead of the latter.

This feeling was strengthened by his production of the far and away the greatest novel on revolutionary Russia ever written – Mikhail Bulgakov's *The Master and Margarita*. A plethora of talented Russian actors allowed the miracle happen, and the name of the miracle was the liberating and absolving effect of a great work of literature translated into the language of cinematography. It was widely assumed that Russia was on the way of putting behind and rejecting its horrible past (and even putting Putin aside). That was not to be, alas.

Researchers of Eastern European literature and culture have noticed how greatly forms of modern anxiety and tension differ in Western and Eastern Europe. In the 20<sup>th</sup> century, Western Europeans and Americans most often experienced an anxiety of influence because of the way they were manipulated and their moral character was being deformed, whereas Eastern Europeans experienced an anxiety of (physical) destruction. *The Master and Margarita* purveys precisely such a form of Eastern European existential anxiety.

In the novel's constructed reality no one doubts that people almost fatalistically fall into the categories of sinners and saints, cowards and braves; therefore, the main question is how much chance nobility has in a world in which the worst thing is not even candidly self-identifying evil (personified in the novel by Satan, calling himself Woland) but our own forms of life standing under its influence, the most dangerous of which are moral relativism, faithlessness, and the nihilistic rejection of everything not

associated with power or the possibility to survive physically here and now.

We thought naively that this obsession with power and its exercise over the rest of the world was something uniquely belonging to the 20<sup>th</sup> century. The emergence of the fascist regime before our eyes brought us back to history and reality. Now we can only bid farewell to all our postmodernist fantasies about post-material, post-national, and post-historical world. Dream on...

It is a farce that Vladimir Bortko who chose the Ukrainian-born genius of Russian literature, Mikhail Bulgakov, to express his longing for a decent and free Russia, should have ended up as a sycophant of the Kremlin – precisely like the actor Sergey Bezrukov who played the role of Yeshua in *The Master and Margarita*; a farce that repeatedly turns into Russia's tango with the Devil. Ironically, hope comes from Woland, the Prince of Darkness, played by Oleg Basilashvili – a wonderful and fearless Russian actor who had the courage to condemn the 2008 Russian invasion in Georgia, and who refused to sign the letter of consent to be non-persons and non-citizens in Putin's Russia. He chose his conscience, instead of brutality and cynicism of his country. ■



**Author:**  
**Leonidas**  
**Donskis**

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# Pavlo Gudimov:

**"A different vision is not a pretext to resort to Russian-like hysteria and absurd politicization of culture"**

Renowned gallery-owner and musician talks about on ways to prevent people turning into titushkas, consolidation of artists and futility of fascist methods in culture

Interviewed by  
Bohdan Butkevych

**P**avlo Gudimov is well known in Ukraine. He is one of the founders of the original Okean Elzy. Years after leaving the band, he played with the original group on the Maidan in December. The video of the song called *Druh* – Friend in English – performed by Okean Elzy as thousands of Ukrainians turned on the lights on their phones on one of the revolution's cold nights has gone viral on YouTube. Today, Pavlo is an innovative gallery owner and art curator. His Ya Gallery has been a symbol of independent contemporary art over the ten years of its existence. In his interview for *The Ukrainian Week*, Pavlo looks at the role that culture should play in the turbulent times Ukraine has been going through.

**U.W:** How should artists react to what is literally wartime today? Should they be the warriors on an

ideological front, as is the case in Russia, or conversely, continue to remind people of wonderful things?

– Right now, we see artists and people involved in culture, on both sides of the border, energetically expressing their positions regarding on-going events, as never before. Very often, this leads to deep indignation, particularly when some letters supporting a specific politician, moreover Putin, rather than the people's movement, are signed by people such as Yuri Bashmet (well-known musician, whose family comes from Lviv, who signed a statement in support of the Russian President – Ed.). Others do the opposite, closing themselves off and creating a cocoon around themselves, because they don't want to see or hear anything, as if saying that the environment prevents them from concentrating on their creativity. Having said this, when you close yourself off, you are incapable of creating anything. In general, artists cannot but react to what is happening around, because they cannot be in touch and not have a sense of their own country. After all, people involved in culture are, to a certain extent, regarded as litmus paper. Unfortunately, politicians remain the main stars of the mainstream, while artists have to play a far more important role in the social life of the country.

**U.W:** But in recent years, art has been squeezed out by a low-quality pop substitute, which was actively supported by the authorities of that time. Will the artistic environment be able to cope with such a mission now?

– It's true, that in the last four years, culture,

PHOTO: ANDRIY LOMAKIN

even by Ukrainian standards, has been actively moved to the underground: the authorities and pro-government oligarchs did everything to make it impossible for artists to communicate with the people. This was done for purely mercantile reasons. The revolution can change this: it is the Maidan that has become a very substantial and important platform for communication, which finally allowed artists to speak directly to consumers, not filtered through the mass media. In the future, this should protect us and our society from "thugification". Fighters for hire reflect the lack of culture that has been planted over many years. In that cultureless environment, UAH 200 is good enough to replace ethics and honour while an artist is seen as a solitary freak who has no influence on the developments whatsoever.

#### **U.W:** Has the Maidan changed the Ukrainian cultural environment?

– Most of the people involved in culture were at the Maidan. Moreover, at the most dramatic moments, their activity only increased. However, overall, artists were clearly shocked by all these events. Many are still struggling to make their way out of that breakdown, because artists live with exposed nerves. Let's not forget that culture is basically pacifist by nature. So it is very interesting that on the contrary, the clashes on Hrushevskoho Street or the toppling of the Lenin statue - very provocative from the very start and directed towards a split, both in society as a whole, and in the cultural environment into "normal people" and "radicals" - have resulted in tighter grouping and consolidation. And this consolidation only strengthened and continues to strengthen. So this is clearly a positive influence of the Maidan.

#### **U.W:** Do you think that Ukrainian culture finally has a chance to replace the low-quality Russian commercial rubbish stuffed into the minds of most Ukrainians by Russian and local TV and radio? In view of the openly anti-Ukrainian position of many artists in Russia, is it worth removing them from Ukraine's cultural territory, using administrative measures?

– This is what I say: real culture does not have any rubbish,

not even the Russian one with its aggressive nature. I wonder what pushed Yuri Bashmet, who is a musical genius, to sign this infamous letter (**see Russia's Tango with the Devil on p. 29**). I assume that most of the signatures there may have been collected by relevant bodies and they said it was for a different purpose. I still believe that many of these people were not completely aware of the situation. Let's not wave our swords when talking about geniuses: saying that if someone has signed such a document, we immediately reject this person forever, no concert tours or exhibitions will be allowed, and he has to leave Ukraine. Even if it emerges that they truly support Putin's actions, we should not respond in kind. We should not ban artists simply for their views, particularly if they are sincere. They may have a different vision, but this is not a pretext to resort to Russian-like hysteria and an absurd level of the politicization of culture, such as banning Okean Elzy from performing in Russia. Of course, if Russian artists try to engage in some kind of propaganda, that's a different matter, but we cannot ban them as artists. Moreover, it's not worth throwing rotten tomatoes at them during their performances, because any acts of violence will certainly be used against Ukraine. The only thing that can be said, is that our state institutions should be free of any influence and they should improve the quality and selection of the cultural product presented. What should be rejected is the low-quality Russian television product with its subliminal message broadcasting specific cultural codes.

#### **U.W:** But we have a war, and these people are supporting the enemy. How can one take this indifferently?

– Under no account should culture be transformed into an instrument for politicization of society, and this must be set forth in all possible codes and laws. It is because of the falsehood and insincerity that the gentle Ukrainianisation campaign failed earlier. The key law here is the artist's right to free expression. However much we would like quick and radical resolutions, we still have to go to Russians to talk to them, just

the same as we have to talk to quite a few Ukrainians, who unfortunately, also have views that are different from our own. If we want to build a new, truly democratic country, we must not use fascist methods, which are the only ones found in Russia's arsenal of tools. Just recall how almost three million people came to see the exhibition of what the Nazis saw as degenerative art in Munich, while barely 500,000 visited the exhibition of Nazi art (the Degeneration Art Exhibition opened in 1937 in Munich presenting 650 works of art that did not fit into the general art framework of the Nazi party. The works were by outstanding modernists including Otto Dix, Vasily Kandinsky, El Lissitzky, Marc Chagall, Max Ernst and the like. At the same time, the Nazis celebrated the opening of the grand Haus der Kunst featuring what Hitler and his spin doctors saw as genuine art – **Ed.**). This will always be the case, however much current fascists or



## **UNDER NO ACCOUNT SHOULD CULTURE BE TRANSFORMED INTO AN INSTRUMENT FOR POLITICIZATION OF SOCIETY**

those of the past tried to make their way into culture which they don't understand. The same rule applies to relations between Ukrainian artists and the state: they must be as independent as possible from it, because an artist in service to the state apparatus – is always at least kitsch and pseudo-culture, or "common fascism" at its worst – as is currently the case in Russia. Russia's artists and its entire society will shortly be undergoing a painful and long treatment process with many depressions and disenchantments. Instead, we have to show how a political revolution transforms into a cultural one. We have already lost 23 years, and we cannot transform into a mirror image of our neighbours on the wave of revolutionary euphoria. We must not lose our sense of tolerance and wisdom, which is our main advantage over the current Russian celebration. We have to unite around the battle for, as opposed to against, something, which is what our Russian neighbours do. ■



# Yulia Lytvynets:

“Museums must be open.  
And to be open, they need  
to feel safe”

Interviewed  
by Hanna  
Trehub

“People often come to museums in the Netherlands. Just to hide away from the rain,” Yulia Lytvynets, Chief Custodian of Ukraine’s National Art Museum, says. The recent revolutionary events changed the angle from which her museum’s staff approached preserving the collection and the museum building and building horizontal relationships between museums and individuals.

**U.W.:** What kind of visitor and consumer of museum information do we have in the 21<sup>st</sup> century? What are her needs and demands? What must she give to the museum? Is interaction possible between them?

The framework of museums’ activities has been severely narrowed in recent times: they must preserve and popularize their collections. But popularization is not aimed at dialogue, i.e., information is provided in one direction with no feedback. Visitors are not just people who pay the entrance fee to see our collection. Visitors are the carriers of information, a litmus test of the processes taking place in society. An analysis of visitors, their needs and interests must change Ukrainian museums. In fact, the situation is already changing, because museums across the world are working to build dialogue with their visitors, between museum objects and visitors.

In the classical Soviet system, there was only information about the displays, and that was it. The views and reactions of visitors were of no interest. This reaction may differ depending on time and social group. I am sure that our state must take steps to help museums. The Ministry of Education would have to make museum visits mandatory for children and

students as part of their curricula. If they study zoology, let them go to a zoological museum. If they study a certain period in history or culture, let them go to museums where these things are best represented. Children and youth must have experience. Museums can become part of not only education and enlightenment, but also the life of every Ukrainian from kindergarten to her last day. The National Art Museum is taking steps to accommodate its visitors through thematic lecture series and a number of interesting courses for children and adults.

Perhaps, it sounds like some kind of coercion, but it must be. In the past month, I have met with absolutely different people. They have a certain stereotype of museums as such. Those who went to museums in Soviet time did not bring their children. There is a group of permanent visitors, but it is fairly small. Raising trips to museums from the level of family affairs to at least the school education level would greatly elevate the self-awareness of the Ukrainian community. As a result, we would have individuals and citizens who would not permit a museum being in the firing line.

**U.W.:** Could you tell about how your museum survived the revolution? You must now have priceless experience that you can share with other museum workers.

The territory where our museum is located changed hands, and when we were controlled by law enforcement agencies, it was an absolutely different reality and different dangers. It was much easier to come to an agreement with the protesters, because an average protester is a person with two university diplomas, good command of English and an understanding what a museum is. Things changed dramatically when we found ourselves behind the police cordon. Ordinary people had a very hard time trying to get to the museum. Our employees had to come out and talk to the Berkut special force and the internal security troops and explain what the National Art Museum is and that it works for all people. On 19 January, things changed dramatically. Lectures and workshops for children were abruptly stopped, and people had to be taken out of the building through different exits and negotiate with the police to let them pass. The next day, very



PHOTO: ANDREY LOMAKIN



few people were able to go through the police cordon and get to the museum. After that, there were people on duty in the museum around the clock. There was no way to evacuate the museum, even though the collection was in danger. In Soviet times, it was moved away from the front line, but in this situation the conflict was everywhere and it was impossible to move it. The museum guards should be given credit for never deserting their posts. The Ministry of Culture to which we appealed (just like we did to the Ministry for Emergency Situations and the police) was not prepared to help, even though it has a unit responsible for emergency situations. We simply could not reach them by phone – we dialled the number mentioned in the standard instructions for museums explaining what they should do in case of emergence but the telephone was answered by the guards in the ministry who were stunned by the fact that we were calling them of all people. Nevertheless, Maria Zadorozhna managed to get the Ministry for Emergency Situations (MES) send two of their men to our museum. Every day, there were two policemen, two MES people and at least two museum employees on guard to look after the museum's stock and displays.

There was a great danger than rocks and Molotov cocktails could break through the windows on the ground floor. The exhibits were moved to the stock section; windows were covered with plastic and, where possible, flakeboards and plasterboards. To keep away soot, we put special fabric over all air exhausts and it served as a kind of filter. The friends of the museum purchased 30 additional powder fire extinguishers. Fire hoses were rolled out to the windows. All rooms were hooked up to the alarm system: if there had been a broken window and a fire had started, we would have seen in which room it happened and would have been able to react faster. Moreover, we had to explain to police commanders that, in addition to food provision and heating, they had to arrange for toilets themselves and that the museum was not a proper place for this.

**U.W.: The first thing that comes to mind when European cities are mentioned is historical monuments and art museums: the Louvre in Paris, the Prado National Museum in Madrid, etc. The associations with Kyiv are, as before, the Kyiv cake, candies and cutlets. Why is the Ukrainian capital still not associated with a museum or an art gallery?**

Let us be frank: for a long time Ukraine was an occupied territory. Our art was nullified in every possible way. Take, for example, the National Art Museum: its collection included 1.5 million pieces in 1919, while a mere 40,000 remain. Unlike Western museums, we were totally divided: a huge collection that included applied and fine arts, history, anthropology and much more was split to create a number of small museums back in Soviet times. A large and nice museum complex has never been constructed.

But even small museums have a very interesting future. Each one of them begins to develop some unique features. These are not the gigantic imperial museums of large cities or well-known brands. Each of them has an opportunity to grow. Museums need to work on their own brands. This will be the essence of museum art, i.e., small museums will have to find the right brands for themselves, present and popularize them and shape their own unique visage.

**U.W.: How do you see the brand of the National Art Museum? Will it be about large exhibitions, such as Normandy in art or Jacques Chapiro. Kyiv-Paris, Master returning. Mark Epstein? Will it be about large-scale projects and big names or something totally different but equally interesting?**

I am fairly sceptical of the large scale and very big names. In the case of the exhibition about Normandy, the surname of Monet played a very big part. Again, it is a foreign, rather than Ukrainian, brand. But it is still not so bad, because people will come to see Monet or Chapiro and will at the same time see Ukrainian icons, the classics of Ukrainian avant-garde art and realism (Vasyl Krychevsky, Oleksandr Murashko,

The National Art Museum: its collection included

**1.5 million**  
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remain



## MUSEUMS CAN BECOME A PART OF LIFE FOR EVERY UKRAINIAN FROM KINDERGARTEN TO THE LAST DAY

Oleksandr Bohomazov, Aleksandra Ekster and Tetiana Yablonska) and will grasp that Ukrainian fine art is of European and world-class calibre and is in no way inferior. I am sure, because I have heard it from visitors, that after they see the works we have on display in our museum, they become many times more proud of Ukraine.

Anyway, we are talking about art events. I would like people to come and see Ukrainian classical artists, such as Yablonska, Karpo Trokhymenko and others, with the same enthusiasm as Monet.

**U.W.: The National Art Museum is now hosting the exhibition Ukrainian line of contemporary art (in the firing line). In 2013, a number of works by Ukrainian impressionists, avant-gardists and modernists were brought from various provincial museums across the country to the Art Arsenal in Kyiv. This kind of pulling works from store rooms has given them a unique flavour and freshness. What does the**

**Ukrainian modern art displayed in your museum now look like?**

This exhibition has gone through some rough times. We are very thankful to museum directors across Ukraine for providing these works and for not trying to get them back. They trusted us with these works. The exhibition is quite symbolic in terms of not only trust but also its unifying function. We have works from Lviv, Kharkiv, Sumy and even the Crimea. They have indeed come from across Ukraine. And it shows that Ukraine is one and unified.

In fact, the country has to know its heroes, modernist painters. These include Oleksa Novakivsky and, again, Oleksandr Murashko, who was a very versatile artist. It is no surprise, because each painter has different periods and falls under different influences. This means that he was not

the same throughout his life. The works by Krychevsky and Vsevolod Maksymovych come across in a new light at this exhibition. There is a widespread idea that Ukrainian modern art did not exist and that expressionism developed abroad but not in our country. But this is far from the truth. We are not so poor and unfortunate as some would like to paint us. We had and still have everything. For example, some of Bohomazov's works have elements of impressionism. Art should be viewed horizontally, which helps reveal this kind of interesting aspects.

Soon, we are planning to open a very unexpected exhibition composed of the Mezhyhiria "treasures". Believe me, there are precious, world-level art objects there. Through the prism of this exhibition, we would like to take a new look at our classic display of icons and 19<sup>th</sup> century art.

**U.W.:** Ukrainian impressionists, such as Ivan Trush, are no inferior to Claude Monet, Auguste Renoir, Edgar Degas or other European classical painters. What can a museum do to place Ukrainian art in European context and show to Ukrainian and foreign visitors that Ukrainian modern art, avant-garde and surrealism do exist?

This is, again, about cooperation between museums and the environment. I mean working with television, historians and art critics. In this system, I would give top priority to art critics and the Ukrainian school of art criticism, which was under Russia's influence throughout the Soviet period. We now have to enhance the level of art critics and their works, which must be published and popularized. This information has to reach public at large and become known.

The next, or perhaps parallel, step should be cooperation with the film making industry. We need to make contemporary films about Murashko, Krychevsky, museums and Ukrainian and foreign art for various population groups. Look at France and its rich variety of programmes for various audiences. We need to have the same here. In this way, we will be able to adequately

Soon, we are planning to open a very unexpected exhibition composed of the Mezhyhiria "treasures". Believe me, there are precious, world-level art objects there



## THE STATE OF A MUSEUM REFLECTS THE STATE OF SOCIETY

place ourselves in world context. The problem is that we are not known abroad or even inside Ukraine, for that matter. We don't know each other, and this isolation is artificial. Museums must be open. And to be open, they need to feel safe. The condition of a museum reflects the condition of society.

There is also an element of trust; this is when society and a museum begin to trust each other. There is still the stereotype that "everything has been stolen from museums and they only put fake items on display". Together with television and other journalists, museum workers need to explain and enlighten people. I plead with journalists not to twist information in pursuit of sensations.

**U.W.:** How extensively are the painters of the second half of the 20th century and our days represented in the National Art

**Museum? Can visitors see paintings by Illia Chychkan, Oleksandr Hnylytsky and Oleksandr Roitburd? Why are these painters featured more in galleries rather than museums? What does a museum need to have to be able to collect their paintings and put them on display?**

As far as museum collections are concerned, in Soviet times our museum had a large circle of friends, sponsors and donors who donated items. We went on various expeditions to collect art works. Works were also purchased through the Directorate for Art Exhibitions in the Ministry of Culture. It still exists. The works that were bought were primarily ideologically correct. That is why we have virtually no paintings by top-flight Sixtiers. Valeriy Lamakh and Viktor Zaretsky are represented only in a very fragmentary way. We only have six works by the latter. We happened to receive, absolutely accidentally, through the Security Service, a painting by Oleksiy Zakharchuk – and we couldn't believe our eyes. It so happened that we have many works of offi-

cial Soviet art, but unofficial art, which was, in fact, an important strand in artistic life in Soviet times, is barely represented in our museum. Meanwhile, this latter type is gradually declining.

The same thing is with modern painters, including those you have mentioned. Since the 1990s, we have purchased virtually nothing on a regular basis. Even if we find what we need, we cannot buy it. Therefore, we have to ask painters to donate their works to the museum. Naturally, this method does not permit us to obtain the best works of some painter or another.

Let museum specialists themselves decide whether they need Roitburd or Tetiana Golembiievska to fill these voids in the collection. The position of the museum as the one that pleads should be fundamentally changed. Look at the level of Ukrainian painters – they are comparable with the best in the world. This was proven by the 2013-14 revolution. One gets the impression that they had been waiting for it for a long time and then started generating ideas and art works, ranging from very poignant and dealing with the senses to extremely aggressive, relevant at the time. The Orange Revolution did not produce anything like that. In contrast, during the 2013-14 revolution the painters felt they were needed in the literal sense. From paintings and graffiti to the smallest stripe made by Ukrainian artists, such as Andriy Yermolenko, it is important not to let these things become scattered in different directions. They need to be preserved in order to convey the overall atmosphere. Art objects tell an important story as they stand next to a painting or a shield made from a traffic sign in European Square. People fought for that shield. But these things should be somewhere close by.

As far as museum buildings are concerned, we once had great hopes for a building in Instytutska Street... For some reason, Rio de Janeiro has the world's best Museum of Modern Art, and we don't. A lack of attention to painters and sculptors from society and the state leads to a situation when their best works go to private collections rather than Ukrainian museums. ■

Брак уваги громади і держави до художників, скульпторів призводить до того, що їхні найкращі твори потрапляють до приватних колекцій, але не до українських музеїв

**2 April**

### Nino Katamadze

October Palace  
(1, vul. Instytutska, Kyiv)

A unique Georgian performer Nino Katamadze will bring her new show *Colourful April* to Kyiv. With 25 musicians on stage, including her band Insight, Georgia Brass Band from Tbilisi and New Classics symphony orchestra from Moscow, the show will probably be the biggest concert in her career. Nino sings a fusion of jazz and folk tunes, sprinkled with original improvisations. When on stage, she is a storm of energy and emotions, her flexible voice turning songs into 3D images of mountains, wind, love and sadness.

**2 – 26 April**

### French Spring Festival

Venues in Kyiv, Lviv, Donetsk,  
Odesa and other cities



This year, April can definitely be referred to as the French Spring month, since the 11<sup>th</sup> annual festival in Ukraine will last three weeks. Traditionally, the event programme is rich in surprises. Cultural events will cover cinema, theatre, music, literature and art. April 4 will see the opening of an exhibition dedicated to photographer Jeanloup Sieff at the Brucie Collections Gallery. He had once captured celebrities, such as Catherine Deneuve, Yves St. Laurent and many more, in the lenses of his cameras. The music portion of the festival will be filled with soft modern jazz from the Benjamin Faugloire Project.

**3 April, 7 p.m.**

### Jazz Phantasies

National Philharmonic of Ukraine  
(2, Volodymyrskiy Uzviz, Kyiv)

Jazz motifs and improvisations will create a unique atmosphere and will make a spring evening truly unforgettable. Some of Ukraine's most talented musicians, including Larysa Deordieva on piano, Lyudmyla Semenenko as soprano, Yevhen Dashak on piano and the Kyiv Saxophone Quartet under the leadership of Yuriy Vasylevych, will perform variations of the pieces by George Gershwin, Oscar Peterson, Janis Joplin and Hoagy Carmichael. Even the most jazz-savvy fans will thoroughly enjoy this concert.

**4 – 6 April, 4 p.m.**

### Japanese Spring in Lviv

Dzyga Art Association Gallery  
and other venues  
(35, vul. Virmenska, Lviv)

During two days, the cultural capital of Ukraine will host the festival of Japanese culture and art. It will offer a range of interesting and authentic events, including tea ceremonies, lectures, master classes and concerts. The main purpose of the festival is to introduce Japan, its culture and traditions to the people of Lviv. The inhabitants of Lviv and guests to the city will have a chance to attend origami master classes, learn more about tourism in Japan and witness a real tea ceremony. A photo exhibition titled *Joined by a Smile*. A Message to Ukraine from Japan will serve as the bridge that joins the two nations together.

**8 April, 7 p.m.**

### Sleeping Beauty

National Opera  
(50, vul. Volodymyrska, Kyiv)

Tchaikovsky's ballet-fairy tale in three acts, based on the famous story by Charles Perrault, is considered to be the peak of ballet art and an encyclopaedia of classical dance. It was performed on stage for the first time at the Mariyinsky



Theatre in 1890, choreographed by Marius Petipa. From that time on, the ballet has been extremely popular and is often sold out. The ballet story of Aurora's youth, the magic power of her good fairy and the life-giving power of charming prince's kiss will touch the hearts of both the youngest and oldest member of the audience.

**From 10 April**

### Days of Polish Cinema

Zhovten Cinema  
(26, vul. Kostyantynivska, Kyiv)

The ninth screening of the most significant and interesting films of modern Polish cinematography will take place within the framework of the project organized by the Polish Institute. This year's programme is comprised of seven films. They include *Walesa. Człowiek z nadziei* (Walesa. Man of Hope) by one of Poland's best-known directors, Andrzej Wajda. The film is about the former President of Poland and leader of the Solidarity Trade Union, Lech Walesa. Criminal thriller *Układ Zamknięty* (The Closed Circuit) is, too, based on a real life-story, describing the battle of three businessmen with the corrupt state machine. The drama *Loving* is dedicated to the life of a woman.





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