

SURVIVAL WITHOUT RUSSIAN GAS:
MISSION POSSIBLE

UKRAINE'S LIKELY ALLIES
IN THE NEW GEOPOLITICAL REALM

1914-2014:
THE ROLE OF UKRAINIANS IN WWI

international edition

The Ukrainian Week

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A life in war



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Тиждень

tReasonable Doubts

The Parliament inherited from Yanukovych holds an imminent threat to Ukraine, yet the breakup of pro-European coalition is potentially as dangerous

Author:
Oles
Oleksiiyenko

On July 24, parliamentary factions Vitaliy Klitschko's UDAR and Oleh Tyahnybok-led Svoboda (Freedom) later joined by the group called Economic Development, mostly composed of former or present Party of Regions MPs and led by newly ex-Party of Regions MP Anatoliy Kinakh, and a number of Yulia Tymoshenko-led Batkivshchyna (Fatherland) MPs who aligned themselves with President Petro Poroshenko announced their exit from the ruling coalition of the Verkhovna Rada. This launched the

month-long countdown to the day the president receives the right to dismiss the parliament and to announce early elections. Such a move prompted strong reaction from the rest of Batkivshchyna faction, whose MPs had hoped to safeguard this coalition and the parliament until the very last moment. Equally displeased was Prime Minister Arseniy Yatseniuk, who on that very day counted on the Rada to approve a number of important bills to do with financing state expenditure and modernization of the gas transportation system.

On one hand, the postponement of the parliamentary election campaign until the spring of 2015, let alone the autumn of 2015 opens the door for reactionary forces to strike back, much like in the post-Orange Revolution 2006, or for reforming the majority around the ambiguously titled parliamentary group For Peace and Stability, which, according to reports in the media, is funded by the exiled former president Viktor Yanukovych and his associates. The latter scenario would result in worsening social and economic situation in the country, dramatic drop of the quality of life, unforeseeable problems during the winter heating season, weariness of the war in society, growing disenchantment of the public with the lack of drastic changes after the victory of the Maidan, and business conflicts within the coalition's two parliamentary groups made up primarily of representatives of the former Yanukovych's majority. To picture this entire situation one has to look no further than the winter of 2006.

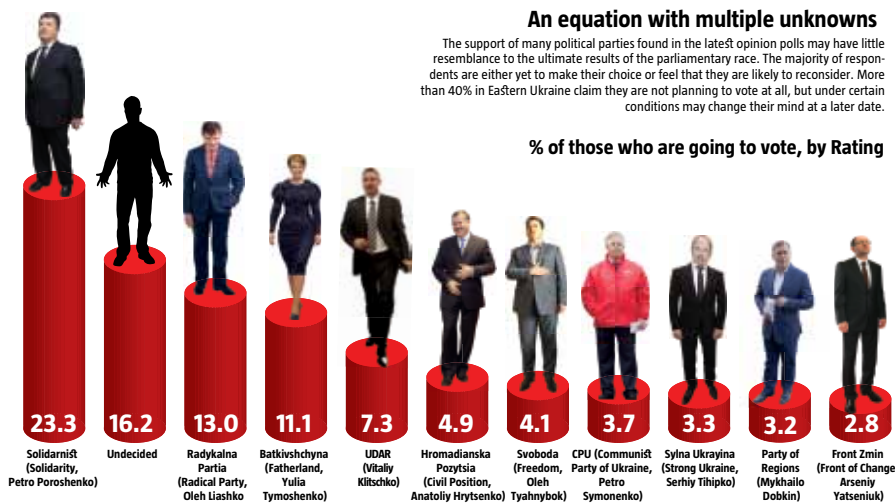
Also when it comes to the risks of putting back the elections, The UkrainianWeek previously noted that Batkivshchyna's expectation that the disappointed Poroshenko's voters would somehow come back to the ranks of its supporters is neither backed by opinion polls, nor the logic of Ukrainian political processes of the last couple of decades: in fact the voters disappointed in their idols never come back to them even after getting disappointed in the new ones, instead they tend to seek newer ones still. In this context the most recent sociology results, where the figurehead of Poroshenko's political project Solidarnist (Solidarity) is named, for example, Yuriy Lutsenko, is very telling. This has a simple explanation: Batkivshchyna is associated with the government and its unpopular moves at least as much, if not more than Poroshenko.

Should they postpone the parliamentary campaign, pro-European politicians would also risk facing growing passivity among their supporters as a result of general disappointment about "nothing changing after the revolution". At the same time it would give time and opportunity for purely technical or disguised pro-Russian political projects to gather pace and mobilize the former supporters of the Party of Regions

An equation with multiple unknowns

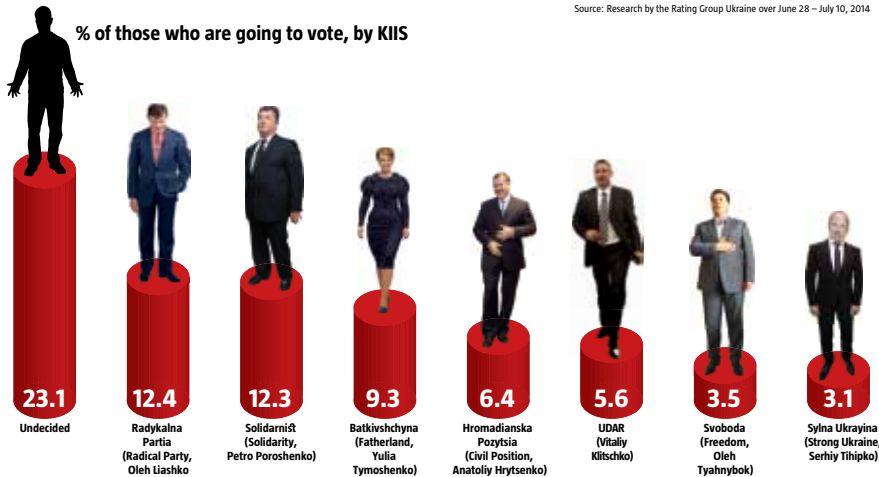
The support of many political parties found in the latest opinion polls may have little resemblance to the ultimate results of the parliamentary race. The majority of respondents are either yet to make their choice or feel that they are likely to reconsider. More than 40% in Eastern Ukraine claim they are not planning to vote at all, but under certain conditions may change their mind at a later date.

% of those who are going to vote, by Rating



Source: Research by the Rating Group Ukraine over June 28 – July 10, 2014

% of those who are going to vote, by KIIS



Source: Research by Kyiv International Institute of Sociology (KIIS) over July 16 – 23, 2014

and the Communist Party of Ukraine. The current ratings of public support that show overwhelming dominance of pro-European forces do not account for the voters of the South-Eastern Ukraine, who at this point are either undecided or claim that they are not going to vote (they make 60-70% in the abovementioned area). Their participation in the elections in conjunction with other previously mentioned factors would dramatically increase the threat of revenge from the reactionary pro-Russian forces, which would be very much in-line with the dynamics of political pendulum.

The pendulum effect is typical of all democratic systems, particularly in the countries of Central and Eastern Europe that underwent similar transformations after the fall of communist dictatorships in the late 1980s and early 1990s. Their experience vividly demonstrated that success came to those that reelected their parliaments immediately after dethroning the dictator, despite the fact that in many cases the former communists also tried to frantically adapt and pledge allegiance to the new course of their country, which is essentially what happened in Ukraine after the Maidan. It was the acquired strength in depth that allowed irreversible reforms in those countries, which the communists that returned to parliaments in the mid-1990s failed to negate. Meanwhile Ukraine has already stepped on the same rake twice, as by not reelecting the parliament in 1992 and 2005 it opened the doors for the revenge of reactionary forces in the elections of 1994 and 2006 and thus missed its opportunities for change.

The breakup of the current coalition poses considerable risks, however. The No.1 threat is that by the Independence Day (August 24) a pro-Russian majority For Peace and Stability may be formed, that will vote against the continuation of the anti-terrorist operation in the East, for the "normalization of relationships" with Russia based on the recognition of Russian control over Crimea and, quite possibly, for a Transnistria-like status for the Donbas, the pullout of Ukraine's armed forces from the area, coupled with putting aside the Association Agreement with the EU or indefinite postponement of its ratification and the curtailing of cooperation with NATO and the United States. The

ones that find such scenario unrealistic should once again look back at the events of 2006. Back then the idea of a ruling coalition without the Viktor Yushchenko-led Nasha Ukraina and the Block of Yulia Tymoshenko seemed utterly outlandish. But while the two forces were engaged in a political tug of war, an alternative coalition emerged, composed of the Party of Regions, the communists and the Socialist Party of Ukraine.

Today the opportunities to form a corrupt parliamentary majority are aplenty. Such a situation can cause another Maidan or cause Petro Poroshenko to dismiss the parliament in a much tougher manner (he would have a hard time finding the legal pretext). But all of this will spell another escalation of political conflict in the country, while Russia will get an extra opportunity to question the legitimacy of another change of government, appealing this time not only to "formal legitimacy until March 2015" of ex-president Yanukovich, but also a "Constitutional coalition in the Verkhovna Rada". Such a scenario could cause a great deal of trouble and the pro-European forces would have no one else to blame, as it was them who broke up the original coalition, albeit with good intentions. Hopefully, they have double-checked to make sure that there are not enough potential votes to form such a reactionary coalition in the current parliament, because once formed it will be very difficult to oppose.

Another risk is in having elections under the electoral system stipulated by the current law, which presents a 50/50 mix of majoritarian and proportional representation. The current convocation of Rada is unlikely to pass the law implementing fully proportional electoral system. First of all this is not in the best interest of the first-past-the-post-elected MPs and Party of Regions members that, when put together, represent the majority of the current parliament. Secondly, the motives of President Poroshenko are not completely clear. He may be tempted to take advantage of the first-past-the-post system in order to form a solid majority out of the traditionally conformist majoritarian MPs, instead of relying on unstable allies among other parliamentary political forces elected through the proportional system.

225
first-past-the-post MPs make fertile ground for putting together an anti-Ukrainian coalition fueled by Russian money delivered via third party middle-men, of whom there may be plenty. In fact the existence of multiple middle-men, all interacting between groups in the Ukrainian parliament and the Kremlin as the core link in the chain, would only strengthen Putin's position in the Verkhovna Rada and in Ukraine overall

However, when applied in the parliamentary republic, the first-past-the-post electoral system may lead to unforeseeable political configurations, thriving political corruption and the lack of a stable majority in parliament. And after all, 225 first-past-the-post MPs make fertile ground for putting together an anti-Ukrainian coalition fueled by Russian money delivered via third party middle-men, of whom there may be plenty. In fact the existence of multiple middle-men, all interacting between groups in the Ukrainian parliament and the Kremlin as the core link in the chain, would only strengthen Putin's position in the Verkhovna Rada and in Ukraine overall. This would give him the tools to conquer Ukraine from within.

There is little reason to expect that MPs nominated for the parliament with the support of Presidential Administration would remain faithful to the head of state throughout their term in the Rada. It was under the 1996 edition of the Constitution the president could dominate over first-past-the-post MPs and effectively keep the parliament under his control. The currently effective 2004 Constitution leaves no such opportunity to Petro Poroshenko. In fact, he has fewer tools to control the Rada than even Viktor Yushchenko had while dealing with a convocation elected fully under the proportional electoral system. Plus, it is yet unknown who exactly will nominate and supervise "his people" in the regions. Thus, the

THE NO.1 THREAT IS THAT BY THE INDEPENDENCE DAY A PRO-RUSSIAN MAJORITY "FOR PEACE AND STABILITY" MAY BE FORMED

president's team may end up infested with Moscow's agents ready to come into play upon Putin's command when right the moment arrives.

Which is why it is extremely important that the forthcoming elections take place under the proportional electoral system, ideally the open-list version of it. The latter part is unlikely to be in the best interest of the main political players, but the return to some kind of proportional system is a vital step. ■

Mission Possible: Survival Without Russian Gas

Ukraine is able to stand its ground in a gas war, even if it continues for years. The biggest threat, though, to get hooked on Russian gas once again in exchange for a discount from Gazprom

Author:
Oleksandr
Kramar

On 16 June 2014, Gazprom discontinued gas deliveries to Naftohaz, and both companies sued each other in the Stockholm Court of Arbitration. The Russian monopolist demands the payment of “debts” accumulated through previous purchases of highly over-

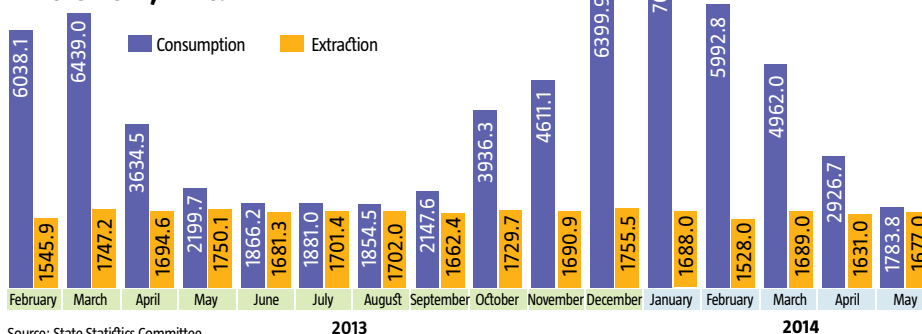
priced Russian gas. Naftohaz wants Gazprom to cut the price of gas and compensate for the extra money paid over the past years by reducing what Gazprom describes as Ukraine’s debt for gas. Given the volumes of gas extraction and consumption in Ukraine in 2013, as adjusted for lower consump-

tion expected this year, Ukraine’s domestic extraction could well meet its need for natural gas through September. Gas received through reverse deliveries from Europe can be pumped into underground storage facilities (USF) which already contain over 14bn cu m.



However, another gas row with Russia could last for no-one knows how long, so the Ukrainian government has started preparing for the heating season without waiting for Russian gas. On 4 July, parliament passed in the first reading the Cabinet-sponsored law "On the Special Period in the Heating and Energy Complex" which envisages a series of measures to be taken if the government calls a state of emergency in the energy sector. These include possible cutoff or restriction of energy and gas supply to various categories of consumers and mandatory sale of natural gas to district heating utilities by privately owned companies. On 7 July, Vice Prime Minister Volodymyr Hroisman, who is in charge of the utilities sector, said that the energy crisis headquarters developed a comprehensive plan to reduce gas consumption and imple-

Monthly gas extraction and consumption in Ukraine in 2013-2014, mn cu m



Source: State Statistics Committee

2013

2014

ment a gas replacement strategy for all categories of consumers.

HOW COLD WILL THIS WINTER BE?

The government or Naftohas have not disclosed details of how Ukraine is preparing for survive the coming winter without Russian, but available data allows an educated guess.

Traditionally, the heating season lasts from 15 October to 15 April. It can occasionally start and end one or two weeks later or earlier, depending on the weather. Private consumers turn the heating on and off when they see fit. Gas consumption in October 2013 through April 2014, when an effort was made to be economical, was at 36bn cu m. Over the same period, Ukraine extracted nearly 12bn cu m of gas, which left a deficit of 24bn cu m. Crimea extracted and consumed roughly the same amount, so the deficit for Ukraine minus the peninsula remains the same for 2014. Of the 14bn cu m currently stored under the ground, some 9bn cu m can be consumed, while 15bn cu m more will have to be obtained from Europe or saved.

In June, Ukraine imported 0.32bn cu m of gas from Europe, a little more than half of the maximum capacity of pipelines in that direction. The pipelines from Poland are used to full capacity, while reverse supply from Hungary could be doubled. Inefficient use of the pipeline from Hungary is alarming because it makes no use for the excess of natural gas usually available on the market in the summertime (apparently, there is none currently). In early July, the daily deliveries in this direction fell to less than a third of the capacity. If they remain so low, Ukraine will not have even 10.5bn

Chemical plants, which account for more than half of Ukraine's total industrial gas consumption, employ a mere

3%

of its industrial workers and produce a similar proportion of industrial products. In May 2014, Dmytro Firtash said that his Osthem Holding enterprises, which are the biggest gas consumers in the chemical industry, elaborated an alternative scheme involving ammonia imported from Russia that will permit them to work at full capacity and continue to produce fertilizers

Most Ukrainians, especially those whose houses or flats lack proper insulation, will have to come to terms with the fact that indoor temperatures in wintertime will range between 16-19°C rather than the usual 20-23°C. Quite a discomfort, but not a catastrophe: electric heaters or simply warmer clothes could be used if necessary. Communal district heating utilities lend themselves better to these austerity measures

cu m of gas in its USFs available by October.

However, Slovakia is scheduled to begin reverse gas deliveries to Ukraine in September. Naftohas has already purchased most of the outgoing throughput capacity of the Vojany-Uzhgorod gas pipeline from Slovakia's Eustream. More than 20 European companies have submitted gas supply bids for this pipeline. It can deliver up to 800mn cu m of gas per month. Whether it will be used to the maximum is an open question, considering how poorly the available reverse pipelines are being used now. Gas consumption typically spikes in late September, while reverse supply from Slovakia may not kick in by mid-September or even later, so Ukraine is unlikely to accumulate even 11bn cu m in its USFs by October.

In the seven months of the heating season (October to April), Ukraine may receive up to 10.5bn cu m of gas from Hungary, Poland and Slovakia combined. The existing problems with filling the pipelines will only be exacerbated in wintertime. Gazprom, and Vladimir Putin personally, threatened to reduce gas supply in order to minimize possible reverse deliveries to Ukraine. Thus, there is a high risk that no more than 4-5bn cu m of gas will actually come from Europe over this period. This would leave a deficit of at least 10-11bn cu m which would have to be saved inside the country. A lot will depend on whether the central government will restore its control over the Donbas and secure full-fledged operation of industrial enterprises there. This region consumed nearly 6bn cu m of gas in 2013. Without the need to supply gas to territories controlled by terrorists, Ukraine would almost



PHOTO: UNIAN

halve the projected gas deficit. However, the calculations below assume the optimistic scenario.

According to a detailed balance of gas consumption (published by the State Statistics Committee only for 2012, but not for 2013), the biggest gas consumers outside the utilities sector were chemical plants with nearly 7bn cu m of gas consumed. Gas accounts for 60-80% or more of their production costs in most cases. They export most of their products, which makes them, in a way, re-exporters of Russian gas, something that is not advisable given the current price level and the ongoing gas war. Chemical plants employ a mere 0.4% of the total workforce (3% of industrial workers), and of these just 25% work at the plants of Dmytro Firtash's Osthem Holding which leads the pack among industrial gas consumers. If these workers are laid off and the government decides to fully compensate their salaries, it will spend an equivalent to the cost of 200-300mn cu m of gas. Moreover, Firtash has recently assured that his plants can do without gas, using imported semi-finished products, mainly ammonia, instead.

However, even if chemical plants are factored out, this will still leave a sizeable hole – 6-7bn cu m of gas which will need to be saved in the utilities sector. All these calculations are based on the assumption that the 2014-2015 winter will not be colder than the previous ones and that the utilities sector will require 7-10bn cu m of gas. Half of it can be saved even this season by switching part of the boiler houses to alternative fuel (charcoal, firewood, etc.). According to the sources that spoke to The Ukrainian Week, this process is already underway in communally owned boiler-heated houses in villages and raion (county) capitals. The rest will probably have to lower the temperature of water delivered to residential buildings for heating.

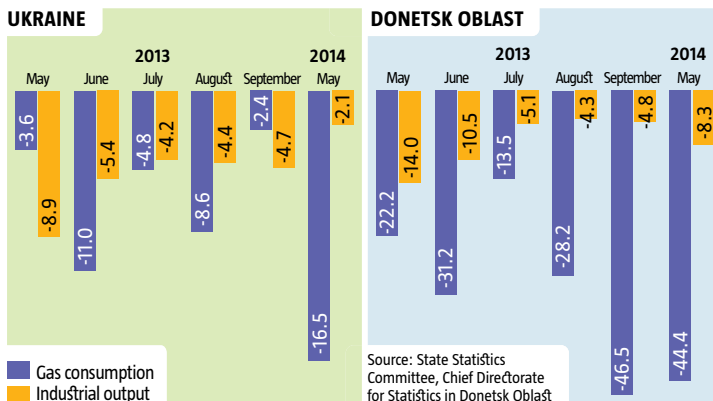
Thus, even if the coming winter turns out to be colder, the country will, in general, have enough gas. But a large part of chemical plants and possibly some others will have to be cut off from gas supply. Most Ukrainians, especially those whose houses or flats lack proper insulation, will have to come to terms with the fact that in-

FOREIGN EXPERIENCE
Ukraine burns 27-28bn cu m of gas for heating alone, while Poland, where winters are not much colder, consumes some 16bn cu m. Poland's population is bigger than that of Ukraine without Crimea and the Donbas and only 10% smaller than that of Ukraine with the Donbas but sans the temporarily occupied Crimea. Ukraine received some 316mn cu m of gas from Europe in June and 170mn cu m in May. According to the Ukrainian Agricultural Confederation, burning even half of the straw and corn stalks left in Ukrainian fields can produce the energy equivalent of 11-13bn cu m of natural gas. Moldova's National Agency for Energy Regulation has issued a license to Energocom to supply natural gas to the country with at an undefined price on the hope of importing gas from Romania. The reason is the anticipated breakdowns of Russian gas deliveries. A Moldova-Romania pipeline is scheduled to be launched in August-September 2014.

Shattering myths

A comparison of gas consumption and industrial output in the warm months of 2013 and 2014 shows that there is no significant connection between the two. The alleged threat of de-industrialization due to a reduction in gas consumption is not confirmed by actual facts. Industrial output is much more dependent on other factors, primarily domestic and foreign demand, rather than gas consumption.

Change in gas consumption and industrial output during a period when gas is not used for heating, across Ukraine and in the industrial Donbas, 2013-2014, %



door temperatures in wintertime will range between 16-19°C rather than the usual 20-23°C. Quite a discomfort, but not a catastrophe: electric heaters or simply warmer clothes could be used if necessary. Communal district heating utilities lend themselves better to these austerity measures, while private consumers can only be forced to comply by lowering pressure in the gas distribution network and reducing the consumption norm for the existing tariff, while at the same time charging the full price for over-the-limit gas (UAH 6-7 or

blow to the stereotype of "Ukraine's critical dependence on Russia".

However, the 2015-2016 heating season will be a bigger challenge. This season, Ukraine will have nearly 9bn cu m of Russian gas in its USFs, which was stored there before gas supply was cut off in June. If these reserves are exhausted by May 2015, at least the same amount of gas will need to be pumped into USFs in just five months of the break in the heating season. The existing reverse supply capacities (7-7.5bn cu m over five months) will not suffice, especially considering that it may be hard to utilize them in full. Moscow is aware of the fact and will wait, if necessary, for the next heating season which, in this case, would require even stricter austerity measures or finding alternative sources.

This suggests that, in addition to emergency measures for 2014, large-scale, long-term projects of gas replacement need to be implemented or new gas supply routes developed. The government has reported that the Ministry of Finance and other relevant agencies are considering multiple options for replacing Russian gas. Each may be implemented when advisable for a specific region or group of towns.

ONLY POLITICAL WILL IS REQUIRED FOR REAL DIVERSIFICATION

more per cu m, depending on the UAH/USD exchange rate). Residents of villages and towns who now use gas-heated boilers would do well by purchasing electric heaters or solid-fuel boilers.

NOT STOPPING HALFWAY

In general, one can be safe in assuming that, given proper mobilization of all available resources, the country will be able to live through the winter even without Russian gas. If accomplished, this feat would be another devastating

First, biofuel (wood, straw and agricultural plants) may be used. This option is especially attractive for towns with no more than 20,000 residents, and they happen to account for nearly half of the country's population. Second, storage heaters can be used to store electrical energy at night. It takes merely 25 working days to implement this project, because the equipment is easy to adapt to the existing heating system. Third, synthetic gas obtained by gasifying charcoal waste can be used for heating. Fourth, coal-water mixtures can halve the cost of thermal energy. Fifth, domestic gas extraction volumes can be increased using deep drilling technology. In the past decades, dozens of condensed gas deposits have been found at depths exceeding five kilometres. This gas would be much more expensive to extract, but if sold at a price comparable to the current prices of imported gas (and exempt from all taxes and duties, if necessary), it may be economically efficient.

The main thing, however, is to finally move from words to actions, especially those that can secure desired results within 1.5-2 years. There is enough time left to implement many of the scenarios outlined above by the start of the next heating season and even build additional sections of gas pipelines running dozens kilometers or even more than 100 km. It is also possible to use a floating LNG terminal, purchased or leased, as was the plan several years ago. Most of the apparent challenges here can quickly be resolved by securing comprehensive U.S. support and involving American business. The United States is preparing to start exporting gas and will be able to deliver several billion cubic metres to Ukraine next winter, if not this one. To this end, American tankers and a leased LNG terminal could be used, and get Washington to help persuade Turkey to remove any obstacles for traffic through the Black Sea straits.

To accomplish real diversification, political will must be exerted now and guarantees have to be extended to all partners to assure them that current or planned projects in which they are involved, including the one with the LNG terminal, will be realized even if

Russia offers another discount or sets a damping price on its gas. For this purpose, Ukraine's legislation or the Constitution needs to be amended to the effect that the proportion of gas coming from Russia or any other country cannot exceed 20-25% of Ukraine's total consumption. And this quota will need to be enforced even if Gazprom offers half the price charged by other gas suppliers in order to regain control over Ukraine's market.

In this decision-making process, the key consideration should be national security risks stemming from dependence on Russia rather than economic efficiency. Russia and companies totally dependent on the Kremlin's wishes have proven time after time that they will never be reliable and predictable partners to Ukraine. Every effort needs to be made to safeguard the country against inevitable future breakdowns in relations with Russia. It would be a fatal mistake for the government and Naftohaz to continue to harbor any illusions that, even without implementing these and other alternative projects, Gazprom will "sooner or later be forced to make concessions to avoid losing the Ukrainian market". This approach would drive Ukraine into a still worse situation immediately after Gazprom builds the South Stream or implements other possible projects.

If the lawsuit in Stockholm takes too long, Ukraine should unilaterally stop fulfilling the agreements with Gazprom on the transit of Russian gas no later than on 1 May 2015. This can be done, for example, by taking the right to exploit Ukraine's gas transportation system away from Naftohaz, which signed these agreements, and transferring it to some other company. In this way, the Russian gas monopolist and European importers will have to make changes to the existing agreements in line with a key principle – Russian gas is sold on Ukraine's eastern border as an external border of the Energy Community to which Ukraine is a party. By forcing Gazprom to sell a large part of its gas on the Ukraine-Russia border starting from the next heating season, Ukraine will boost its standing and make it much simpler for itself to purchase gas from European companies. ■



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Alan Riley:

Ukraine has enough potential to turn itself into the center of gas trading for Central Eastern Europe and Baltic States

The Ukrainian Week speaks to Alan Riley, Professor of Law at the City Law School, City University of London, about Ukraine's energy potential, its weak spots and the prospects of the South Stream

Interviewed
by Olha
Vorozhbyt

OPTIONS FOR UKRAINE

The original center of the Soviet gas industry was Ukraine. In the 1970s, Ukraine itself produced most of the gas consumed in the Soviet Union (70bcm). Then, the USSR authorities moved this industry to Western Siberia, partly for security reasons. They feared that the Ukrainian gas fields would be endangered in any conflict with NATO. In addition, Western Siberia has rich giant gas fields. What was overlooked in both Ukraine and Siberia was that Soviet geologists had access to antiquated technology for assessing how much gas was truly available. Soviet era geologists did not estimate how much gas was available in Ukraine. They decided to simply cap many of the existing Ukrainian gas fields and move the industry to Western Siberia. Many of the Ukrainian gas fields were badly managed but they would not qualify as exhausted with modern technology. Potentially, therefore, there is a huge amount of conventional gas available in Ukraine. One of the major issues in the debate on Ukrainian energy security is that many Ukrainians do not realize that they actually have a huge base of conventional gas. In addition, they also have shale gas and offshore gas in the Black Sea, to which the access is problematic at the moment as the Russians are controlling Crimea. Still, its potential is very, very significant.

Ukrainians have 'gas advantages' that are unique to the whole of Europe. With these, Ukraine could transform its economic and political position. Firstly, you have the largest transit network in the world. It can take approximately 120bcm per year at the moment. If completely refurbished, it can take approximately 260bcm. This creates huge capacity. Secondly, you have storage capacity of 32bcm in Western Ukraine that could be upgraded to 52bcm. That makes it the world's largest transit and storage system! This means that Ukraine can potentially get more value, more benefit out of liberalizing its energy market and linking it to the Western European market than any other state eastward from the Alps.

The real gas advantage is that with its own resources, the transit system and storage capacity, Ukraine can turn itself into center of gas trading for the whole Central Eastern Europe and Baltic States. Thus, the Kyiv price will become the dominant one in which all contracts will be set in the whole region. And that is about enormous potential. This is actually possible thanks to your own readily available resources, transit and storage systems. I do not know whether it has been appreciated at all. One of my arguments about the current system is why do you put up with oligarchs,

special deals with Gazprom? Ukraine would get so much more value out of a liberalized energy market. There advantages it could offer everyone, from Ukraine as a state to consumers, businesses, and, indeed, oligarchs are enormous.

Ukrainian consumption of gas has shrunk because of the economic crisis. Originally, it imported 50bcm from Russia. This figure has decreased to approximately 30bcm. That is actually much more manageable in the sense that you can probably get 10-15bcm through reverse flow. By doing that, you are pushing the consumption of Russian gas down because the gas you are getting from the West is cheaper. And then, if you start using more coal instead of gas, you are pushing Russians to a relatively small coefficient.

Energy efficiency is another thing to embark on. Ukraine has been four times less efficient than the world on average and 2.5 times less efficient than Europe. There was a European program called EP5 which offered European financial support to help Ukraine deal with energy inefficiency. Its representatives could not make [ex-president] Yanukovich to do the deal for several reasons – one of them was that they could not trace where money would go. Now, you could do something on energy efficiency with Brussels.

**BIO**

Alan Riley is a lawyer, Professor of Law at the City University of London, and Associate Research Fellow of the Centre for European Policy Studies, Brussels. He is one of the UK's leading experts in competition law. His other fields of interest include energy law and policies, particularly liberalization of the EU energy market. Mr. Riley holds a PhD in competition law from the Europa Institute at the Edinburgh University. He is also solicitor of the Supreme Court of the UK.

THE FUTURE OF SOUTH STREAM

The South Stream is not going to be built. Essentially the US government has imposed a wide range of sanctions on Russian businesses and individuals, some of whom are linked to the South Stream project. I therefore cannot see how it can get Western financing and Western partnership. I am sure that people will go on talking about that in different ways, but the truth is that the South Stream is now dead. I cannot see how it can proceed. For example, if you are a Western bank or an energy company and you are listed on the New York Stock exchange, it would be extremely dangerous for you to get involved in the South Stream. You would risk facing a visit from the US Securities and Exchange Commission and the Department of Justice based on the existing sanctions or potential future ones. The reality is that no one wants to be involved in investigations by either the SEC or US Department of Justice, with the prospect of heavy civil or even criminal penalties. Another question (which can only make the situation of the South Stream even worse) is that, according to the buzz in the Russian blogosphere, Russia can actually build the pipeline through Crimea. Building a pipeline through illegally occupied territory makes it even more impossible. No one can get involved. Ukraine can probably seize all the gas which comes through the pipeline and the US Government would redouble its efforts against any Western participants in the project.

SHALE GAS POTENTIAL

There is huge mess with shale gas in Ukraine. Of course, there is a problem with Shell's licensed area in Eastern Ukraine. But what I would advise the Ukrainian government to encourage Chevron to get on with it in Western Ukraine. I think the issue there is to create a regulatory and environment regime which is robust, but streamlined, which allows you to speed up, move on and develop the resource. All experts say that the amount of shale gas is very significant in Ukraine. ■

DONALD TUSK'S ENERGY UNION

There are real problems with this Energy Union, because it is very difficult to make that work. I think the simplest thing for Ukraine is to join the European single gas market. The right way how to do that is via Energy Community Treaty. It is currently being reviewed. What I would recommend is that we should upgrade the Energy Community Treaty to a pan-European System. At the moment, the Western Balkans, Moldova and Ukraine are its members in addition to the EU member-states. It has its energy secretariat at Vienna, but the problem is its very weak enforcement system. I have argued that we should turn the Energy Community into a mini-EU, so that not merely all the rules apply to its members, but the enforcement and surveillance powers of the energy secretariat are strengthened turning it into a mini-commission with an energy court.

That would ensure full enforcement of liberalization which would help Ukraine tremendously to move along this path. It would link everything together. It would reinforce all reverse flow systems; it would apply a common competition regime for the whole region. Once you start getting these things together, you will have an impact. Ukraine would be linked into the European single gas market, become part of it, and have a major role in developing the gas market in Central and Eastern Europe. Gazprom would essentially become another player - a major one still, but not dominant as it is now in much of the region. With an interconnected market, Gazprom cannot do special deals and isolate Ukraine. That is why I support the plugging of Ukraine's gas system into the European one. Common rules with the EU and operation within the common enforcement systems would be very good news for Ukraine.

Yehor Sobolev:

"Lustration is blocked"

Chairman of the Lustration Committee speaks about the government's tricks, the Kremlin's agents and the need to rebuild government agencies from scratch



Interviewed
by Bohdan
Butkevych

Yehor Sobolev, a well-known journalist and public activist, headed the Lustration Committee after the Maidan. This was something perfectly expected after the revolution. However, he was never actually granted official status or real authority. Sobolev talks to *The Ukrainian Week* about lustration and the prospects for purging the government.

U.W.: Your Lustration Committee has not been granted official status, just like the Anti-Corruption

Bureau headed by Tetiana Chornovol, another activist. There are essentially only two people from the Maidan in the government – Oleh Musii as Health Care Minister and Dmytro Bulatov as Minister of Youth and Sports. Is this really the quota of the Maidan in Government?

When the government was formed, politicians played a trick, quite in their spirit, on all of us public activists. In order to somehow appease the Maidan, they nominated several people whom they

thought society liked to convey the message "Look, the Maidan will be represented in the government". These people included Olha Bohomolets, who was to head the Healthcare Ministry but ultimately refused. Oleh Musii was then proposed as a replacement. Bulatov was first offered the office of the Traffic Police chief, but he himself chose the Ministry of Youth and Sports. Tetiana Chornovol headed the Anticorruption Bureau, even though Vasyl Hatsko from the Democratic Alliance was considered as an alternative. I was given the Lustration Committee. Moreover, Dmytro Yarosh was offered to head one of the special units in the power structures. But both Hatsko and Yarosh immediately turned down the offers. The trick was that none of these offices is really influential. With all due respect, neither the Healthcare Ministry nor the Ministry of Youth and Sports determines government policy and can do something in their area without the support of the other agencies and organizations. The Anticorruption Committee and the Lustration Committee were never officially formed as such.

I now tend to think that they were not going to really create them. According to the plan, we had to run in circles from one office to another for several months, and then everyone would shrug their shoulders and say: "It didn't work out, and it's your own fault." Early on, the leadership did not agree to form the government based on open lists and opted for party quotas instead.

However, it should be understood that in February, the Maidan was not ready to assume power as we had no political representation. Back in December 2013, I met with the veterans of European revolutions, and all of them said: "Imme-

PHOTO: UNIAN

diately create a political movement because everything will be stolen from you after the victory.” But then the Maidan came under attack, and we had more important things to worry about. But they were right. This kind of party still does not exist. Neither the Democratic Alliance, nor the newly created Volia (Freedom) party in which I’m involved, nor Bohomolets’ party can represent the entire Maidan or is ready to come to power.

U.W.: One gets an impression that the new government has a fairly hostile attitude to your activities. Is it true?

Society across the country has greatly changed thanks to the Maidan. It is on the society and its desire for change that we rely in our plans for lustration and removing the rot from the country. But the state has remained virtually unchanged. The system of corruption and injustice and double agents at all levels are pervasive, from courts to the Security Service. Unfortunately, the current leaders of the ruling coalition show no desire to put an end to it. The only lustration initiative that was implemented, and even that with many nuances, concerned courts, while all the others have been blocked. Over four weeks ago, we submitted to President Petro Poroshenko a draft law on purging the government. It spells out all the lustration technology for all government agencies. We have yet to hear back from him. People from his office keep saying that we are fighting a war and this is not a priority now. It is clear that this is the same kind of ruse the previous government used. I believe to the contrary: the war is the chief motivator for lustration; it has to speed up progress rather than hamper it. The leadership of the country are playing a fairly shameful role in the ongoing conflict in Eastern Ukraine: they are delaying things, because it is beneficial for the above reasons and because there are many real agents of the Kremlin among them. This war has shown how much we underestimated Moscow’s influence.

U.W.: What government agencies are cooperating with you? What about the Kremlin’s agents? Did the Security Service offer to carry out lustration? What about the other our ministries and ministers?

The Security Service should simply be dissolved and re-created following the Czech model. The Czech simply disbanded its KGB and recruited completely new people. I have had no contact or received any cooperation proposal from the leadership of the Security Service and the Prosecutor General’s Office since the Maidan. I believe this has directly to do with the fact that the former is a government agency most densely infiltrated by enemy agents and the latter is the most corrupt body. To speak about purging with them is the same as speaking with Girkin (the leader of Russia-hired goons and spetsnaz in eastern Ukraine – Ed.) about peace in the Donbas. As far as the Prosecutor General’s Office is concerned, Vitalii Yarema, just like his predecessor Oleh Makhnitsky, came to his office to preserve and direct the existing schemes. This is the reason why Yarema blocked a new draft law on the Prosecutor’s General’s Office which was approved and supported by all experts and which entailed a complete replacement of its staff through open competition. In the Security Service – and I say this with confidence – its chief, Valentyn Nalyvaichenko, is a challenge to Ukraine’s security: he is not working for this state and is instead a living embodiment of the kind of people who should be lustrated. Our draft law on lustration envisages that all KGB staff and graduates of KGB-run schools must be banned from all government offices. Now, Nalyvaichenko graduated from the best KGB school in Moscow.

Think also about Vasyl Krutov – no-one will tell you that he did anything good for Ukraine while he headed the antiterrorist operation in Eastern Ukraine. There is no special service in Ukraine, because the one that we have is not the special service of our state.

As far as other ministries are concerned, Bulatov is the only one who suggested that his Ministry of Youth and Sports be subjected to checks. We are now only waiting for the required law to be passed. There was also an agreement with Minister of Justice Pavlo Petrenko in March, but there has been no progress since. The other ministries, especially the Ministry of Defense, simply keep silent.

We had successful cooperation with the Ministry of Internal Affairs soon after Arsen Avakov took the

Open competitions to replace officials are a knife put to the throat of the entire system as they can bring to offices people who truly want to be policemen, prosecutors and judges rather than money makers

top office there. In March, open competitions to replace heads of regional police offices were held. The situation in the ministry is not all that dramatic, in fact. There are many people there who are indeed Ukrainian policeman and with adequate financing, monitoring and leadership they can turn into normal law enforcement officers.

However, this requires political will, which is something Avakov is not showing now. As I said, he attempted to reform the ministry, but the ministry ultimately reformed him. Here are some facts. The Donetsk police are still headed by Kostiantyn Pozhydaiev, who has held the post since March and has allowed the current pitiful situation to develop there. I’m scared to think what else he needs to do to be fired. I have warned about the police chiefs in Odesa on multiple occasions. The result [of no reaction] was the 2 May tragedy. The chief of the Chernihiv police is a living illustration of how persistent the Yanukovich regime is. He held a similar position in Kharkiv and was promoted to general precisely under Yanukovich.

In the past four months, I have become much angrier and more cynical towards people, but I sincerely fail to understand how the Minister of Internal Affairs can keep these kinds of people in office.

U.W.: In light of all this, what is the future of the lustration process and your agency? Do you personally see the Czech or Polish scenario developing? Or will it end, as always, with mere declarations? Do you have something to boast of?

My least concern is the future of my agency. The draft law on lustration does not mention it at all, be- »

BIO

Yehor Sobolev is a Ukrainian journalist, public activist and politician. He was born in 1977 in Krasnodar (Russia). In 1995, he quit studying history in the Yuzhnosakhalinsk Pedagogical University and moved to live with his grandmother in Ukraine where he started a career in journalism. He worked for *City*, *Kievskie vedomosti* (Kyiv News), *Korrespondent*, *Dzerkalo tyzhnia* (The Mirror Weekly), the Ukrainian News agency, the 5th TV channel, delo.ua, etc. In August 2008, he launched the Svidomo Journalist Investigation Bureau. In July 2013, Sobolev declared he was moving from journalism to politics. He was one of the activists in the Euro-maidan and a member of its council. On 27 February 2014, he was appointed head of the Lustration Committee of Ukraine, which, however, has not been granted official status and continues to operate as an NGO. In June 2014, Sobolev co-founded the Volia (Freedom) party.



PHOTO: UKRAINSKY PHOTO

cause the task of purging the entire government mechanism is too big to be trusted to one agency. The police employ 300,000 people, the Security Service 30,000, prosecutor's offices 30,000 and ministries and regional administrations hundreds of thousands more. The key point is that all appointments must be made exclusively through open competitions. We suggest that the National Agency for the State Service be purged first in order to allow it to be filled with professional recruiters and headhunters who will then run checks in all other agencies. Checks must be carried out only in the top-down fashion – good managers should be selected first, and then they will find good personnel for themselves. Moreover, the special website of this agency has to include an appeal to citizens and journalists to submit information on people undergoing checks. In other words, all government institutions, society and the mass media would be included in the lustration process.

This pattern was tested during open competitions in the police with very good results. As soon as people learned about who the candidates were, they started supplying first-grade information about all the schemes, transactions and abuses. By involving the public, we are able to much better check all public servants rather than if we use only the efforts of one committee. In the same way, this will safeguard the committee itself from abuse. I already hear that some evil-minded people in the regions are attempting to exact money using my name as a cover.

I believe that lustration has bright prospects, because Ukraine is now much more prepared for it than it was immediately after the Maidan. Back then, there was a popular notion, even among the Maidan activists, that it was enough to simply drive out Yanukovich and his henchmen and everything would be all right. But the war has exposed how rotten the state apparatus really is. People are now largely inclined to think that it is simpler to form the majority of government agencies from scratch than to fight hundreds of thousands of corrupt officials.

What I consider to be my biggest achievement is the dismissal of the leadership of the Higher Council of Justice and courts. Unfortunately, the majority of dismissed top judges were able to return to their offices in local courts, but we did not allow this to happen in higher courts. We did not succeed in replacing justices in the Constitutional Court where they themselves flatly refused to replace Yanukovich's team. In Lviv and in Volyn Oblast, we were able to have people without any connections to political forces appointed to high offices. The evidence is found, for example, in the way the Svoboda (Freedom) party led by then Governor of Lviv Oblast Iryna Sekh fiercely fought against the candidate that had passed lustration checks and won the competition. In Volyn Oblast, the police chief has been trying for over a month, with the support of the community, to fire his deputies, but Kyiv keeps silent.

Lustration is one of the demands of the Maidan which the current government stubbornly ignores

This is quite understandable, because open competitions to replace officials are a knife put to the throat of the entire system as they can bring to offices people who truly want to be policemen, prosecutors and judges rather than money makers. The Interior Ministry is, in fact, a kind of centralized structure that urgently needs to be divided into several independent law enforcement agencies: the police proper to investigate grave crimes; special units to be used in situations like the one that we had in Sloviansk early into the conflict; the municipal police that would have no connection to Kyiv and would be elected locally.

As far as lustration scenarios are concerned, I prefer the Czech one, because the Polish one is very labour-intensive and not too effective. In fact, a mere 40,000 declarations have been checked in Poland in the course of 15 years; more than 250,000 remain unchecked, and a large number of those who were found to be communist agents were later able to prove they were not guilty of cooperation with the special services. That is why the Czech and Georgian experience is more appealing.

We will quickly check everyone using a simplified procedure, fire the top leadership automatically, rebuild the security service from scratch and purge the Interior Ministry, prosecutors' offices and courts

THERE WAS A POPULAR NOTION, EVEN AMONG THE MAIDAN ACTIVISTS, THAT IT WAS ENOUGH TO SIMPLY DRIVE OUT YANUKOVYCH AND HIS HENCHMEN AND EVERYTHING WOULD BE ALL RIGHT. BUT THE WAR HAS EXPOSED HOW ROTTEN THE STATE APPARATUS REALLY IS

as deeply as we possibly can and will watch how people perform. But again, this requires political will and an understanding among voters of the need for new politicians who will finally suit their actions to their words. The election in Kyiv showed that not everyone understands this even in the capital. As of today, I can say that lustration is blocked. ■

Anthropology

"The greatness of the country is measured not by the volume of goods produced, but by the quality of citizens it raises". I took this wisdom onboard so long ago (back in the day when posters about tons of pig iron, kilos of grain and meters of cloth to solemnly mark another Congress of the Soviet Communist Party were seen at every street corner) that I forgot the name of its author. But it was this dictum that made me finally see the evil empire that I lived in for what it really was, and I hated what I saw. One could believe or not believe in the communist utopia, approve or disapprove of the Soviet expansion on the world stage, take or not take pride in the economic achievements (which were make-believe), but it was utterly impossible not to see the main product of the system - the homo sovieticus, which was everywhere you looked.

Contrary to abstract ideals, an actual soviet citizen was a bearer of many rather unattractive traits such as aggressiveness, discourtesy, intolerance, rigidity and that very complex blend of trust, fearfulness, dependence and at the same time disrespect towards superiors that can be all condensed into one word "paternalism". Of course, people are different but this common "habitus" could more or less be seen in every mug you meet, mine included.

Homo sovieticus spent his life pushing and shoving in queues, quarrelling in buses, sitting in Party meetings, believing what it read in the Pravda, snitching on neighbors, approving military invasion of Czechoslovakia, exceeding the production plan for parts for inter-continental ballistic missiles and telling jokes about Brezhnev. Feeling that you belong to such a community was rather uncomfortable, but at least I understood that none of it was accidental, but rather a result of relatively long process of adaptation and evolution.

Much water has flown under the bridge, we have pretty much seen a generation change, yet a couple of years ago I began to feel that we, despite the changing scenery returned to the "good old days": poor manners in traffic, in the police, in courts, on TV. And I was not the only one who in moments of despair began feeling that this relic Soviet type, or rather a hungrier and more defiant version of it, is now the prevalent kind of Ukrainian. And therefore the entire Ukrainian project, responsible for bringing about the dominance of this type is doomed.

Then the Euromaidan happened, and then the war began and I suddenly no longer recognize my compatriots. Or perhaps it is me who changed, but one way or another, the tint of one's personal glasses can only do so much. From God knows where intel-

ligent, well-mannered faces appeared. There are more smiling, friendly, polite people in the streets. Perhaps I'm spoiled and too sensitive, but for me little things like these make a big of difference. In fact, I am convinced that there is direct connection between your everyday habits and social behavior. All the way until the end of February I never bumped into a single unpleasant face at Maidan. All those who stood on the barricades, cooked the food, brought car tires, collected drugs all over the city, went to rally near the president's private "palace" at Mezhyhirya or simply stood by the stage being those tiny little pixels (someone else's beautiful metaphor), all of them, all these men and women had eyes you would want to gaze into again and again. I was under the impression that their anthropological type has changed.

I am not the one to believe in wonders and I do realize that human nature has its faults. The entire nation cannot be made up of handsome saints. I do realize that the ill-mannered ones did not just evaporate overnight. They have either retreated and are waiting to pounce or... Every person has more than one face. Depending on the mood, life circumstances, the level of personal development, health etc., the very same individual can act as a vicious monster, or as an exemplary altruist (I speak from personal experience).

So my guess is that Ukraine is currently a place that evidently helps to demonstrate your best traits, regardless if this comes as a result of conscious self-improvement or the influence of the general atmosphere. Otherwise how would you explain all those volunteers, all those donations, all

**PERHAPS UKRAINE IS COMING
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the sympathy and mutual respect, all this readiness to work together in the conditions that are far from perfect, to put it mildly? Perhaps Ukraine is coming to its senses after the countless years of gloom, or maybe it is the opposite, perhaps we are witnessing the birth of the new Ukraine.

Either way, there is no pathos about it, just like there is no hint of pomp in the words of the captured AN-26 pilot, who, while being interrogated by Russian "journalists" that accompany Russian diversionists, said: "I made an oath and I act in a way that will be at peace with my consciousness for the rest of my life". Just get a grasp of those words. This is a hero, whose name to me remains unknown, unfortunately. The Ukrainian Air Force pilot Nadiya Savchenko is another heroic prisoner of war who made the world take notice. And there are many more heroes: soldiers, volunteers, activists, reporters and simply dignified and courageous people... They are the product of today's Ukraine. The kind of Ukraine I love. ■



Author:
Yuriy Makarov

Rebecca Harms: European leaders and US President Obama have to be clear that they do not accept the zigzag policy of Mr. Putin

Interviewed
by Olha
Vorozhbyt

Rebbecca Harms, the President of the Greens-European Free Alliance group in the European Parliament, is one of EMPs who watch the situation in Ukraine closely. During her latest visit to Ukraine, *The Ukrainian Week* took a chance to speak to her shortly after her return from Eastern Ukraine.

U.W.: You have just returned from Eastern Ukraine. How can the EU and the European Parliament help the Ukrainian government to deal with the situation there?

After my meeting with the soldiers, people from self-defence, businessmen, ordinary citizens, people from all political parties of Ukraine in Kharkiv, Slovyansk and Artemivsk, I think that first of all, it is very important that the EU clarifies how it is going to help Ukraine to develop its right to independent decision-making. I was confronted with many doubts about what the EU or European leaders are really thinking and ready to do in order to support peaceful democratic ideas of the big majority of Ukrainian citizens.

U.W.: Do you think the West is united in its position on Ukraine at the moment? There seems to

be a lot of mutual mistrust within the West, especially between Germany and US, especially after the resumed spying scandal.

First of all, nobody can doubt that without Russia's support to the self-declared separatists the destabilization of the Donbas would be possible. Russia could, at least, have closed the border awhile ago. There is information that there are many Russian soldiers along the border. If they want to close the border, they are able to do it. I can understand that the Ukrainian government is very upset about the fact that this has been promised again and again but has not happened. I think that European leaders and US President Barack Obama have to be clear that they do not accept the zigzag policy of Mr. Putin.

U.W.: But coming back to the spying scandal...

The spying scandal is a different matter. Since 9/11, the US has had a new approach to security which is to balance between their priorities of freedom and security, and it is very different from the European one. We have to address this issue, because this concerns the rights of European citizens, so we would weigh the two topics in a different order than the US are now doing. We say that it is going too far when every citizen and every politician, even heads of states, are followed by security services, their phone calls tapped.

But what we discuss with Americans does not matter when it comes to Ukraine and the strat-

egy towards Russia. The West, especially the EU, must be unified on this issue because it has signed the Association Agreement with Ukraine. It has been prepared for years and did not mean any aggression towards Russia. Nevertheless, it was because of the Association Agreement that Russia decided to occupy Crimea first, and is now obviously backing self-declared separatists. I don't know to what extent it is backing them, but it is. The Europeans have to really decide what their role and their task is now. Economic sanctions could be really an alternative to military escalation. Right now I feel that to bring down the escalation in the Donbas and to prevent Ukraine from being trapped in a war, it is very important that the international community takes decision to close the border in between Russia and Ukraine.

U.W.: Concerning the situation in Germany, how can the mood there, which was not that sympathetic to Ukraine, be changed, taking into consideration the flow of Russian propaganda there?



BIO

Rebecca Harms was born in 1956. Fighting against nuclear power has always been important to her private and political life. In 2004, Ms. Harms became member of the European Parliament where she is the President of the Greens/EFA group. Since 2009, Ms. Harms has been a member of Delegation Ukraine in the European Parliament.



PHOTO BY UNIAN

My impression is that the MH17 catastrophe and the death of almost 300 people has changed the discussion and become the turning point in European countries. They are still missing the real proves, but the strategy of separatists and of Mr. Putin so far have not really convinced anyone that pro-Russian forces and self-declared separatists are interested in true, fair, and open investigation of the case. It looks more like they are interested in destroying the traces and facts. And this is having an impact on discussions in the EU. I think that this catastrophe has changed the compared to what it had been from the very beginning when Russia attacked Ukrainian territory in Crimea and became an aggressor to a country it should have protected under the international nuclear disarmament treaty – Budapest Memorandum.

U.W.: Why both Ukrainian the EU politicians are quiet about the Budapest Memorandum now?

I wouldn't say that this is the case in the EU. We have recently (July 17 – Ed.) published another

resolution in the European Parliament highlighting the most important facts to be taken into account on the situation in Ukraine, including the Budapest Memorandum.

U.W.: What should be the strategy of the EU towards Russia? How should it work with Russia now?

I think what we should give a sign to the Russian population. I don't know what is going on in Russia, but what we are doing is not against the citizens of Russia. It is in favour of civil movement and democratic development of Ukraine and it is the Russian government and Russian president who decided not to accept Ukraine's right to self-determination. We wanted good relations with Russia. We have economic and political relations with many Russians, not only official ones. We want to keep them, but Russia decided to provoke destabilization of Ukraine. If this continues, the EU has to completely rethink all its relations with Russia.

U.W.: What will the revised relations look like?

Difficult. Ukraine knows very well how difficult it is to escape deep economic ties and relations with Russia and to replace its huge demand. It will probably happen stepwise, but this will not only change Europe, this will also change Russia, because Russia depends deeply on good political and economic relations with the EU too.

THE WEST, ESPECIALLY THE EU, MUST BE UNIFIED ON ITS STRATEGY TOWARDS UKRAINE AND RUSSIA BECAUSE IT HAS SIGNED THE ASSOCIATION AGREEMENT WITH UKRAINE

U.W.: Ukrainian Premier Arseniy Yatsenyuk said on July 18 that Ukraine prepares to suspend trade relations with Russia. Will the EU now somehow help Ukraine reorient its markets?

The EU tries everything. The problem is that the recovery of the Ukrainian economy cannot be fully organized by the EU. I see as the top problem the fact that the Ukrainian economy is going down

even without cutting relations with Russia. There is a huge problem with banks and problems in the banking sector will probably have to be fixed first of all.

U.W.: I would like to ask you a question as a German citizen. After the fall of Berlin Wall, when the DDR and BRD were getting together, there were a lot of problems in society as well: Ostalgie, for example. Do you see any similarities between Eastern and Western Ukraine in that sense now? How can they find consensus? How did that happen in Germany?

Ukraine can learn a lot from German experience in this situation, especially on transformation of the country. East Germany belonged to the Warsaw Pact states. Transformation of the former Warsaw Pact state was difficult politically, economically and socially. It is a difficult and demanding process, it takes time, generations. Ukraine is in an even more difficult position, because in Germany we had much more investments in restructuring of East Germany compared to all other states in transformation. But in spite of being difficult, the process still goes on. Sometimes, in discussions on Ukraine, I can feel that there are many citizens, especially in the Eastern part of Ukraine, who still follow old ideas. They feel lost between the past and the future. Old system feels easier to live with, especially in very difficult regions like the Donbas.

U.W.: How can this be cured?

It takes time, and it takes talking. I had a very interesting meeting with lustration committees from all over Ukraine. We can learn from good and bad experiences in Germany and other Central European countries. You should find out especially now, before the new elections, who the right persons to take on the responsibility in the public, judicial, tax sectors in Ukraine are, and whom the Ukrainian citizens can trust if they pay taxes, go to court, ask permission to run a business, construct a house, etc. These ideas of lustration which many Ukrainians feel committed to are very important for the future of Ukraine. ■

Collateral Damage

The shooting down of an airliner shows how reckless Vladimir Putin's sponsorship of Ukrainian rebels has been

The sight of bodies fallen from the sky and strewn across the fields outside the village of Grabovo will stay with those who saw it for a long time. The image of a thug taking a dead man's wedding ring, evoked with dignity and disgust by Dutch foreign minister Frans Timmermans in a speech to the UN Security Council, is a powerful one. The missile attack on Malaysia Airlines flight MH17 by Russian-backed rebels in eastern Ukraine killed 298 people and shocked the world. How it might affect the outcome of the war into which the wreckage fell, though, remains to be seen.

On July 21st, four days after the Boeing 777 was brought down, the human remains that had been piled into grey refrigerated railway cars near the crash site finally left for Kharkiv, from where they were to be flown to the Netherlands. The separatist forces at the scene numbered the bodies at 282; Dutch experts put the number closer to 200. In the small hours of the next morning the plane's black boxes were handed over to Malaysian representatives in a bizarrely formal ceremony in the rebels' administration building in Donetsk. One Dutch expert praised the local teams that had taken part in the recovery as doing "a hell of a job in a hell of a place". But the obstruction and intimidation by rebel forces that kept investigators and other responders from the site served only to deepen anger in the rest of the world.

Among the rebel rank and file, and in most places where news outlets are controlled by Russia, there is a widespread belief that MH17 was brought down by Ukrainian aircraft, perhaps as a way of eliciting further Western support by blaming Russia, perhaps because they mistook it for an aircraft carrying the Russian president, Vladimir Putin. Local people in eastern Ukraine, used to seeing rebels with outdated weapons on the streets,



don't think them capable of bringing down an airliner. In the rest of the world, though, the evidence seems, if circumstantial, incontrovertible.

"WE HAVE JUST SHOT DOWN A PLANE"

The flight was cruising at 10,000 metres (33,000 feet), an altitude at which only a sophisticated surface-to-air missile system or another aircraft would be able to hit it. The only such systems known to be in the area are Buk missiles which are under the control of the rebels. On July 17th a Buk missile launcher was seen on various social media moving towards Snizhne, about 80km from the rebel stronghold of Donetsk and close to where the aircraft was shot down. America says a missile was launched from the area just before the aircraft was destroyed.

In a phone call made half an hour after the remains of MH17 hit the ground Igor Bezler, a separatist leader, told a Russian intelligence officer "we have just shot down a plane". That call and others were intercepted and made public by Ukrainian intelligence; the Ameri-

can embassy in Kyiv subsequently issued a statement confirming the authenticity of the transcripts.

This evidence led Barack Obama and many other Western leaders to place the blame firmly on Mr Putin, the rebels' reckless sponsor and, in all likelihood, the supplier of the missile. That condemnation added to the pressure felt when the European Union's foreign ministers met in Brussels on July 22nd to consider its response. The EU's previous unwillingness to propose sanctions that might impose real costs on the members looked more spineless than ever.

The Netherlands, which lost 193 citizens in the attack, including the eminent AIDS researcher Joep Lange, supported a toughened line; Italy, often an obstacle to tightening sanctions, made no attempt to block such moves. Several ministers spoke of a turning point in relations with Russia. The communiqué they issued said they would "accelerate the preparation of targeted measures" which had been agreed at an earlier summit, increasing the number of people and entities "materially or financially supporting" Russia's policy of de-

stabilising eastern Ukraine that will be subject to travel bans and the freezing of assets. The ministers said they would act by the end of the month.

Such incremental measures amount to expanding so-called “phase two” sanctions against Russia, bringing Europe closer in line with America. Of greater importance is that the communiqué raised the prospect of the EU moving to “phase three” sanctions, which are aimed at whole economic sectors, if Russia fails to meet demands that it use its influence with Ukrainian rebels to ensure the crash site is preserved intact for investigation and that the flow of weapons and fighters from its territory into Ukraine be halted.

FROM ROSTOV, WITH BUKS

That the Russians are supplying the rebels is not open to doubt. Indeed, a recent increase in the flow of supplies seems to have set the scene for the tragedy.

On July 1st Petro Poroshenko, Ukraine’s president, brought to an end a ceasefire in the east of the country which had lasted for ten days and which, he claimed, the rebels had broken 100 times. He was betting that Ukraine’s armed forces, their morale boosted through the expedient of newly regular pay as well as training and better maintenance for their equipment, could take on and defeat 10,000-15,000 rebels armed mainly with light weapons and a few elderly tanks. On July 5th, after an artillery bombardment, Ukrainian forces hoisted their blue and yellow flag over the strategically important town of Sloviansk, which had been the military headquarters of the insurrection. Air power was a big part of the success. Though the rebels had shot down several planes and helicopters using Strela-2 shoulder-fired missiles, they were impotent against anything flying above 2,000 metres.

The separatists’ military leader, Igor Girkin (aka Igor Strelkov), a former or possibly current Russian intelligence officer, pleaded with Mr Putin for help in turning the tide. Although Mr Putin would not send the troops that Mr Girkin wanted, he was willing to provide him with enough weapons and assistance to stay in the game.

Since late June small convoys of Russian heavy weapons had been

flowing into the Luhansk region of Ukraine from a deployment and training site set up near Rostov by the separatists’ Russian military helpers, according to Western intelligence sources. On July 13th, at about the same time that Mr Putin was sitting down to watch the World Cup final with Angela Merkel, the German chancellor, American sources say that a much bigger convoy of around 150 vehicles made the journey. It is said to have included tanks, artillery, Grad rocket launchers, armoured personnel carriers and Buk missile systems. Russia flatly denies having sent any such missiles.

Whether it was a missile delivered by that convoy that brought down MH17 is unknown. There were reports in late June that the rebels had captured such missiles from the Ukrainians, though the Ukrainians deny this and it may well have been deliberate Russian misinformation. But successful attacks on aircraft started straight after the convoy’s arrival. On July 14th a Ukrainian military cargo plane with eight people on board was brought down a few kilometres from the Russian border. The aircraft was flying at 6,500 metres, well beyond the range of shoulder-fired missiles. The following day a Ukrainian Su-25, a ground-attack fighter that has been used extensively against rebel positions, was hit. On July 16th another Su-25 suffered a missile strike but managed to land.

It may be significant that the pictures showing the Buk missile launcher that shot down MH17 on its way to Chernukhino show it travelling alone. In normal operations the launcher would be accompanied by separate vehicles carrying radar and control facilities. Without these the system would have lacked, among other things, an ability to sense the transponders that civilian aircraft carry. Assuming that the crew wanted to shoot down another Ukrainian military transport, this lack would have made it easier for them accidentally to hit a passenger jet flying both higher and faster than any such target.

THE SHOW MUST GO ON

That it was indeed a mistake is hard to doubt, not least because it clearly put Mr Putin on the defensive. In the days after the attack he threw



himself into a frenzy of diplomatic and public activity, talking repeatedly to Mrs Merkel and Mark Rutte, the Dutch prime minister, as well as to the leaders of Australia, Britain and France. On July 21st he gave an address to the nation unremarkable in every way other than its timing; it was broadcast in the middle of the Moscow night, which means just before the previous evening’s prime time on America’s east coast. Having asked for concessions it did not receive, Russia still backed the Security Council’s resolution calling for a full investigation and for those responsible to be held to account, a

resolution which accordingly passed unanimously. For all his anti-Westernism, Mr. Putin cares about his international image enough to want to avoid defeat.

He cares even more about his power at home. The Russian people are keen on both the war in Ukraine and Mr. Putin: his approval rating is a remarkable 83%. Gleb Pavlovsky, a former Kremlin consultant, wrote recently that Russians see the war as a “bloody, tense and emotionally engaging” television drama that has little to do with reality but which they want to see continue. Mr Putin prospers as the drama’s producer and leading man; he cannot rewind the narrative in such a way as to extricate himself.

But the audience’s enthusiasm does not mean it wants to pay to keep watching. So far the sanctions imposed in response to Russia’s annexation of Crimea have seemed of greater symbolic than economic importance, and this plays to Mr. Putin’s strengths. In Russia he controls the symbols. But serious economic sanctions of the sort to which the EU seems to have inched closer could do him genuine harm, given the already stagnant economy.

If concern along those lines led to Mr. Putin’s efforts on the international stage, though, it does not seem to have changed the situation in eastern Ukraine, or the show being offered to Russian television audiences. The rebels are still using ground-to-air missiles; they brought down two Su-25s on July 23rd, though they did not use Buk missiles to do so. Mr Poroshenko says that weaponry is still rolling over the border to the rebel forces (which he wants the West to designate as terrorists, saying it would be “an important gesture of solidarity”). American intelligence sources say their analysis, too, points towards continuing supply from Russia.

One explanation for the lack of change could be that Mr Putin does not believe that Europe will act decisively. The evidence of history seems to be on his side. Though on July 22nd the council of ministers sent a stronger message than it had before, Europe retains a deep ambivalence about inflicting real economic pain on Russia. In a newspaper article on July 20th David Cameron, Britain’s prime minister, told fellow European leaders: “It is time to make our power, influence and



resources count. Our economies are strong and growing in strength. And yet we sometimes behave as if we need Russia more than Russia needs us...” They—including Britain, fearful of damage to the City of London—could well continue so to behave.

The most obvious evidence of this is France’s determination to go through with the sale of the first of two *Mistral*-class helicopter carriers to Russia. Other nations have demanded the contract be halted, but President François Hollande fears that reneging would endanger shipbuilding jobs at the Saint-Nazaire dockyard, incur stiff financial penalties, leave France with expensive ships it has no use for and damage its reputation for dependability among other countries thinking about entering into arms contracts with it.

That said, sticking with the deal also poses risks to France’s reputation—and to its military equipment makers. The NATO country which is currently investing most in defence is Poland, with a budget of \$46 billion. France is well placed to sell it combat helicopters and other expensive kit. But François Heisbourg of the Foundation for Strategic Research, a think-tank, points out that Poland, staunchly opposed to Putin’s power play in the Ukraine, is unhappy about the sale of the *Mistrals* and unlikely to welcome French arms-sales teams in its aftermath.

Mr Hollande this week tried to deflect the pressure by saying that while the *Vladivostok* would be delivered this autumn as agreed, delivery of the second such ship—the *Sevastopol*, ironically—it is building for Russia would depend on Mr Putin’s good behaviour. Meanwhile

Another piece of the evidence: the expanding base near Rostov

the head of his Socialist party, Jean-Christophe Cambadélis, hit back at British criticism of the deal, noting that many Russian oligarchs had “sought refuge in London”, and added: “this is a false debate led by hypocrites.” France is demanding that, in any phase-three sanctions, Britain act on Russian financial transfers through the City. Germany for its part would be expected to contribute by restricting Russia’s access to high technology, especially in the energy sector.

That is more conceivable than it was; German opinion seems to be turning. “Nobody can blame Germany for not having taken efforts to talk,” says the German foreign minister, Frank-Walter Steinmeier. “But Russia did not stick to the agreements to the necessary extent.” The day after the foreign ministers’ meeting Germany’s mass-circulation *Bild*, unimpressed, ran a headline mocking the EU for its *Empoerend Untätig*—outrageous inactivity. But if this signals a new German toughness, it is a stance that will build up over months or years, not in weeks.

DOUBLING DOWN

As Europe plays, at best, a long game, Mr Poroshenko is hoping to regain control of the east of his country with a decisive offensive. Much will depend on his tactics. Ukrainian forces have been making liberal use of air strikes and Grad rockets as they move toward Donetsk. On July 18th 16 civilians were killed in shelling; on July 21st Ukrainian Grad rockets killed four civilians south of Donetsk airport. “Do I look like a terrorist?” asked Galina Afrena, a woman of 60, as she surveyed the damage wearing a leopard-print dress and carrying a jar of homemade fruit juice. The Ukrainians say they are under strict orders not to use artillery or air strikes on Donetsk, a city of nearly a million people. If those orders are followed, it will mark a significant change.

It is natural to expect an enormity to be a turning point. There is a depressing chance, though, that MH17 will remain an unfathomable aberration. Ukraine, the rebels and Russia show every sign of eschewing any opportunity it might offer for reflection and reconciliation. The incompatibility of their interests has only been thrown into sharper relief. ■

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Moral Blindness and Ukrainian Lessons

In 2013, I have written conjointly a book with Zygmunt Bauman, one of the greatest thinkers of our times. It is a book of an intense philosophical dialogue on the loss of sensitivity. The title of our book, *Moral Blindness*, was Bauman's idea, and it came out as an allusion to the metaphor of blindness masterfully developed in the Portuguese writer José Saramago's novel *Ensaio sobre a cegueira* (Essay on Blindness). Yet the subtitle of the book, *The Loss of Sensitivity in Liquid Modernity*, came out from my own theoretical vocabulary, albeit with Bauman's touch – his books would be unthinkable without the adjective “liquid,” be it liquid modernity or liquid fear or liquid love. Much to my delight, this book will have a second life in the Ukrainian language and culture.

Ukraine has become a litmus test of global moral (in) sensitivity at the beginning of the 21st century. The country paid the price for its heroism, courage, willpower, solidarity, and freedom. Crimea, Eastern Ukraine, threats from the Kremlin, an obnoxious and grotesque campaign of toxic lies from the Kremlin-controlled media bordering on Goebbels-like propaganda and Orwellesque two-minute hate sessions of collective hysteria and mass psychosis – it would be difficult to exhaust the ordeals that begotten the radically new situation in world politics.

And what was the reaction of the EU and the West? Next to none. What happened over the past months did become a déjà vu experience coupled with a flashback from fairly recent European history. A feeling of being back in time with such code names as Munich, the Sudetenland, Hitler, Daladier, and Chamberlain is much stronger than it would have been any time earlier after the fall of the Berlin wall. We bid farewell to the holy naïveté of Francis Fukuyama's vision of the end of history, as if to say: “Welcome back to the 20th century!”

The inability of the EU to react to the tragedy of Ukraine otherwise than through a series of unintentionally comical manifestations of “deep concern” not only shows the ease with which the EU produces the new Daladiers and Chamberlains; it exposes a deeply selective approach to human self-worth, dignity, and life. As long as war crimes are committed in No Man's Land, in their eyes, such as Ukraine, we can react with our seemingly sensitive rhetoric without doing anything in terms of political and legal action. It happened only after the Malaysian airplane crash when the plane with almost three hundred Dutch, Australian, and other nations' civilians was shot down by the terrorists armed and supported by the Kremlin that the EU showed at last some signs of genuine resentment and protest against this shocking barbarity.

I can only recall Zygmunt Bauman's allusion he makes in his works to the Nazi concept of “life unworthy of

life.” The phrase “life unworthy of life” (in German, *lebensunwertes Leben*) was a Nazi designation for the segments of populace which had no right to live. In our days, we witness a liquid-modern designation for the regions and countries whose tragedies have no right to break the news and whose civil casualties or sufferings from political terrorism and violence have no right to change bilateral relations and trade agreements between Russia and major players of the EU.

How could we otherwise explain the unbearable naïveté and totally misguided actions, to say the least, of the German foreign minister Frank-Walter Steinmeier who pushes Ukraine to negotiate with terrorists thus legitimizing them? Or the surrealist political logic of France with its multibillion deal with Russia over the Mistral warships thanks to which Russia can attack not only Ukraine (incidentally, the second warship to be sold to Russia will carry the name of Sevastopol) but any EU and NATO country as well? The Russian political commentator and essayist Andrei Piontkovsky spoke about the collective Feuchtwanger as an embodiment of the European will-to-misunderstand what was happening in Stalinist USSR. This sort of self-inflicted moral and political blindness, or the will-to-misunderstand Vladimir Putin's Russia, could be described as the collective Schröder.

Like Tibet with its series of self-immolations, Ukraine has become a litmus test case – as far as our moral and political sensibilities are concerned. How many more deaths and tragedies do we need to get back to our senses? What the death toll should be like to switch to

our sensitivities? We know a winged phrase that the death of one person is a tragedy, yet the death of millions of people becomes statistics. Unfortunately, this is more than true. The struggle between our moral blindness and our ability to see other individ-

uals as ethical beings, rather than statistical units or workforce, is the struggle between our own powers of association and dissociation, compassion and indifference, the latter being a sign of moral destructiveness and social pathology.

We learn from political history that we can withdraw from our ability to empathize with other individuals' pain and suffering. At the same time, we can return to this ability – yet it doesn't say a thing about our capability to be equally sensitive and compassionate about all troubled walks of life, situations, nations, and individuals. We are able to reduce a human being into a thing or non-person to be awake only when we ourselves or our fellow countrymen are hit by the same kind of calamity or aggression. This withdrawal-and-return mechanism only shows how vulnerable, fragile, unpredictable, and universally valid human dignity and life is.

These are the lessons to be learned. The Ukrainian lessons. ■



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THE EU'S WILL-TO-MISUNDERSTAND VLADIMIR PUTIN'S RUSSIA COULD BE DESCRIBED AS THE COLLECTIVE SCHRÖDER

The Comic War of Rinat Akhmetov

Rinat Akhmetov, Vladimir Putin and Viktor Yanukovych continue to weave plots for Eastern Ukraine, making the rebels with black-and-orange ribbons think that they are dying for a New Russia, not for oligarchic interests

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There were street fights in the centre of Donetsk on July 1. Armed rebels in camouflage and the local police shot at one another. Innocent bystanders and several members of the Ministry of Internal Affairs were injured as a result. Bullets hit the trams and cars that drove by, as well as the windows of business centres and shops. Such a sudden eruption of violence in the city, where at the time there was no anti-terrorist operation and no member of any special force was resisting terrorist groups, surprised the locals. The “republicans” had previously not bothered the police because of its loyalty and candid collaboration with separatists.

People immediately began to buzz about the reasons behind what happened. Several scenarios appeared. Initially, the supporters of the Donetsk People’s Republic spoke, as usual, about the Right Sector that was probably hiding tight in the building of the Ministry of Internal Affairs. The rebels were supposedly trying to remove them from there. But since even the most die-hard sympathisers of Russia in Donetsk no longer believe such nonsense, people quickly proposed a different, more plausible explanation. Two different DNR groups fought each other, they suggested.

Even separatists themselves appear to be puzzled by the intricate interaction of terrorist bands in Donetsk. And for law-abiding citizens, who have absolutely nothing to do with looting and kidnapping, this is far too much to detangle. What is clear, though, is that the occupied Donbas is gradually turning into an African country torn apart by tribal conflicts. In the breaks between

scuffles with the Ukrainian military, bogeymen, demons and other evil spirits squabble for power in captured cities, while the whole world is watching this unexpected European Somalia puzzled and amused.

Those who prophesied a Yugoslavian scenario for Ukraine were wrong. An African one is being implemented on part of Ukraine’s territory. More blood, more dead bodies, more chaos. A Horlivka tribe against a Donetsk one. Muscovite mercenaries against local gangs. One leader against another. It is now impossible to tell the terrorists from the militants. The only sources knowledgeable in terrorist matters are Russian media. That comes as no surprise. Who other than Russians would understand Russian terrorists?

Russia Today, an English-language mouthpiece of the Kremlin, described the armed skirmish in Donetsk as a conflict between the “militants” and “terrorists”, the terrorists being the group led by Igor Bezler, aka Bes (Demon), the field commander of separatists. The “militants” were allegedly the group loyal to the Moscow-born Aleksander Boroday, the official leader of the Donetsk People’s Republic. The Russian media failed to explain the difference between “militants” and “terrorists”.

It is common knowledge that the terrorist groups of separatists are very diverse, each with an own story of creation. They were formed under the leadership of different people in different cities and now serve different interests. Oplot (Stronghold), Vostok (East), Rosiyskaya Pravoslavnaya Armiya (Russian Orthodox Army) – there is a history behind each of these names.



Oplot which was created with the direct participation of Kharkiv authorities, acts virtually hand-in-hand with the local police and leadership in Donetsk. During the attack on the Donetsk police headquarters by Bezler’s rebels, Oplot helped the police to defend themselves. In addition, the rebels are “guarding” the Donetsk City Council building. Yes, they are actually guarding it. As a result, separatists failed to seize the City Council and no “people’s mayor” popped up. Oplot members with rifles have stood in the vestibule since April instead of the police, but the staff work in the building, led by the legitimate Donetsk Mayor, Oleksandr Lukyanchenko.

He is an extremely lucky person. His peer in Horlivka, Yevhen Klep, was beaten and tortured for disobedience. The Mayor of another town in Donetsk Oblast, Makiyivka, Oleksandr Maltsev, was forced to resign. The notorious Head of Slovyansk, Nelya Shtepa, was held in captivity for three months. Meanwhile, Lukyanchenko continues to serve in his position as Mayor, even though he has publically refused to cooperate with terrorists. Rumour has it this is because he has been oligarch Rinat Akhmetov’s man for many years. The same applies to the head of the Donetsk police, Kostiantyn Pozhydayev, who was protected by Oplot against the uncontrolled Bes.



The longer the conflict in Donbas continues, the clearer the interest in it of the main Donetsk oligarch, who, it appears, controls the two largest groups of rebels, and with whose help he controls Donetsk. But the oligarch's plans were suddenly shattered by the most brutal terrorist, Igor Girkin (Strelkov)

PHOTO: AP

It goes without saying that Oplot also diligently guards Akhmetov. In spite of all the threatening statements made by DNR representatives, not one of the facilities in Donetsk that belong to the oligarch has been seized or destroyed. Oplot even protected the office of the Lux company from an enraged crowd. The offices of SKM and Metinvest, two of Akhmetov's companies, also continue to operate in the centre of Donetsk. However much Akhmetov tries to convince Ukrainians that he too is a victim of the separatists, it is hard to believe. Plus, Akhmetov is in no hurry to move his business to Mariupol, which has already been cleaned up of terrorists.

As to Mariupol, it was liberated with virtually no bloodshed or destruction despite gloomy expectations. Could this be because Metinvest's two largest steel plants are located there? Another important fact is that the commander of Oplot and the Vostok battalion is also controlled by Akhmetov. This person is Oleksandr Khodakovsky, who for many years headed the Alpha special division of the SBU, Ukraine's Security Service, in Donetsk. He, just like Pozhydayev, is connected with the oligarch and is referred to as his creature. He openly pledged allegiance to the DNR in March. At that time, the police was already playing along with gangs of bandits,

not getting in their way when they were seizing buildings and consolidating in the city.

The longer the conflict in the Donbas continues, the clearer the interest in it of the main Donetsk oligarch, who, it appears, controls the two largest groups of rebels, and with whose help he controls Donetsk. The shootout in Donetsk only proved that Akhmetov did not allow anyone to come into his stomping ground. As soon as the Horlivka bandits made their move towards the city, they were labelled "terrorists", not "militants". The Vostok battalion beat back the Donetsk police from the rebels.

However, Akhmetov's plans were suddenly shattered by the most brutal and insane terrorist, Igor Girkin (Strelkov), who suddenly left Slovyansk and conducted a successful march on Donetsk. While he was on his way, residents discussed with fear whether there would be a battle between the Akhmetov and Strelkov groups, but it did not come to pass, supposedly because there is no official information about it, but shooting and explosions were heard all the time. Who was shooting whom? No one knows whether it is the anti-terrorist operation in action, or the terrorists are settling a score.

Since the Russian mass media unanimously voiced in their reports the interpretation of the July

1 shootout as laid out by Aleksander Borodai, a spin doctor in Moscow and a self-appointed prime minister of the self-proclaimed DNR, the Kremlin must view him as the only legitimate speaker of the DNR. At the same time, he serves as a connecting link between Russia and Akhmetov. But Borodai is no longer in Donetsk. He, together with Denis Pushilin, a self-appointed speaker of the DNR, is in Moscow. In all likelihood, he escaped from the hostile armies of Girkin, who openly scorned Akhmetov's amusing guard. Girkin has already declared himself the leader in the city, which he announced in a video on his entry into the city.

Judging by his other statements, Donetsk has had bad luck. The administration of the new occupants is far more ruthless than the previous one. It is more than likely that the city can expect a blockade, irregular water, blackouts and food supplies. The terrorists themselves have already promised a new Slovyansk in the city of a million people.

The sad thing is that the average residents of Donetsk have fallen hostage to all this. Only a few months ago, they light-heartedly participated in street skirmishes and demonstrations, when appealed to by the criminals. Unfortunately, the majority of them still do not understand that they have become the

THOSE WHO PROPHESED A YUGOSLAVIA SCENARIO FOR UKRAINE WERE WRONG. INSTEAD, AN AFRICAN SCENARIO WITH MORE BLOOD, MORE DEAD BODIES, AND MORE CHAOS IS BEING IMPLEMENTED ON PART OF ITS TERRITORY

pawns in the amusing battles of influential people. Akhmetov, Putin and Yanukovich continue to weave plots that make those wearing black-and-orange ribbons think that they are dying for a Novorossiia, New Russia, not for oligarchic interests.

Apparently, the traditions of Russian leadership and its satellites have hardly changed since Peter the Great's time. The slaves are still willing to obediently be involved in them, as they were 300 years ago. ■

Between Munich-2 and the Truman Doctrine

Russian aggression against Ukraine has forced the world to choose between two ways of handling the aggressor. Each was tested in the 20th century

On the one hand, there is the policy of “pacifying the aggressor” which culminated in the Munich Agreement signed between European democracies and Hitler’s totalitarian Germany 76 years ago. This choice, as is known, led to catastrophic consequences for Europe and the world which ultimately had to pay a much bigger price for subduing the aggressor than would have been necessary in the case of early reaction. On the other hand, there was the positive counterpart in the form of “containment policy” initiated in US President Harry Truman’s doctrine in 1947. This policy minimized the price the democratic world ultimately paid for putting the totalitarian USSR back in its place, even though the Soviets could have caused much bigger problems than the Nazis (**see Lessons of history**).

RICOCHET

On July 16, 2014, both the USA and the EU decided to expand sanctions against Russia, but in both cases the decisions were too weak. Neither Brussels, nor Washington moved to the third level of sanctions that would involve sectoral restrictions. America introduced its sanctions against a number of companies representing Russia’s military industrial and energy sectors. The EU leaders expanded theirs to include new individuals and companies, but the list is to be published only by the end of July. Part of U.S. senators and EU supporters of a stricter stance on Russia immediately criticized the ad-

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opted documents for their impotence and inefficiency. This is no surprise, considering how even Russian Prime Minister Dmitry Medvedev publicly ridiculed them saying that “such sanctions have never forced anybody to their knees”.

However, the Russians seemed to have lost all guard after the “weak” decisions of Washington and Brussels: their fighter jet downed a Ukrainian SU-25 military plane in the border area, and they transferred the powerful Buk-M missile system to the terrorists in the Donbas. Their radio conversations intercepted by Ukraine’s security services show that this system came together with a professional Russian military crew. The Malaysian flight they downed on July 17 upset the balance of power between the “hawks” and the “doves” in the USA, the EU and

**THERE ARE ENOUGH FORCES
IN THE EU THAT ARE PREPARED
FOR MUNICH-2. THEY EXIST
ALSO IN THE USA**

across the world, forcing the international community to re-assess Russia’s military invasion in eastern Ukraine.

At the very least, the world media have finally accepted the fact that Russia is actively supplying terrorists in Ukraine with modern heavy artillery and trained military personnel. On July 19, British Prime Minister David Cameron said in his article in The Sunday



Times that it was time for the EU to put its outrage over Moscow’s supplies of heavy weaponry to Russian terrorists in the Donbas into actions. We watched for too long as many European countries were unwilling to see consequences of the events in eastern Ukraine, he added. The Foreign Affairs Minister of the Netherlands, a country which suffered the most from the MH17 catastrophe, also noted that this tragedy opened Europe’s eyes to what was happening in Ukraine. Holland and its close allies in Benelux can now be expected to demand more severe actions against Russia.

The problem is that this may lead to not only greater pressure on Russia, which has enough strength to hold out, but also a desire to immediately put an end to warfare as a self-contained goal and thus



PHOTO BY REUTERS

freeze the current conflict in the Donbas. After the downing of the Malaysian plane, Angela Merkel said: “[The] events show that we need to find a political solution. I do not see an alternative to talking with Russian President Vladimir Putin. There are hardships in our partnership, and we need to overcome them.” This position is convenient for Putin. In a video address made public on the night on July 21, he said: “Russia will do everything in its power to have the conflict in eastern Ukraine move from the current military phase to the phase of discussion at the negotiations table through peaceful and exclusively diplomatic means.”

Thus, there is a real danger of preserving the status quo with the Russian terrorists maintaining their control over large swathes of Donetsk and Luhansk oblasts, in-

cluding their biggest cities, such as Donetsk, Makiivka, Luhansk and Horlivka. Another Transnistria of sorts. At the same time, some in the EU advocate cementing the situation by sending the UN peacekeeping mission whose function is, as is known, to draw the conflicting sides apart. Andreas Schockenhoff, deputy chairman of the CDU/CSU faction in Bundestag (which is also Merkel’s party), spoke in favour of bringing a U.N. peacekeeping force involving German troops to Ukrainian territory and establishing a truce under the auspices of the world community. Supporters of Munich-2 can be found also in the United States. Jacob Hailbrunn wrote in *The National Interest* that the future of Ukraine had to become the subject of discussions between Germany, Russia and the USA and that a new Berlin Con-

ADDICTED TO NEGOTIATIONS. Russia may have been excluded from G8, but the world leaders are still ready to take Putin’s interests into account

gress was needed, like the one held in 1878.

The policy of “pacifying the aggressor” and Munich-2 – naturally, in a modified version – have a strong support base. There are enough forces in the EU that are ready to swallow the annexation of Crimea and turn terrorists-controlled Donbas territories into another Transnistria, while pretending all the way that nothing serious has happened and continuing to make money on joint projects with Russia. In this case, they will benefit from two other factors: Ukraine will continue to be a buffer zone between them and the restless Russia (a “bridge” in their rhetoric, even though a victim cannot a priori be a bridge for the aggressor); having a frozen conflict in its territory, Ukraine will not actively push for full EU and NATO membership. »

Just like Western leaders held naïve confidence in Hitler back in 1938, these forces hope that Putin will stop in the Donbas and will not attempt to take over entire Ukraine or step up his expansionist efforts against other states in Central and Southeastern Europe, including aggression against the Baltic States. However, the logic of revanchism is universal for all times and peoples: its carriers do not stop on their own, and the sooner they are stopped, the lower the price that has to be paid.

LIGHT AT THE END OF THE TUNNEL

There is light at the end of the tunnel, though, and this light comes from the USA. Its Congress passed in two readings a law on counteracting Russian aggression which was submitted for consideration back in May. (It is now going through the most important preparation stage in the Foreign Affairs Commission after which it may be adopted conclusively.) It can be viewed as an attempt of the guarantor of worldwide security to return to the Truman Doctrine. The document recommends to the U.S. President stepping up cooperation of the American army with the armed forces of Ukraine, Georgia, Moldova, Azerbaijan, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia and increasing U.S. and NATO involvement in the security of these states. The law suggests granting MNNA (Major Non-NATO Ally) status to Ukraine, Moldova and Georgia as most exposed to pressure from Russia. Legislatively

fixed back in 1989, this status sets priorities for the U.S. relations with such countries, including possible participation in joint defence initiatives, military research, anti-terrorist actions, supply of certain types of weapons and joint efforts in space projects. Such important American allies as Israel, South Korea, Japan, Australia and Pakistan all have this status.

By granting MNNA status to Ukraine, the United States would be able to support its Armed Forces and supply modern American

WITH OLD EUROPE LEANING TOWARDS MUNICH-2, UKRAINE IS HAMPERED IN MAKING THE RIGHT DECISIONS

weapons, such as anti-tank and air defence systems and small arms, as well as ammunition, armoured and high-wheeled multipurpose vehicles, bulletproof vests, etc. This would send a very strong signal of support “by actions rather than words”, elevate our bilateral relations to a historical high and show who our friend is in an hour of need.

Ukrainian Foreign Affairs Minister Pavlo Klimkin said that NATO as a bloc is also prepared to consider including non-members into its security space. According to Klimkin, the borders of this union will be determined at a NATO summit in South Wales in early September.

Meanwhile, there is growing fatigue with the EU's leaning to-

wards Munich-2 and increasing realization that only the USA and its traditionally most consistent allies perceive the situation more or less adequately (but still not seriously enough). Ukrainian Internal Affairs Minister Arsen Avakov recently wrote that only quadrilateral negotiations involving Ukraine, the USA, the EU and Russia are acceptable. Not two or three sides, but four. This is not to “let tender-hearted Europeans soften their hearts and again ‘understand the situation’ in the poor Putin regime has found itself”. Verkhovna Rada Speaker Oleksandr Turchynov, who recently complained that the West offered nothing more than verbal support at a time when Russia was taking over the Crimea, noted that it was due to the attempts some Western politicians made to cut a deal with Putin and help “pacify the aggressor” that Russia became increasingly impudent and that it was time to “not only feel sympathy for Ukrainians but also help us militarily and technically and ... start supplying us with modern weapons and military equipment.”

These are not the last people in the government, but they do not define Ukraine's foreign policy. In his recent interview for Hromadske TV, Klimkin, who is implementing President Petro Poroshenko's foreign policy, made a series of interesting statements. Despite diplomatic caution, he offered a quite candid assessment of the EU and NATO: “Despite the fact that I am such a classic and

LESSONS OF HISTORY



FATAL SHORTSIGHTEDNESS: Two of the four participants of the Munich Conspiracy against Czechoslovakia failed to avoid the “great war”. Instead, they made their peoples pay a huge price for it

With an interval of just 10 years, the democratic world offered two fundamentally different reactions to the threat posed by totalitarian regimes aspiring for worldwide domination. The pitiful nature of the first one led to a death toll of dozens of millions and colossal ruination during the Second World War. The reason was that the European states did not react to Hitler's revanchism in a timely manner, hoping to avoid a “big war”. In March 1938, with adequate reaction from Britain and France lacking, Hitler annexed Austria – just like Putin annexed the Crimea in March 2014. Encouraged by such easy booty, he increased pressure on Czechoslovakia pretending to want to protect the German-speaking population in the Sudeten region, an industrial border area in Czechoslovakia with a high concentration of such people – just like Putin is do-

ing now in the Donbas. Initially, autonomy – federalization in the case of the Donbas – was demanded. In September, Hitler instigated an armed uprising in the Sudeten region – just like Putin did in May 2014 in the Donbas. After it was suppressed, Hitler started threatening military invasion – just like Putin did in response to the anti-terrorist operation in Ukraine. Great Britain and France agreed for the Germans to take control over the disputed region. On 29-30 September 1938, representatives of Britain, France, Germany and Italy, but not Czechoslovakia, met in Munich – just like the supporters of Munich-2 suggest doing now with Ukraine – and signed the Munich Agreement giving the Sudeten region to Germany. Despite all his assurances, Hitler did not stop there and conquered the rest of Czechoslovakia in March 1939, opening the way for further aggression,

dyed-in-the-wool supporter of European integration, the EU is an inertial structure, while NATO can react to challenges very quickly. ... The EU consists of 28 countries and it is ... always the least common denominator affected by a multitude of different considerations. ... Meanwhile, the USA has a strategic vision of this world and a clear global understanding of how the values and interests it understands and has clearly defined there need to be protected. ... There are countries that want to morph the conflict settlement into a gradual, soft and convenient process. But we have studied conflicts and conflict cycles starting from Transnistria in great detail... We will not let putting what is happening into a format that is convenient to someone. It has to be convenient only to us."

Nevertheless, the problem is that, even given political will to reject "other people's scenarios", the current government continues to build its foreign policy strategy based on an illusion of a "multipolar world", a desire to sit on several chairs at the same time and avoid making a clear geopolitical choice. "We have Turkey, China and the Asian dimension," Klimkin insists. "If we play the either-or game, we will definitely lose. I do not agree, with all due respect to Zbigniew Brzezinski, that Ukraine's issue can be resolved only by way of compromise between Ukraine, Russia and the US... We need a real decision and compromise between the USA and Russia."

However, it is, in fact, clear that the outcome of both "compromises" which, in Moscow's view, can only lie in Ukraine's non-aligned and neutral status for now, will be another wasted opportunity for military and political integration with the USA, NATO and the adequate states in the Baltic-Black Sea region. The compromise itself will continue for as long as it will take Moscow to get ready to break it once again. In general, Klimkin's interview suggests that, despite his personal critical assessment of the EU's ability to withstand the Kremlin's expansion, Kyiv orients itself, above all, towards Berlin and the Berlin-Paris axis, even though both countries are more or less obviously leaning towards Munich-2 and cannot even stop supplying Russia with powerful weapons, to say nothing of imposing sectoral sanctions.

Excessive attention to the position of countries patently advocating a Munich-2 scenario prevents Ukraine from more closely integrating militarily and politically with the only world power that can contain Putin's aggression in the current circumstances – the USA and its allies in Europe (Britain, Poland and Sweden). The top priority task for Ukraine in terms of national security and territorial integrity must lie in consistent efforts in the American-British direction which would not only bring modern weaponry badly needed by the Ukrainian army but also eventually lead to the deployment of air and missile defence systems in

Ukraine's territory, modern military aviation jointly patrolling Ukraine's air space, the navy protecting Ukraine's coast and, in the future, the presence of a limited contingent American and British ground forces.

Both the Ukrainian political elites and society need to immediately get rid of the self-suggested illusions of the past decades when, under the influence of Russian and Old European propaganda, we viewed continental Europe and the EU as a priority in our geopolitical

BY GRANTING UKRAINE MNNA STATUS AND SUPPLYING IT WITH MODERN ARMAMENTS, THE USA WOULD SHOW WHO UKRAINE'S FRIEND IN NEED IS

orientation, while taking a cautious stance on the actions of the US and its allies in the international arena. The EU remains our top priority in terms of economic integration, but in the security dimension, which will have a decisive role for Ukraine for decades to come, it will be insignificant. The key EU countries have shown on multiple occasions – and are likely to continue to show – their complete inability to protect Europe's borders against the expansion of a revanchist Russia. Hence the possibility that they make conclude another Munich Agreement with Putin at the expense of Ukraine and its territorial integrity. ■■

this time against Poland and those same Western states.

The USA took a totally different approach after the Second World War when Stalin's totalitarian empire became a threat no smaller than Hitler was. In 1946-49, extremists from the local puppet Communist Party of Greece, who controlled northern territories and boycotted elections to the national government bodies – just like the terrorists did in the Donbas in 2014 – launched military action against the legitimate government of Tsaldaris. They received financial and military aid from the Soviet Union through Bulgaria and Yugoslavia. The latter also provided support and shelter. At the same time, Stalin demanded that Turkey hand over control over the Black Sea straits presumably for monitoring warships of the third countries that entered the Black Sea. The real goal was an opportunity for expansion in the east-

ern Mediterranean region. In the summer and autumn of 1946, the USSR increased its military presence in the Black Sea, and its warships started manoeuvring near Turkey's territorial waters. The same was simultaneously happening in the occupied Balkan states near the borders with Turkey and Greece. The latter turned to the USA for help. Greek Prime Minister Tsaldaris flew to Washington. The American elites realized the danger inherent in Soviet control over these countries from the viewpoint of its further expansion and supported Truman-sponsored law on providing powerful financial and military-technical aid. President Truman delivered a speech that went down in history as the Truman Doctrine. It called for containing Soviet expansion as a totalitarian threat to the democratic world and supporting free nations that resisted being subjugated by an armed minority or through external pres-

sure. In the 1947-48 financial year alone, Greece received US \$300mn (the purchasing power of this sum would be many times higher now) and Turkey US \$100mn. The USA sent its aircraft carrier Franklin D. Roosevelt to the region and started supplying arms to both countries. By 1949, the government forces in Greece defeated the pro-Soviet fighters in the north, while the Kremlin realized it was pointless to put pressure on Turkey and tried to cut a deal with it. But it was too late, and in 1952 both countries joined NATO. The containment doctrine tested in the region also proved successful in defending South Korea against Sino-Korean military aggression in 1950-53 supported by the USSR. Stopping Soviet expansion at an early stage saved the world from the uncontrolled spread of the red plague and a global war. Eventually, the Soviet Union was destroyed at a much lower cost than Nazi Germany.

An Economy under Fire

How the war in Eastern Ukraine is affecting national economy

Author:
**Lyubomyr
Shavalyuk**

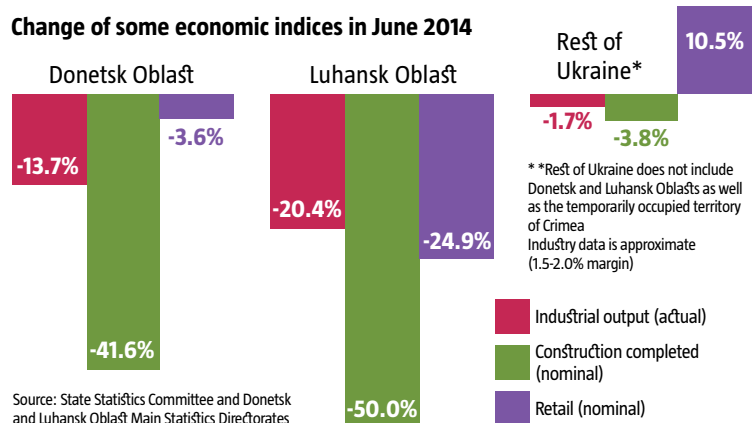
One video that was posted on the Internet, shows a soldier of the National Guard entering a shop in the Donbas warzone to buy food. When he asks if there are any sausages, the clerk says that none have been delivered for a long time and probably won't be delivered for a long time to come. This is the consequence of war – in peacetime, shop owners would always have this popular product in stock to keep up with competition from nearby traders. And it is hardly the only one. Military operations in the Donbas are not only crippling the lives of hundreds of thousands of people, but are also ruining the long-established mechanism for the functioning of the national economy in the region. Production, supply, consumption, savings and investment – everything changes under the influence of war.

The Donbas economy is primarily based on industry and export-oriented production. This largely determines the current economic situation in the region. Since local enterprises generally do not produce consumer goods, but semi-finished products, often raw material (largely coal, coke, metal, mineral fertilisers, etc.), and less frequently, capital goods,

Wartime dip

Military action in the Donbas is throwing the region's economy into a steep decline. Compared to this, the rest of Ukraine is undergoing slight adjustment recession

Change of some economic indices in June 2014



such as machinery, terrorists are not interested in actually taking their products. This is possibly why most of the large plants in the Donbas manage to continue operation almost as normal. Some do heroically. For example, the Novokramatorsk Mechanical Engineering Plant (NKMZ), located in Kramatorsk, the epicentre of military action until recently, continued to operate as usual. On July 1, the managers of its subdivisions unanimously voted to continue to work in spite of the battle to liber-

ate the city at the peak. On July 4, NKMZ held an expanded meeting of the board, supervisory board and trade union, at which the intent to continue production was approved, and already within one day, the city was liberated from the militants.

Large enterprises in the region are feeding millions of residents in Donetsk and Luhansk Oblasts and at present, will remain to do so, regardless of who is in power. They probably understand that the terrorists are not hampering their operations. However, there are exceptions. For example, armed fighters of the Donetsk People's Republic (DNP) came to that very NKMZ and removed some engineering equipment, which could be used in military action. Reportedly, terrorists entered the Lysychansk Oil Refinery on July 15, (which is surprising as it is owned by the Russian Rosneft) and expropriated 40 vehicles. But this stealing of private property is not massive enough to influence the operations of plants in the Donbas.

The owners of these enterprises are a significant reason why fighters are not ruining the facilities. For example, on the morning of July 18, information appeared in mass media of sabo-

TRADE AND BANKING IN THE WAR ZONE

The most dangers are faced by the sectors that the militants can use to their benefit on the spot. First and foremost, these are retail stores selling foodstuffs and consumer goods, and banks that have cash. For example, the METRO supermarket in Donetsk was completely ransacked and is not operating to this day. The regional manager of one retail chain told *The Ukrainian Week* off-record that because of military action and transportations difficulties, the only supermarket of this retailer in Luhansk has closed down. The biggest problem facing shops is delivery. Terrorists often hijack vehicles together with their cargo, so some goods simply do not reach their destination. Moreover, "the government of the Donetsk People's Republic" has confirmed a list of cars with number plates, which are allowed to pass through territory controlled by the rebels. If a truck is not on the list, they often open fire to damage it. As a result, stores are not supplied properly. This is why the decline in retail trade in Donetsk and Luhansk Oblasts is lower compared to the decline of industrial output.

Banks face similar challenges. Organization of safe operation is impossible. Employees are often evacuated or relocated and many branches have a cut working hours. Terrorists regularly attack armoured cash collection vehicles. For this reason, local entrepreneurs have difficulties delivering their proceeds, so are forced to reduce the volume of operations. On the DNR- or LNR-controlled territory there is a huge problem with cash for the civilian population. Limits have been established for withdrawal, even for the bank's own clients – according to one banker, the cap is approximately UAH 200 per day in Luhansk and UAH 800 in Donetsk. Salaries, pensions and social benefits are delayed. Local residents are afraid to carry cash, because the terrorists could confiscate it, just as they are likely to hijack private vehicles or anything else they desire.

teurs that had seized the Adviyivka Coke Plant (AKKhZ), owned by Rinat Akhmetov. Within a couple of hours, the plant itself published a denial, noting that the Donetsk People's Republic representatives had actually arrived at the checkpoint, but "left after a short conversation with Director General of AKKhZ, Musa Mahomedov". Civil society in Ukraine has often accused Akhmetov and other oligarchs with assets in the Donbas, of complicity in the war in the region, which they allegedly support, defending their own political interests and property. The brief dialogue at AKKhZ's checkpoint is the latest proof that some of them, even if they did not participate in the organisation of the Donetsk or Luhansk People's Republics, are not taking action against the terrorists, who, with act friendly towards one-time "masters" in the Donbas.

A strange fact: separatists are shelling mercilessly cities and towns in Donetsk and Luhansk Oblasts, but for some reason, the ammunition only seems to hit residential buildings and social infrastructure facilities. Cases of significant damage to plants and factories are rare. The Sloviansk Thermal Power Station (TES), part of Public Joint-Stock Company (PAT) Donbasenergo has been ruined; the Lysychansk Oil Refinery has been fired on and set on fire; AKKhZ has been significantly damaged by shelling, resulting in a 50% decrease in production. These are probably all the facts about large-scale damage of big enterprises in Donbas (ammunition and shrapnel have also hit Energomashspetsstal steelwork, NKMZ, Kramatorsk Heavy-Duty Machine Tool Building Plant PSC, Luhanskteplovoz (Locomotive Works), Severodonetsk Azot and so on, but not seriously and without significant consequences for their operations).

Many large plants in Donetsk and Luhansk Oblasts are outdated and run-down. So, if they were completely destroyed in a military operation, not all of them would be economically viable for reconstruction. Local oligarchs, who ruthlessly exploit facilities in order to pump profits abroad, see no prospects in restoring many of them. So they are making every effort to protect their existing property and, possibly, have contact with the terrorists, whispering in their ear where they can and cannot shoot.

Thus, plants in the Donbas have virtually no problems with organising almost uninterrupted production. Otherwise, industrial output statistics in

June would have been significantly worse than it is now (**see Wartime dip**). Problems faced by enterprises lie elsewhere. First of all, many people are resigning and going on unpaid leave in order to leave the anti-terrorist operation area for the period of military action. For example, NKMZ has changed its work schedule to allow people get to work and home in daylight hours. Bomb shelters have been established at plants, personnel have been given relevant instructions on how to use them. The personnel problem is currently being resolved with available backup, but should the conflict escalate, the shortage could become more acute. Secondly, since terrorists regularly blow up roads, railways and bridges, enterprises are experiencing difficulties with logistics. For the most part, large plants have alternative routes and types of transport, but even they are experiencing problems, let alone small and medium-sized businesses. Luhansk TES risks running out of fuel since the bridge and the railway line used to deliver coal there have both been destroyed. Several days ago, it changed to a save mode, but the risk of it being closed altogether still remains. Thirdly, the Donbas has a lot of facilities that, if damaged, could ruin the environment. A cut-off of energy supply for a chemical-recovery plant for two hours will lead to the emission of coal gas; a blackout for Stirol, a chemical plant, can cause the emission of ammonia. All of these are everyday risks, and battle conditions increase the likelihood of extremely dangerous consequences.

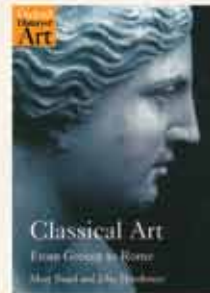
On the other hand, the rest of Ukraine has surprisingly gained certain dividends from military action in the Donbas and from the Russian occupation of Crimea. Defence enterprises have significantly increased their output. The Shepetivka Armament Repair Plant, the Mykolayiv Diesel Locomotive Repair Plant, and the Konotop Aircraft Repair Plant are fixing military equipment that has stood idle for dozens of years and is now need in the anti-terrorist operation area. Recreational areas in the Carpathian Mountains, near Odesa and close to the Shatsky Lakes are filled to the brim with Ukrainians, particularly those from the Donbas, who had probably never heard about these holiday destinations in the past. Economic indices in other parts of Ukraine do not reflect the depth of the crisis, but rather an adaptation to the recession, which will inevitably be followed by vivid development and economic growth. ■



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Seeking Their Place in the Sun

Ukraine has strongly diversified its exports in terms of goods and destinations over the years of independence. But local companies must do more to promote their products in new promising markets

Ukkraine keeps putting off ratification of the Association Agreement with the EU to keep Russia calm. Meanwhile, Russia launches a full-on trade war on Ukraine. On July 28, Russia's consumer watchdog Rosselkhoz nadzor restricted the import of Ukrainian dairy to Russia. Last week, it sent four shipments of meat and several shipments of honey and eggs back to Ukraine, and threatened to ban fruit and vegetables. On July 29, it banned the import of Ukrainian pickled fruit and vegetables and canned fish.

Unsurprisingly, all consultations and attempts of the official Kyiv and EU to please Moscow and give it no reason to restrict Ukrainian import have proven futile. Even if Russia abolished the CIS FTA terms in trade with Ukraine, it would only cause customs duties to rise slightly. Instead, the latest bans from the Kremlin (with the CIS FTA agreement still valid) have once again shown that Russia can totally ban the imports of any Ukrainian product at any moment, and it will always find an excuse to justify that.

This signals that procrastination on the Association Agreement ratification has no sense. This also underlines the absurdity of the situation where the enemy remains an "important trade partner" for Ukraine despite openly sending its diversionists here and despite Ukraine's plea for international sanctions against Russia.

The Ukrainian Week has written many times that the loss of the Russian market will have no catastrophic impact on the Ukrainian economy. This magazine has also provided plentiful arguments in favor of curtailing trade contacts with Russia as an unreliable and unpredictable trade partner guided by the political mood in the Kremlin.

Last month, this idea was finally expressed by Ukraine's gov-

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ernment. On July 18, Premier Arseniy Yatseniuk said during the discussion of diversification of markets and suppliers of industrial goods that "we should prepare for almost total stoppage of mutual trade with Russia... I realize what economic consequences that will have, and you do, too. But I realize equally well that Russia is not the only market in the world where Ukrainian goods should be exported. Therefore, the government should take every effort to diversify markets for our goods in the short-term prospect." On July 23, he announced that "the Government of Ukraine has set up a committee to impose sanctions on Russia... that includes officials who should, within the next seven days, prepare and submit draft decisions on entities involved in the military aggression against Ukraine, occupation of Crimea and financing of terrorists". On August 1, Oleh Bi-

goods exported have changed over the years to adjust to international competition beyond the former Soviet Union.

In the mid-1990s, Ukraine still exported over 50% of its goods to former Soviet Union countries, like Belarus does today. In the next 17 years, this share plummeted. From 1996 to 2013, Ukrainian export grew in value 4.4 times in US dollar equivalent; it jumped 3.1 times to CIS markets; 5 times to the 28 EU member-states; 5.8 times to Asia, and the startling 24.3 times to African markets.

As a result, the share of CIS countries in Ukraine's exports fell sharply from the dangerous 50.1% in 1996 to the moderate 34.9% in 2013. Instead, Ukraine began to sell more to the EU (from 23.1% in 1996 to 26.5% in 2013 of total exports), Asia (from 20.1% to 26.6% respectively), and Africa (from the barely noticeable 1.5% to 8%). Import has followed a similar pattern growing 4.4 times over the past 17 years, including just 2.5 times from the CIS countries, 4.7 times from America, 5.3 times from Africa, 6 times from the 28 EU member-states, and 22.7 times from Asia. As a result, the share of CIS countries in Ukraine's total exports almost halved from 63.5% to 36.3%.

AN ENDURING STEREOTYPE IS THAT UKRAINE IS ONLY CAPABLE OF EXPORTING RAW MATERIALS AND PRODUCTS WITH LITTLE ADDED VALUE BEYOND THE FORMER SOVIET UNION. FACTS POINT TO THE CONTRARY

lous, Head of the State Fiscal Authority of Ukraine, said that it has prepared a list of companies with over 50% of Russian capital for the Government that could face sanctions from Ukraine. "There are hundreds, if not thousands of them," he concluded.

EVOLUTION OF UKRAINE'S TRADE

Over the years of independence, Ukraine's economy has reoriented its exports geographically and in terms of the range of goods it sells abroad, although less intensely than it could have. The groups of

DRIVEN BY THE CRISIS

The global financial crisis of 2008-2009 caused particular changes in Ukraine's exports that have been in place for the past six years.

The changing range of goods sold abroad means that Ukraine is switching to selling items in which it has natural advantages. For instance, its total export grew almost 1.3 times (from USD 49 to 63bn) from 2007 to 2013, while the export of grain soared almost eight-fold over that period from USD 0.76 to 6.37bn; threefold (from USD 0.67 to 2.05bn) for oil seeds; and 1.7 times (from USD 2.06 to

Destinations for Ukrainian exporters

Ukraine earns the most in foreign currency on the markets of the Mediterranean and the Indian Ocean

The highest trade deficit

Belarus	Czech Republic
Russia	Poland
Bosnia and Herzegovina	Lithuania
Greece	Qatar
Macedonia	Sri-Lanka
Romania	Indonesia
Serbia	Malaysia
Slovenia	Vietnam
Austria	China
Belgium	Hong Kong
Denmark	Taiwan Province
Iceland	South Korea
Ireland	Japan
Great Britain	Ghana
Luxembourg	Guinea
Malta	Côte d'Ivoire
The Netherlands	Argentina
Finland	Brazil
Sweden	Ecuador
Norway	Canada
France	Costa Rica
Switzerland	Puerto Rico
Germany	USA
	Australia

The highest trade surplus

Latvia	Cyprus
Estonia	Lebanon
Slovakia	Israel
Hungary	Palestine
Moldova	Jordan
Bulgaria	Saudi Arabia
Croatia	Kuwait
Montenegro	Bahrain
Albania	UAE
Spain	Oman
Portugal	Iran
Italy	Kazakhstan

Kyrgyzstan
Uzbekistan
Turkmenistan
Tajikistan
Afghanistan
Pakistan
India
Bangladesh

Myanmar
Thailand
Singapore
Philippines
Mongolia
North Korea
Democratic Republic of the Congo
Algeria
Angola
Benin
Burkina Faso
Djibouti

Morocco
Niger
Nigeria
Equatorial Guinea
South Africa
Senegal
Sudan
Tanzania
Togo
Tunisia
Uganda
Chad
Haiti
Guatemala

Columbia
Cuba
Mexico
Panama
Peru
El Salvador
Dominican Republic

Ukraine does not trade/barely trades with the countries in blue

3.56bn) for oils and fats. Apart from that, Ukraine sold 1.7 times more semi-processed foods and almost 1.5 times more meat. Overall, the share of foodstuffs in Ukrainian exports grew from 12.7% to 26.8% over the past six years, exceeding the share of ferrous metals.

The export of coal grew almost threefold over the past six years (from USD 266mn to USD 737mn), electricity – 1.5 times (from USD 380 to 580mn), and electric equipment – 1.4 times (from USD 2.24 to 3.13bn); paper, cardboard and printed goods – 1.6 times (from USD 0.77 to 1.25bn); wood and timber – 1.4 times (from USD 0.83 to 1.14bn); furniture – almost twofold (from USD 287 to 556mn), pharmaceutical products from USD 129.5 to 251.5mn; and footwear – 1.3 times (from USD 143.5 to 191.5mn).

The export of goods Ukraine had relied too heavily on before the crisis shrank or stagnated. In 2007, ferrous metals and chemicals (including polymers, plastics and rubber) constituted over 50% of Ukraine's total exports. In 2013, the share of these goods fell to 35.8%. The export of ferrous metals shrank from USD 19.66 to 16.91bn; plastics and rubber products – from USD 0.99 to 0.79bn; and chemicals (save for pharmaceuticals) grew a mere 3% from USD 3.93 to 4.05bn. The lowest dip was in the export of vehicles – it fell 2.5 times by 2013 compared to the pre-crisis 2007, from USD 1 to 0.38bn.

Export destinations changed too. In January-May 2014, total exports (USD 24.4bn) were slightly below the rate of January-May 2008 (USD 25.65bn). Meanwhile, the share of exports to most post-Soviet countries, especially the Customs Union, plummeted, Kyrgyzstan and Turkmenistan being the only exceptions (but exports there have always been low).

Instead, Ukrainian export to the Pyrennean countries (Spain and Portugal), Benelux (Belgium, Netherlands and Luxembourg), Great Britain and Ireland, as well as Poland, Czech Republic and France soared. Sales to Hungary, Austria, Italy and Finland increased, too. Export to other European countries, particularly to the Balkans (Greece, Bulgaria, Macedonia, Serbia, Albania, Bosnia and Herzegovina, Croatia, Slovenia), Estonia and Latvia, as well as to Switzerland and Norway, declined over the past 6 years. In America, the sales of Ukrainian goods increased in Mexico, Cuba and Panama only.

In Asia, the fastest growth of Ukrainian export, from 1.5 to 4 times, was seen in Iraq, Israel, Malaysia, Far East (China, Japan and South Korea) and South Asia (India and Bangladesh). In absolute terms, this is particularly visible in exports to China, India and Iraq: total sales to those countries over January-May 2014 made up half of Ukraine's export to Russia. Another comparison: the Indian market is currently bigger for Ukrai-

nian producers compared to the German or Hungarian ones; the Chinese market outruns the Polish or Italian destination.

Ukraine's export to Africa has seen the biggest growth over the past 6 years, heading mainly to Northern Mediterranean part, primarily Egypt. In January-May 2014, Egypt imported USD 1.2bn-worth of Ukrainian goods, i.e. more than any of Ukraine's European trade partners, seconded only by Russia and narrowly by Turkey.

To this day, Ukrainian exporters are barely present in a number of African and Latin American, even Asian countries, even if their neighbors import ten- or hundred-fold more Ukrainian goods per capita. The African terra incognita for Ukrainian producers covers Burundi, Gabon, Gambia, Guinea-Bissau, Zambia, Zimbabwe, the Comoro Islands, Mauritius, Madagascar, Namibia, South Sudan, Swaziland, the Seychelles, Sierra Leone, Central African Republic, and Mali. In Latin America, Ukrainian goods have failed to penetrate most countries of the Caribbean, Chile, Bolivia, Venezuela, Nicaragua, Honduras, Guyana, Paraguay, ■

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and Uruguay; and Cambodia, Laos and Nepal in Asia.

MYTHS AND REALITY

An enduring stereotype is that Ukraine is only capable of exporting raw materials and products with little added value beyond the former Soviet Union, while its goods are uncompetitive on the European market. Facts point to the contrary.

Take Denmark: it imported USD 164mn-worth of Ukrainian goods in 2013, including 29% of agricultural produce and foodstuffs; 28.6% of clothes, footwear and leather goods; 11.8% of machinery; 11.5% of items made from ferrous metals; 7.4% of furniture; 5.9% of wooden and paper goods; and 3.8% of chemicals. In its exports to Latvia worth over USD 180mn in 2013, Ukrainian engineering is the leader with 32.1%, followed by foodstuffs with 19.5%, and clothes with 9.4%. 43.9% of Ukrainian export to Estonia (total worth over USD 103mn in 2013) and 53.8% of export to Norway accounted for the products of the engineering sector, mainly vessels.

Export to a number of bigger European countries who actively trade with Ukraine is similar. In 2013, 27.2% of Ukraine's total export to Germany (USD 1.6bn in 2013) accounted for engineering; 19.1% for ferrous metal products; and 13% for consumer goods. In its exports to Poland (USD 2.5bn in 2013), Ukraine sold 26.3% of ferrous metal goods; 13.9% of machinery; 12.7% of foodstuffs, and 2.4% of furniture, clothes and footwear each. Engineering accounted for 34.2% of Ukraine's total exports to Hungary (USD 1.6bn in 2013). 22.3% of the goods sold to Romania accounted for ferrous metal goods; 13.9% for clothes and footwear, and 12.3% for the engineering industry.

The products of Ukrainian engineering sector are actively exported to Asia, Africa and Latin America. In 2013, it accounted for 10.8% of Ukraine's total export to China (worth USD 2.7bn); 21% to Iran (worth USD 0.8bn); and nearly 25% to Vietnam (USD 185bn). Machinery makes 90.6% of Ukraine's export to Myanmar, 79.7% to Niger, 64.9% to Angola (mainly electric machinery); and 52.6% to Equatorial Guinea. The volumes of export to these coun-

tries are considerably lower compared to other destinations, but the annual supply of Ukrainian machinery there is already estimated at UAH 100-200mn today.

EXPANDING THE MARKETS

Ukrainian exporters could now diversify their markets into the European segment of consumer goods, including parts that were hardly accessible for them until recently because of high European standards which Ukrainian produce often failed to meet. According to Ihor Shvaika, Ukraine's Minister for Food and Agriculture, the European Directorate General for Health and Consumer Affairs (SANCO) will visit Ukraine on September 28-October 2, to check the local livestock farms. If the Ukrainian parliament adopts a series of necessary amendments regulating quality in this sector by that time, Ukrainian farmers will end up with vaster opportunities to export their livestock products, especially dairy, to the EU in the short-term prospect.

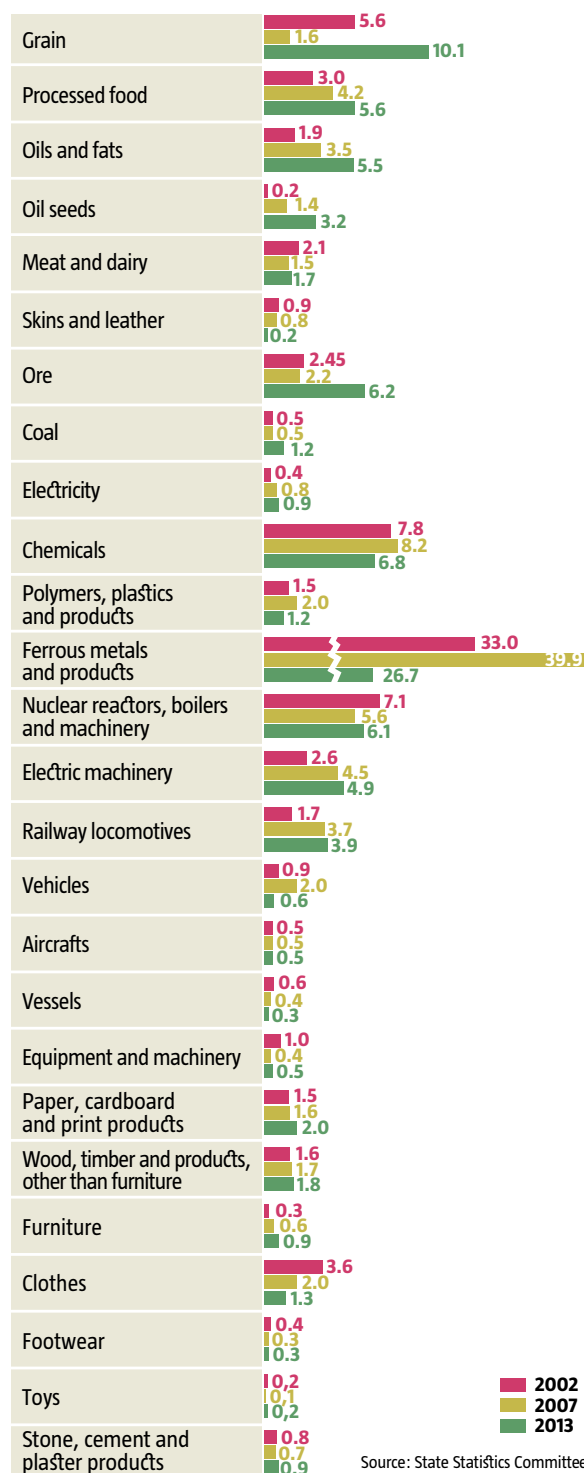
Ukraine's current presence on the African and Asian markets is mostly through oil and grain, ferrous metals and fertilizers. This leaves vast potential for the products of other industries, including foodstuffs, livestock products, fruit and vegetables, as well as engineering and wood-processing goods, on these markets. For instance, Egypt, the biggest African buyer of Ukraine goods, imported mostly ferrous metals (USD 1.1bn), grain (over USD 1bn) and oil (USD 0.36bn), compared to just USD 16mn-worth of vehicles, USD 16mn-worth of electric equipment, and USD 9mn-worth of other machinery; USD 3.6mn-worth of meat and dairy products, USD 1.7mn-worth of vegetables, USD 1.5mn-worth of flour and cereals, and USD 1.6mn-worth of wood and timber goods. Libya buys USD 6mn-worth of meat and dairy annually from Ukraine, followed by Angola and Liberia importing USD 4mn-worth of these foodstuffs each, and Nigeria and Sudan with USD 3mn and 2mn-worth of imports respectively.

Asian countries consume much more Ukrainian meat and dairy, with Iraq spending USD 77.5mn, Jordan – USD 38mn, United Arab Emirates – USD 20, Turkey – USD 13mn, China – USD 5mn, Indone-

Seeking a comfortable niche

Changes in what Ukraine sells abroad, especially after the latest financial crisis of 2008-2009, signal reorientation to products in which it enjoys natural advantages in the global division of labor. Thus, the share of grain, foodstuffs, electric machinery, wooden and timber goods, paper, coal and electricity has grown while that of chemicals and steel has fallen in Ukraine's total exports

Change in % of total exports

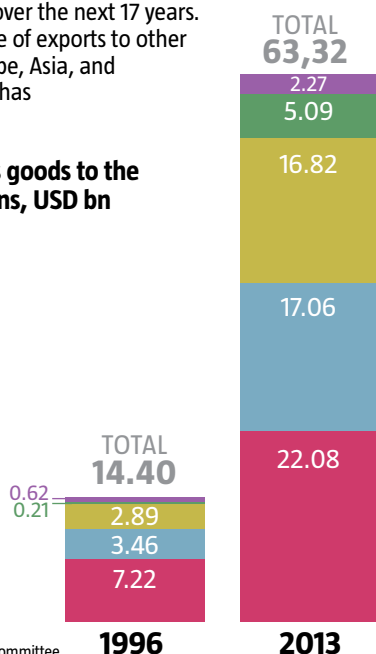


Source: State Statistics Committee

Expanding markets

From the mid-1990s when over 50% of Ukraine's exports ended up in post-Soviet countries, their share has plummeted over the next 17 years. Instead, the share of exports to other countries in Europe, Asia, and especially Africa, has soared

Ukraine sells its goods to the following regions, USD bn



Source: State Statistics Committee

sia – USD 3.6mn, Kuwait – USD 1.4mn, Pakistan – USD 1.1mn, and Oman – USD 1mn. India, one of the biggest Asian buyers of Ukrainian goods, mostly imports Ukrainian oil (54.1%), as well as vegetables (USD 7.4mn), furniture (USD 4.8mn), and machinery (USD 144mn). USD 2.6mn-worth of Ukrainian vegetables were sold to Pakistan and Malaysia each last year.

This shows that Ukraine has vast markets to expand into with its consumer goods ousted from the Russian market. If increased properly, trade with these markets would compensate for much of the loss of the Russian market: over H1'2014 (January-May), Ukraine exported just USD 112mn-worth of meat and dairy to Russia, USD 65mn-worth of vehicles, and USD 49mn-worth of vegetables over the entire year of 2013.

TACTICS AND STRATEGY

Belarus was recently forced to step back and cancel the licensing of a series of Ukrainian goods introduced on May 1 after Ukraine imposed special duties on July 26, ranging from 55.3% to 60.05%, on a number of Belarusian confectionaries, dairy products, beer, rubber tires, electric lamps, mineral fertilizers, and refrigerators. This showed how effective tough

response to attempts of the neighbors to harm Ukrainian suppliers can be.

And, surprising as it may seem to many, Ukraine can equally effectively respond to the trade war from Russia. Contrary to the widespread opinion, Russia sells more to Ukraine than just gas, oil and petroleum. Over H1'2014, Russian export to Ukraine was worth over USD 2.9bn, i.e. just 1.5 times less than Ukraine's total export to Russia over that period. Russian goods sold to Ukraine over January-May 2014 included USD 800mn-worth of machinery, USD 400mn-worth of steel and steel products, USD 293mn-worth of foodstuffs, USD 211mn-worth of plastics and rubber, USD 193mn-worth of fertilizers, and USD 101mn-worth of essential oils, soap and detergent, followed by USD 37mn-worth of pharmaceutical products. This statistic covers less than six months, so the subsequent loss Russia could face in its trade war with Ukraine (non-fuel exports only) could hit USD 7-8bn. Moreover, Ukraine can find alternative suppliers to replace Russian oil and petroleum.

With Russia, however, the scenario Ukraine applied to Belarus to protect its producers, will hardly be effective since Moscow is overwhelmingly dominated by the imperialistic geopolitical ambitions rather than sound reason. The pattern in Ukraine-Russia trade over the past few years confirms this. Putin's attempts to force Ukraine into the Customs Union and unacceptable price of gas have caused the decline of Ukrainian export to Russia by more than 1.5 times (from H1'2011 to H1'2014), while Russian export to Ukraine nearly halved from USD 12.6 to 7.1bn. Hopes of long-term stabilization in trade with Russia are thus futile, and Ukraine's future strategy should aim to bring trade with Russia to a minimum. Having survived this loss once and replaced the Russian market with alternatives, Ukraine will find long-term stability and far more reliable new trade partners. ■

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The Big Illusion of "Little Russians"

Why Ukrainians still view aggressors as "friends" and "brothers"

Author: Ihor Losev

There's an interesting book by the Harvard historian Edward L. Keenan called *Russian Historical Myths*. Some of these myths were successfully imposed upon the neighboring Ukrainians. One is of eternal "friendship" and "brotherhood" between the two nations. The myth had not been of much use before 1917, as the then government would not recognize Ukrainians as a separate nation, and being "friends" or "brothers" with yourself did not make much sense.

The true promoters of this "friendly brotherhood" myth were Russian Bolsheviks who, after winning the struggle for power in the former empire, had to formally recognize the existence of the Ukrainian nation. They, however, felt the need to secure themselves from the potential demands of the newly legitimized nation. So, feverishly, yet consistently, they began to create this story of inseparable Russians, Ukrainians and Belarusians, and of phenomenal friendship between them. Much emphasis was made on the "common history"; the fact that millions of Ukrainians had no access to their true history in the Soviet Union certainly helped the cause. Another point of speculation was the similarity of the languages, even if it hardly conceals ethnic differences.

In the recent past, the present-day Ukrainian Communist Party leader Petro Symonenko once challenged the then president of Poland Aleksander Kwasniewski in the Ukrainian Parliament: "How are you personally, Mr. President, going to strengthen the unity of the Slavic countries?". The Polish leader's response was clear and rational: "I do not believe in political unity based on language similarities".

The communists, however, succeeded in instilling imperial myths

in the minds of the people they colonized. In Soviet times the oath of allegiance to the "brotherly" Russian people became the obligatory ritual for all state officials. Such statements were also useful for self-defense, as they could be referred to during KGB interrogations, as a proof of non-involvement with the "Ukrainian bourgeois nationalism". The myth, however, spread far beyond the ranks of party nomenclature. The communists managed to infect the minds of regular Ukrainians who to the present day, seemingly by inertia, continue to see their "friend" and "brother" in the aggressor, in spite of all the facts.

According to all opinion polls, regardless of all trouble, big and small, that Russia caused for Ukraine over the years of its independence, the absolute majority of Ukrainians are stuck with the habit of perceiving Russians as the "brotherly" nation and the Russian Federation as the "friendly" state. Such an attitude is full of masochism and victimity. The events of 2014 are forcing Ukrainians to draw the right conclusions, as more than 80% of Russians, according to Levada Center, a trustworthy Russian sociological surveyor, support the idea of going to war with Ukraine as well as the annexation of Crimea.

There is another myth of a more generally political nature. Its gist is that it is the politicians who are the bastards, villains and criminals, while the people are all good, guiltless and practically saint. In the present case we see all the responsibility being removed from the Russian people and placed solely on Vladimir Putin.

As the popular football chant rightly puts it, "Putin is a pr*ck" indeed, there is no getting away from the fact. But the people of Russia are not exactly above suspicion either. The truth is that there always



is a certain connection between the masses and the leaders that govern them. A nation would never accept as its leader a figure mentally, morally and politically alien. It is hard to imagine Kim Ir Sen becoming the president of the United States or Adolf Hitler becoming British prime minister. The Fuehrer would never manage to organize Holocaust if the majority of Germans (to a varying

PUTIN'S SKYROCKETING POPULARITY IS THE RESULT OF SUPPORT FROM TENS OF MILLIONS OF AVERAGE RUSSIANS WHO THUS UNWILLINGLY TAKE THE RESPONSIBILITY FOR HIS POLICY

degree) weren't anti-Semitic. The Bolsheviks would never manage to capture the reigns over such a vast country without having deep, albeit often purely instinctive, understanding of the Russian psychology. As was well noted by Mykola Berdiayev, add Marx to Pugachov and you get Lenin. And it is no coincidence that Berdiayev titled his book researching communism *The Ori-*



PHOTO BY ANDRIY LOMAKIN

gin of Russian Communism. Peoples often become complicit in the crimes of their leaders. Europe has come to terms with this idea a long time ago. After the World War II German thinkers, Karl Jaspers among them, discussed their nation's problem of guilt. He managed to admit to being personally guilty in the crimes of Nazism, to put his hand up and utter: "Mea culpa". And thus the German land no longer poses a threat to the world and Europe. But when it comes to Russians, even a thought of bringing up the issue of national guilt is seen as treason and utter malice. Instead a powerful complex of national innocence has formed: the crimes of the Russian Empire are all on the Tsars, the communists bear the responsibility for the deeds of the totalitarian regime, and what came afterwards is blamed on Yeltsin, Putin, the damned democrats, or in fact anyone, but the Russian people that are never ever responsible for anything. However, in judicial practice, the ones who usually bear no responsibility are the incapacitated and the insane.

Putin's skyrocketing popularity is the result of the support of his policies by tens of millions of regular citizens who in such a way unwillingly take the responsibility for

DOUBLETHINK IN ACTION:

The posters on the notorious Christmas Tree on Kyiv's Maidan Nezalezhnosti (ex-president Yanukovich ordered the utility services to install it in the wake of the student protests and the police to disrupt them for that purpose. In the next few days, thousands took it to the streets to protest against police violence) say "All together against Putin" and "We love the Russians, we despise Putin". They seem to prove yet again that Ukrainians still have the illusion of a "bad tsar" and his "good people"

the results of said policies. Putin, (who much like other tyrants demonstrated his dependence on the moods of the crowd more than once), would never dare invading Crimea knowing that the people of Russia would not approve, neither would he start the war in the South-East of Ukraine. That's where the parallels with Hitler are even more appropriate than with Stalin. The latter was a quintessentially Asian despot who was satisfied by the sheer fear of the controlled masses, for whom being feared meant being respected and loved. Hitler and Putin are much more the tyrants of a western ilk. They require public allegiance, the ecstasy of the masses. They feed off the crowd's energy. Hitler was reluctant to implement the state of total war in Germany (even when the circumstances called for it) for fear that the Germans would not approve. Stalin was completely devoid of such prejudices.

Putin is currently acting in accordance with the public moods. Not only the dictator himself but millions upon millions of regular Russians believe that the existence of the Ukrainian nation is nothing other than a work of fiction imposed by Russia's enemies, and the existence of Ukrainian state a historical mishap, a misunderstanding. According to Putin and his compatriots Ukraine has no right to exist as a sovereign independent state. That's why the Russian society (with the exception of a handful of people) will happily swallow all sorts of Kremlin's crimes against Ukrainians. There should be no illusions about that. Russia in its current state has already become without exaggeration a fascist country (this is not meant as an insult, merely stating a fact). Granted, each fascist system has its own national peculiarities. The Communists of the PRC, for example call their current system "the socialism with Chinese peculiarities". Similarly Putin's state is fascism with Russian peculiarities. And, by the way, its origins don't necessarily have to be found in Germany or Italy. As the philosopher and Orthodox priest Georgiy Fedotov put it: "Another thing remains a fact: the structure of the fascist state, just like the methods of terror, have been created by Lenin and were simply replanted into the European soil. The same philosopher also wrote: 'For Russia itself

the forcible extension of imperialist being would spell the loss of all hopes for its own freedom... Just like in the age of Moscovian Tsars autocracy was the price paid for expansion, similarly fascism is the only state order capable of prolonging the existence of this empire of servitude." And this is exactly what we see today.

But how can Ukrainians rid themselves of their biggest illusion, the one of "brotherhood" and "friendship" with their historical enemy. And even setting history aside, it's hard to ignore the fact that no other country caused Ukraine as much trouble over the 22 years of its independence as Russia. The fact remains, the overwhelming majority of the Ukrainian society failed to see the obvious: the real threat for Ukraine is represented not by the NATO, not by Poland and neither by the United States, but by Russia that was, is and for the foreseeable future will remain Ukraine's only true enemy. So the overwhelming majority of Ukrainians turned out to be blind. But the worst part is that many carriers of these pro-Russian illusions happen to be members of the ruling elite, President Petro Poroshenko for one. Even the tragic events of 2014 failed to bring drastic changes. High-ranking officials in Kyiv continue to hope that Putin will come to his senses, that he will somehow regain sanity and change his attitude towards Ukraine for the better. Such expectations are downright absurd. And the problem doesn't end with the political leader who happens to be a "pr*ck". There also the "collective Putin" – the people of Russia who provide rock-solid support for all the ventures of their ringleader. And after all, should this particular Putin somehow disappear, his compatriots would simply find another... It looks as though the formation and self-identification of the Ukrainian people cannot be completed without liberation from this pro-Russian illusion that proved so devastating for the nation. In the East Ukrainians are currently being killed not by "friends" and "brothers". The territory from where they come is not populated by an ally-nation. The realization of this fact may not be pleasant, but it is absolutely vital. And if even now Ukrainians fail to realize what Russia really is for them, all the lives lost in the 2014 war are lost in vain. ■

Konstantin Borovoy:

"Modern Russia remains a large fragment of the USSR"

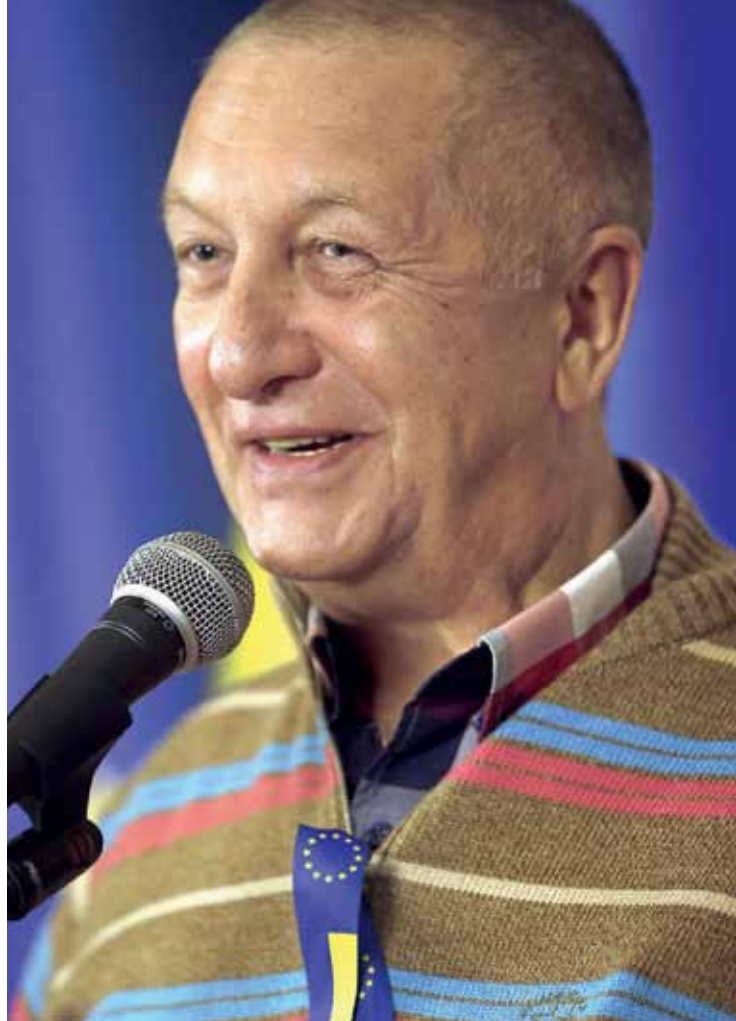
Interviewed
by Dmytro
Krapivenko

The leader of the Russian pro-Western opposition talks about the future of Russia, imperial ambitions and ideological special operations from the Kremlin.

U.W.: The overall attitude of Russians towards Ukraine can be described by the phrase "those khokhols won't go anywhere from us no matter what". This also applies to many Russian intellectuals. Why are they incapable of overcoming this stereotype?

What is currently going on in Russia is a strange way to revive the empire through the recognition of the Soviet Union's symbols. In her time, Galina Starovoytova (Russian politician, ethnographer and human rights activist. She was assassinated in 1998 – Ed.) said very accurately, that in 1990, not a single politician in Russia would be saying that the USSR should break up. This is exactly why the breakup came as such a surprise for Russians.

But subconsciously, many Ukrainians themselves perceive their country as a colony of Russia. I shall say one unpleasant thing: no one forced so many Ukrainian citizens to vote for Yanukovich. Yes, there were some external influences, but the main role was played by post-Soviet insecurities and the desire to revive the Soviet way of life. A lot of the problems we are currently seeing in Ukraine stem from this: the army's lack of combat capability and treason of special forces, as well as some of



the citizens in Crimea and Donbas. This treason is not even for the sake of Russia, but for the sake of the values of the non-existent Soviet Union.

U.W.: To what extent are Russian intellectuals to blame for allowing the authoritarian regime to rise in your country?

– In 1998, I wrote an article for Moskovsky Komsomolets entitled "Civil Democracy". I noted there that Chekists are coming back to power. No one had heard about Putin at that time. I suppose we are to be blamed to some extent. During the first Chechen war, when we decisively fought against war, quite a few intellectuals supported the then president Boris Yeltsin. The same thing happened during the Russian intrusion in Georgia. Boris Nemtsov, who supported Putin, and journalist Yulia Latynina, who called on people to unite around him in the name of a battle against "Saakashvili's barbarity" are examples of this. In time, they came to their senses on this issue.

I'm glad that in the situation with Ukraine, Boris Nemtsov did not have to go through the stages

of understanding as in the case of Georgia. He now shares our position, but less obviously. In 2012, Russian democratic movements experienced a difficult process of uniting with nationalists, which we categorically opposed. We were called "dissenters" because we opposed joint meetings with fascists.

So part of the blame does indeed lie with the intellectuals. But under conditions of the absence of dialogue between the authorities and society or parts thereof, this is something normal rather than unexpected.

U.W.: The Russian culture has quite a few imperialistic features to it. Could this explain the notable loyalty of many of its intellectuals to the government and expansionist policy?

Let's distinguish between intellectuals, who have an in-depth understanding of history and culture, and those whom Solzhenitsyn described in his *Obrazovanshchina*, *The Smatterers*, essay. The latter are more accepting of the propaganda theses, which act as the shaping foundation for common people. In this sector of society, im-

BIO

Konstantin Borovoy was born in 1948 in Moscow. He graduated from Moscow State University and became Associate Professor, working in research and lecturing till the early 1990s. Mr. Borovoy was involved in the establishment of the first stock markets and investment companies in Russia. He was member of the State Duma in 1995–2000. From 1992 until 2003, he was the leader of the Party of Economic Freedom. In 2013, he became the head of the West Choice Party

perial Russian and Soviet guides influence consciousness. The idea of a vast country that rules the world remains and did not modify much during the transition from the House of Romanov's Russia to the Soviet Union. These theses were simply re-drawn slightly: the result was something similar to the painted photographs of the early 20th century. This also applied to ideology.

Ideological imposition of imperial values was always present in Russia. It was impossible to shed them in 1991-1994 alone, after 300 years of existence in the Romanovs' state and almost 100 – under the Soviet rule (400 years in total!). And 1994 saw the start of the reconstruction of Russian-Soviet imperialism. The First Chechen War, ideological confrontation with Tatarstan, Ukraine, Central Asia, the Baltic States... That was also when trade wars with ideological overtones began.

U.W.: The prevailing thought was that a change in generation would eventually make Russian political elite more accepting of Ukraine and Ukrainians. However, the way Alexei Navalny acts does not really show this.

You should not expect nationalist-leaning young politicians to have an adequate political position. I consider everything about the cooperation of Mikhail Kasyanov, Vladimir Ryzhkov and Boris Nemtsov with Russian nationalists to be absurd. Perceiving the views of Navalny, who had some aid from the Kremlin in developing his career, as opposition or reflection of what part of the Russian people think – is the same as taking the stereotypes thrust on people by propaganda as public opinion: like one about the world that should be multipolar, yet with Russia as a superpower. There are many such stereotypes – the list is endless.

Navalny is a mishap or an element of an ideological special operation; simply the continuation of the Kremlin's nationalistic propaganda campaign, via the opposition. I don't think that nationalism will be a powerful force without propaganda.

U.W.: Is there a European alternative for Russia?

There are no alternatives to Putin's regime in political prac-

tice: on the level of the State Duma, the Federation Council and other power bodies. The political system is under total control. Even decisions on military intervention and withdrawal are taken within a matter of hours. This alternative does exist in the intellectual environment. But at present the government creates a multitude of obstacles when someone tries to register a party. Putin dreads the fire. There is fear of protests in any form. The events of 2012 (2011-2013 pro-democracy and anti-Putin opposition-led massive marches mostly in Moscow followed by numerous arrests of activists – Ed.) made a great impact on the government. Now, Russian society is intimidated by repression. Apart from the nationalist option, there is a liberal alternative. Nationalists are controlled by the Kremlin. Today, the majority of nationalist and fascist parties emerge from pro-Kremlin movements, such as Rodina (Fatherland). Imperial nationalism does not simply differ from colonial nationalism, which, for example, is what we see in Ukraine and other former Soviet republics, it is its utter antithesis.

There is a western direction in the opposition, because it has always existed. It is inconvenient for the government, so is accordingly not supported by it.

U.W.: What historic prerequisites do you see for the establishment of a Western-style free society in Russia?

– The state of discussions between those promoting Western values and Slavophiles, is the background on which Russia has developed – not only in the 18th-19th centuries, but also earlier, under Ivan the Terrible. Even then, there were philosophical and organisational positions defending Western values. Russian history is written by Slavophiles, so cooperation with the West is officially interpreted as anarchy. The case of False Dmitriy is one of the lost opportunities.

There are historic foundations for this: free Novgorod and Tver, which were equal partners and reliable creditors for member cities of the Hanseatic League. Such pattern of cooperation would have continued, but the imperial component destroyed these prince-

dom-states. The "gathering of the Russian lands" policy ruined the democratic existence of these cities and transformed them into part of the empire. Thousands of people paid with their lives for this during the rule of Ivan the Terrible.

U.W.: Is a free Russia possible within its current borders?

The destruction of the USSR began in the 1990s, but is continuing to this day. It looks like it will end with the complete breakup of the phenomenon that is currently known as the Russian Federation, that, in essence, remains a fragment of the Soviet Union. The Soviet system of values is still in place here as the best manifestation of successiveness.

There is absolutely no doubt that the Caucasus is not a natural component of Russia – the republics it is comprised of should be independent states. The Far East only exists as part of Russia thanks to the hierarchy of power, a mechanism that is generously greased with money stemming from corruption. The Far East does not need Moscow; neither does the Ural or Siberia.

THE MORE PUTIN AND HIS CRONIES RESIST THE AUTONOMY PROCESS IN RUSSIA, THE SOONER IT WILL FALL APART INTO INDEPENDENT STATES, NOT A CONFEDERATION

The best system, which could exist on Russian territory today, would obviously be a confederation of independent states interacting to an extent that is convenient and advantageous for them.

It is absolutely clear that the breakup of the empire continues: this can be seen in the attitudes of the republics and regional elites. The more Putin and his cronies resist the autonomy process, the sooner the breakup will occur, and the issue will no longer be about a confederation, but about ultimate establishment of independent states. What is not clear is the number of parts that this stump of the USSR called Russia will break up into. ■

The Splendour of Money and the Misery of Philosophy

Bribing Western intellectuals and exporting Russia's peculiar ideology have long been a favourite diversion of Russian rulers

Author:
Ihor Losev

Big conquests require big concepts and a powerful ideology with slogans appealing to millions. Even totalitarian regimes cannot exist for very long relying on physical force alone. They need not only terror but also dogmas, miracles and some kind of mass doctrine to answer a multitude of questions, stake a claim to the ultimate truth and offer a lofty dream for everyone. Former prisoners of the socialist camp, after experiencing the complete collapse of a forced communist utopia, flocked to the West to embrace the ideals of human rights, freedom, rule-of-law state, civil society, etc. that were actually implemented in practice. Understandably, from the "standpoint of eternity" the Western implementation is far from ideal, but it is still exceedingly educative in comparison to what the totalitarian systems have accomplished and, most important, the price paid for these accomplishments.

No physical force, if it aspires to regional or worldwide domina-

tion, can afford to keep silent. It always needs a certain programme, a manifestation of its senses and proposals – *urbi et orbi*, as the saying goes. After all, the objective is not only to justify one's actions before others but also to provide self-justification and to explain to oneself for the sake of what things are being done in a particular way.

Given grand geopolitical plans, a state cannot do without a certain political philosophy with which to appeal to allies and opponents, supporters and enemies alike. Under certain circumstances, thanks to its theoretical and propagandist virtues this kind of philosophy can foster expansion. Conversely, an insufficiently competitive philosophy can have a detrimental effect.

There were several stages in the history of Russia when it tried to theoretically justify its expansionist itch and its insatiable desire to grab more lands and rule the world, dictating its own notions of the political norm and the proper global order.

When Moscow was just formed and started to come out of its remote northeast corner of Europe, monk Philotheus outlined its action plan: "Two Romes have fallen. The third one stands. And there will be no fourth. Moscow is the Third Rome!" This referred to Moscow's ambition to become the hegemon of the entire eastern Christian world after the fall of Byzantium under Turkish attacks. This involves an intention to fiercely fight against western Christianity and Islam, while aspiring to be a superpower. This programmatic statement was a guideline for Moscow's elites for nearly two centuries.

In the early 19th century, there was a need to reflect on the internal ideological foundations of the empire to secure its strength and thus enable it to achieve its geopolitical goals. A proposal came from Count Sergey Uvarov, Minister of Education, in his famous triad: "Orthodoxy, Autocracy and Nationality". This tripartite foundation ce-

Russian ideological myths are an extremely enduring, unchanging thing translatable through centuries



mented the empire more or less successfully and justified its conquests until 1917.

And then came the great international social utopia in the form of "Proletarians of all countries unite!" It was appropriated by Russia, which eagerly put itself in the centre of a worldwide revolutionary movement as the self-proclaimed capital of progressive mankind. The utopia did not in any way contradict the Russian imperial tradition. As Karl Radel, a Bolshevik leader and international adventurer, quipped: "The Third Rome didn't work out, but the Third International will!" Indeed, the propaganda of social justice, power for workers, a kind of God's kingdom on earth and a homeland for proletarians across the world gave Moscow millions of sincere "useful idiots", to quote from Lenin, in many foreign countries. The Soviet intelligence services – the KGB and its predecessors – embraced thousands of enthusiastic agents who considered the totalitarian USSR an embodiment of mankind's best dreams. Suffice it to mention that Kim Philby, a famous KGB agent of noble origin, made contact with the Soviet intelligence agency because he was a fanatic of communist Moscow, just like his friends from the so-called Cambridge Five.

For several decades, the Kremlin was able to manipulate, at will, many Western left-leaning intellectuals, including the likes of Bernard Shaw, Lion Feuchtwanger, Henri Barbusse, Louis Aragon, Romain Rolland and others. Disappointment began to creep up in these circles only after Soviet tanks suppressed the Prague Spring of 1968. However, "useful idiots" (not necessarily left-leaning) are in large supply even now, but this is no longer the mass phenomenon it used to be in Soviet times.

The collapse of the communist utopia was also the collapse of the Kremlin's global leverage. There is now a perceptible vacuum of ideas, critical for Russia, which cannot be filled even by the Kremlin's "court lunatics" like the ideologue of the International Eurasian Movement, Aleksandr Dugin, or writer Aleksandr Prokhanov with their ideological shamanism. The most they have been able to come up with is the poor, provincial and narrowly nationalistic concept of the "Rus-

sian World" which is not persuasive for all ethnic Russians, to say nothing of the Baltic States, Central Asia, Transcaucasia and Ukraine. It is not potent enough to stake a claim to domination in the post-Soviet territory and even less so worldwide. For still some time, Moscow can continue to exploit the West which keeps its eyes closed on the dictatorship of special services and Putin's Führer-like autocracy and considers Russia a democratic state. (Its attitude is, however, already shifting towards a more critical stance.) Nevertheless, the only things left in Moscow's arsenal today are banal violence devoid of any ideology and no less banal bribery. However, these things work in the West today as they did hundreds of years ago. The KGB's experience, enriched with the accomplishments of Russian imperialism and anti-Western attitudes, is brought to



bear. Following the example of the Russian Empire, Putin is quite successfully exporting corruption to the West, and the West is eagerly succumbing.

Official Saint Petersburg bribed foreign public, political and cultural leaders since the early 18th century. (Muscovy was not above these methods even earlier.) Volkov, the tsar's ambassador in Paris, suggested that Peter I change the negative perception of Russia in French society by bribing newspaper editors. For positive coverage, a dozen leading journalists and writers were hired to write laudatory articles. For example, Fontenelle, a classical French writer, wrote "Eulogy to Peter!". Even Voltaire was not above cashing in on adulation and himself admitted that he was a "perfect flatterer" in his writings on Russian topics. His countryman Jean



The faces of the Russian World: "Actor of All Russia" Gérard Depardieu and "ardent Russian patriot", the leader of the Chechen Republic, Ramzan Kadyrov uphold the tradition of Soviet-French friendship

d'Alambert thus evaluated his oeuvre: "My Lord, Voltaire's eighth volume (which contains "A History of Peter I") is repugnant in the baseness and despicability of its praise. To have the annual rent of 10,000 livres, live in a free country and write such a history!" The French suspected that censors from Petersburg were involved in the process. The great philosopher and writer showed himself as a very cynical man, because he did not have any illusions regarding Russia and said in 1760: "The customs there are as difficult as the climate; envy of foreigners is extreme, despotism boundless and society worthless."

In order to have French encyclopaedists promote her interests, Catherine II bought Denis Diderot's library for 15,000 livres and appointed him its curator for life with the annual salary of 1,000 livres. It was Diderot himself! And we now speak about ex-German Chancellor Gerhard Schröder... Voltaire wrote that Catherine II turned into "Europe's veritable benefactor". Ukrainian émigré researcher Pavlo Holubenko noted: "The secret Russian police, or 'the Third Department of the Emperor's Chancellery', kept its special agents abroad. Their task was to publish propaganda pieces about Russia in the foreign press and bribe newspaper and magazine editors for this purpose." One of such agents, Yakov Tolstoy, was described by the Russian ambassador to France in a letter to the gendarmerie's chief Benkendorf: "He would then be able to work the press, so to speak, on the quiet, and the connections he would forge by virtue of his official position would greatly help him in gaining influence in the literary circles." Tolstoy himself believed that, in dealing with French journalists and editors, one had to "go the way of promising rewards and immediately giving them to some of those who have helped our cause". Saint Petersburg wanted to utilize even Honoré de Balzac for the purposes of its propaganda but did not risk it after a fiasco with Marquise de Custine.

More than 200 years later, what changed in Russia and in Europe? Perhaps only the prices and sums of rewards... Just like before, Eurasian prices beat European values. And this is the biggest challenge of modern mankind. ■

Between Hostile Neighbours

The main consequence of the First World War for Ukraine was an opportunity to gain independence and attempts to achieve this during 1918–1921

Author:
Roman Malko

We do not have an accurate figure of the number of Ukrainians conscripted to the Russian and Austro-Hungarian armies during World War I. Only approximate estimates are available. Yaroslav Tynchenko, Deputy Director for Research at the National Museum of Military History Museum, notes: "On the basis of a significant amount of indirect data, it is possible to say that approximately 2 million Ukrainians were conscripted from the territory of the Russian Empire during World War I. Of them, 70,000 were generals and officers. The share of officers who were of Ukrainian origin in the Russian Army was very large, at least 20–25%, and approximately 25% of generals. Many of them held key positions at the supreme command headquarters". One was Oleksandr Lukomsky. He was chief the Headquarters for a considerable period. Another one was his Aide-de-Camp, Lieutenant General Mykhailo Pustovoitenko. Both came from noble families. The Chief Military Engineer of the Russian Army was also a Ukrainian – General Kostyantyn Velychko, a descendant of chronicler Samiylo Velychko.

Austin-type armoured car – one of the most widely used vehicles in the Russian Army during WWI. These armoured cars were in the 9th Armour Division, which fought on the territory of Ukraine in 1916–1917 (the Division became part of the UNR Army in 1917)



Soldiers of the Russian and Austrian Armies at the front, December 1917





Injured Russian soldiers walking along the streets of Kyiv

Commanders and Chiefs of Staff included more than 20 Ukrainians. Several subsequently served in Hetman Pavlo Skoropadsky's army and later in the army of the UNR (the Ukrainian People's Republic), including Lieutenant General Mykola Yunkiv, who was the Chief of Staff during the World War I and later the Commander of an army on the Romanian front, and Oleksandr Rozoha, Hetman Skoropadsky's Minister of Defense, who was Commander of the 4th Russian Army during World War I.

"As far as Austro-Hungary was concerned, we most often re-

call the Legion of the Ukrainian Sich Riflemen (USS)," says Tynchenko. "But this was a very small formation, even in comparison to Polish legions, which were about six times larger. The Legion of Sich Riflemen never exceeded 2,000 in number." Under the Austro-Hungarian rule, the army was formed based on the territorial principle, so there were quite a few regiments generally known as "Rusyn" (Ukrainian). Made up of people born in Western Ukraine, they were deployed there and fought at the beginning of the war. "In all, about 320,000 Ukrainians were

Ukrainians were often regarded as heroes on both fronts in WWI, although many were reluctant to fight in it from the very start



An "engineering wonder" of WWI – the gas mask

part of the Austro-Hungarian Army," Tynchenko confirms. "They initially served on the Russian front, but with the change in the situation in 1917 and the revolution that broke out in Russia, quite a few Ukrainian regiments went on to fight on the Italian and Serb fronts. Towards the end of World War I, a large number of soldiers from Halychyna – approximately 100,000 – were captured by the Italians and were unable to participate in the war for Ukraine's independence."

Ukrainians were often regarded as heroes on both fronts, although in truth, many did not want to participate in the war from the very start. This is because the Ukrainians fighting as part of the Russian Army were well-aware that this was a war for imperial interests, and when the revolution erupted in 1917, they were among the organisers and stood in the forefront. The February Revolution in St. Petersburg actually took place as a result of the armed uprising of army reserve units, which included quite a number of Ukrainians, particularly the soldiers of the Volyn Guards Regiment. It ultimately led to the defeat of Russia in World War I and the emergence of a number of independent national states, including Ukraine. This is a direct and global consequence of WWI. To this day, many European countries that gained independence at that time exist as independent national states.

Today, we often hear that Poland, Finland, Czechoslovakia and even the Baltic States managed to gain their independence – and Ukraine didn't. "In truth, Ukraine found itself surrounded by enemies," Yaroslav Tynchenko explains. "We did not have a single neighbour, other than Belarus, that did not have plans to grab chunks of our territory. Poles, Romanians, Czechs, Hungarians, Red and White Russia – all were set on taking something for themselves. Early 1918 saw the start of a conflict with local national units and the Finnish Red Guard on one side and Russian Revolutionary Armies on the other. The latter were winning. However, the Fins were supported by voluntary German

PHOTO FROM THE COLLECTION OF OLEKSIY SHEREMETIEV



The routine of the world war: mass burials in trenches

PHOTO FROM THE COLLECTION OF OLEKSIY SHEREMETEV



units, which helped them drive out the Bolsheviks and gain independence. Later, when fighting broke out in Estonia towards the end of 1918, volunteers from Finland and Scandinavia came to aid the Estonians, and the Bolsheviks were crushed once more. This was also the case in Latvia. Estonians helped Latvians to form a national brigade and fight for independence. Poland was largely helped by Germany and Austro-

ARTEFACTS

On August 8, in honour of the 100th anniversary of the start of WWI, the National Museum of Military History will open an exhibition entitled *The War and Peace of Hetman Skoropadsky*. The exhibition is based on the concept of WWI through the prism of Hetman Skoropadsky's actions, as well as through the eyes of Ukrainian military leaders, who subsequently became activists in the UNR and the National Liberation Movement. Artefacts from WWI battlefields, an original uniform, weapons, photographs, several cannons, an armoured car that has been reconstructed on the basis of original parts, and many more items will be on display.

Hungary: revolutionary changes in the region caused the commands of the latter to transfer ammunition and weapons to Poland. In Lviv, the Austro-Hungarian Command even officially transferred power to the Poles, which actually led to a Ukrainian revolt. The same thing happened in Czechoslovakia and other countries. Ukraine is the only country that from the first days of its existence, was forced to wage war on all fronts and with everyone, when it did not even have its own armed forces – all it had was several individual groups of volunteers. It is nothing short of amazing that this war lasted until 1921 and that Ukraine was only then crushed and only because several countries attacked it simultaneously and subsequently tore it apart.”



Go to ukrainianweek.com to read an interview with historian Stanislav Kulchitskyi about how the war-tormented century changed Ukrainian population, who financed the Bolshevik revolution, and how WWI still affects us today

General Pavlo Skoropadsky became the Hetman of the Ukrainian State in 1918. Prior to that, he was one of the first people honoured with the highest military award of the Russian Empire – the Order of St. George – in WWI, and the Order of the Red Eagle, one of the highest German military awards, in 1918. Carl Gustaf Emil Mannerheim, a friend of Skoropadsky's during service in the Russian Army and Commander in Chief of the Finnish Army, was the only other person with this combination of awards.





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"For the Freedom of the Ukrainian Nation, For the Peace of Europe"

Author:
Alla Lazareva,
Dinteville

Photos
by Alain
Guillemoles

Château de Dinteville, a castle in the French province Champagne-Ardenne, was once home to Hryhir (or Grégoire) Orlyk, a French diplomat and the son of the well-known Hetman Pylyp Orlyk who, serving as Hetman of Ukrainian Cossacks, wrote the Pacts and Constitutions of Rights and Freedoms of the Zaporizhian Sich in 1710. This was a unique document in that historic period, often referred to as one of the earliest constitutions in Europe. The coat of arms of the Orlyk family, the marriage contract between Hryhir and Louise-Hélène Le Brun de Dinteville, a pile of yellow 18th-century papers... These have been passed from one generation to another in the family of the castle's owners, marquises de la Ville Baugé.

Time seems to standstill in this building. Old walls that built back in the 13th century had since witnessed peasant revolts, the French bourgeois revolution and two devastating world wars. But the foundation of Dinteville must have been laid

under a lucky star. "The castle suffered almost no damage," marquise Antoinette de la Ville Baugé tells *The Ukrainian Week*. "Hryhir Orlyk, when he came here to get a break from military campaigns, saw virtually the same things you can see today – the same towers, gates, alleys and walls."

Her husband, Henri de la Ville Baugé, a distant relative and heir of the Orlyks' estate adds: "Our castle did not have strategic military importance, even though it was built in a place where a fortress once stood. Village Dinteville nearby had up to 300 people at the best of times. Now, there are some 60 permanent residents here. In the revolution and during the two world wars, several doors and a wardrobe were broken here and that was it. The archives have been fully preserved, including a rope-bound package with the papers of Hryhir and his wife."

Godson to Ivan Mazepa, Cossack Hetman and patron of arts and education, and the wife of General Judge

Vasyl Kochubei, awarded the Order of Saint Louis, the Swedish military Order of the Sword and the Polish Order of the White Eagle, Hryhir Orlyk spent his first years as émigré in the court of the Swedish monarch with his father, and served in the Swedish and Saxon royal guards. After the death of Charles XII, the Ukrainian political émigrés were no longer welcome in Stockholm. The Orlyk family moved to Poland, and Hryhir's father, Pylyp Orlyk travelled from there to Turkey, while Hryhir served in the Saxon and French royal courts and later as a royal diplomat. He was dispatched to the Crimean khan, Turkish sultan and other rulers. His most glorious mission was probably the restoration of King Stanisław Leszczyński on the Polish throne in 1733.

"At a time when one's background was all important, he managed to make a brilliant diplomatic career exclusively owing to his ability," Iryna Dmytrychyn, author of the book *Grégoire Orlyk - Un Cosaqueukrainien au service de Louis*





Antoinette and Henri de la Ville Baugé, owners of the castle and heirs of the Orlyk archive

XV (Hryhir Orlyk, a Ukrainian Cossack in the Service of Louis XV) published by L'Harmattan, explains: "In the hierarchical society of the time, Hryhir Orlyk, an exile and émigré, talked with ministers and kings, engaged in big politics and constantly, sometimes openly and at other times obliquely, reminded of the 'yoke under which the Cossack nation was groaning'. Hryhir Orlyk was a lone warrior in the field, a man who strove for the 'freedom of the Cossack nation' for the sake of peace in Europe."

The French king sent Orlyk, his special-purpose diplomat, on secret missions that could easily make a good plot for a suspense film. He had to disguise himself as a merchant and doctor, a servant and pilgrim. "My grandfather and father spoke a lot about him," Henri de la Ville Baugé recalls. "He was a kind of mythical figure. But we knew very little about him. He was not French and did not belong to dynasties known at the time... His mission of a secret agent in the royal service must have been the only way for him to survive."

No-one knows what Hryhir Orlyk actually looked like. No authentic portrait of him has survived. The documents written in hand by the legendary Ukrainian are almost all in French. The only Ukrainian-language document is a christening certificate. The majority of papers are draft letters which Orlyk sent out to governments across the world. In a letter to cardinal André-Hercule de Fleury written in 1741, he defended the "undeniable right of the Cossack nation to Ukraine which has been usurped by the Russians. This nation has been denied its privileges and freedoms and the

yoke imposed on it is becoming increasingly unbearable." Another of his documents noted: "The common interests that Sweden has with the Kingdom of Poland and the Ottoman Empire, the benefit they have already been able to receive from cooperation with the Cossack nation and the presently conducive conditions convince me that my father could not have hoped for a better opportunity to again show his loyalty to Your Highness and other rulers who would want to see Russia weakened."

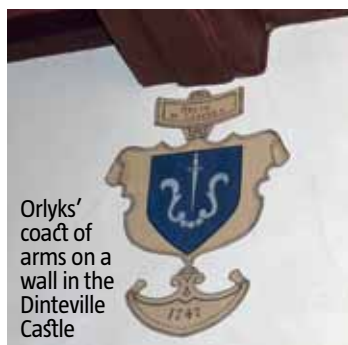
Orlyk was constantly on the move, either in military expeditions or on secret missions, and thus remained a bachelor for a long time. He married Louise-Hélène Le Brun de Dinteville in 1747 at the age of 45. He then lived out the last 12 years of his life at Château de Dinteville. The couple did not have children. "The marriage with Madame de Dinteville allowed him to settle down and was probably prearranged," Ms. Dmytrychyn suggests.

The current castle owners remember several Ukrainian researchers who have taken interest in Hryhir Orlyk. "Historians Illia Borshchak and Orest Subtelny, as well as writer Anna Shevchenko,

have worked with the archive," the marquis says. "They all hoped to find *Vyvidprav Ukrainy* (The Genesis of Ukraine's Rights, a manifest allegedly written by Pylyp Orlyk, addressing European monarchs and focusing on facts confirming the sovereignty of the Ukrainian Cossack State based on international treaties, the need to restore Ukraine's sovereignty and the benefits of democracy over despotism. The original version of the document was never found – Ed.) which, according to Borshchak's version, Orlyk sent out to the leaders of European states. No-one has been fortunate to find this document."

"The activities of Hryhir Orlyk prove that an understanding that the Ukrainian Hetman lands were part of the Western civilization, rather than the 'barbarian' East, was the norm in the 18th century," says Ms. Dmytrychyn, whose book *Hryhir Orlyk, abo Kozatska natsiia u frantsuzkyi dyplomatii* (Hryhir Orlyk, or the Cossack Nation in French Diplomacy) will be published by the Tempora publishing house in 2014 in Ukraine. "Personally, I am moved by the fact that he fought in hopeless conditions. He could not fail to understand the futility of his efforts! However, as Edmond Rostand's Cyrano de Bergerac, one of the best characters in French literature, said, to fight knowing that you will not achieve your goal is even nobler. You cannot choose to fight only when you are certain of your success. You should always fight for your ideals and ideas if you know they are right. To me, Hryhir Orlyk impersonates an ability to defend your convictions regardless of the circumstances. He deserves our respect, and his name is worthy of being remembered by future generations. This is one of the bright figures in Ukrainian history." ■

Marriage contract between Hryhir Orlyk and Louise-Hélène Le Brun de Dinteville



Orlyk's coat of arms on a wall in the Dinteville Castle



19th-century Ukraine:

Between Conservatism, Liberalism and Socialism

Ukrainian sociopolitical movement between the mid-19th and early 20th century seemed to involve only “conscious Ukrainians”. Even then, however, forces existed which had not yet actively declared their pro-Ukrainian nature but had huge sociopolitical potential

Author:
Yuriy Tereshchenko

These forces included the more moderate part of Ukrainian society, largely the liberal intelligentsia, nobility and various officials. They gradually became involved in various all-Russian government and non-government structures: city councils, *zemstvos*, regional branches of scientific and societal institutions, etc. They addressed issues in the local economy, popular education, healthcare, transport network, statistics and cultural work. These efforts went hand in hand with their resistance to assimilation carried out by government agencies and gave rise to “our nice national order”, to quote from the well-known ethnographer and historian Mykhailo Drahomanov.

Ukrainian peasants, too, had extremely important potential that could develop into a Ukrainian movement. After serfdom was abolished in 1861 and a chance appeared to enhance their financial standing and socio-political involvement, they acquired new features as a social group. Traditional Ukrainian politicians believed that the Ukrainian peasantry had grown indifferent, but it exploded with a wave of national self-identification at the turn of the century, pouring millions of its members into cooperative societies and village associations and later supporting the Ukrainian Central Rada as the national movement leader.

The autocratic Russian regime did not allow open political life



Mykhailo
Drahomanov

and the spread of any opposition sentiments in society. However, the tsarist government could not stop discontent. Taras Shevchenko wrote a number of poems which established, with renewed energy, the idea of uncompromising struggle against the Russian regime which resorted to much tyranny and national persecution in Ukraine. Shevchenko was a deeply nationalistic Ukrainian poet. He unswervingly condemned the anti-Ukrainian policies of the Russian Empire. His monumental figure was a great catalyst for the formation of national identity in the masses and the establishment of the idea of Ukraine's independence.

LIBERALS AND SLAVOPHILES AGAINST “CITIZENS” AND “KHLOPOMANS”

In the late 1850s, the Hromada, a Ukrainian society, was formed in Saint Petersburg. Its most active members were Mykola Kostomarov and Panteleimon Kulish. Supported by notable Ukrainian donors, large landowners Vasyl Tarnovsky and Hryhoriy Galagan, Kulish set up his own printing shop in Saint Petersburg and started publishing cheap Ukrainian books for the masses. The authors included, among others, Shevchenko, Kulish, Marko Vovchok, Hryhoriy Kvitka-Osnovianenko, Danylo Mordovets, Hanna Barvinok, Oleksa Storozhenko and others. Hromada's branches later sprang up in Kyiv, Chernihiv, Poltava, Kharkiv, Katerynoslav and other cities.

Saint Petersburg's Hromada published the *Osnova* journal in 1861-62, the key all-Ukrainian periodical that played an important role in the history of Ukrainian spirituality. It was the first national social-scientific and literary journal. For nearly two years, it had a significant impact on the literary process in Ukraine and the development of Ukrainian culture as it entrenched the concept of Ukraine's independence and the singularity of its historical process in mass consciousness.

Hromada's activities raised suspicions in Russian society. For a while, government officials simply watched on as *Osnova* was published and the Ukrainian movement surged, but the Russian liberal press and a number of

intellectuals immediately exploded with sharp, negative criticism. The reason was the successful development of the Ukrainian literary process and its increasing public and political influence among various strata of Ukrainian society. While Russian journals quite often published Ukrainian-language literary works early into Alexander I's liberal rule, the situation soon reversed, and Russian public figures turned into archenemies of the Ukrainian culture as they tried to deny the Ukrainian language and culture and prove that the Ukrainian movement was a Polish plot. For example, Mikhail Katkov, editor of *Moskovskie vedomosti* (Moscow News) and *Russkiy vestnik* (Russian Newsletter) and a representative of moderate Russian liberalism, tried to convince the Russian public that the Ukrainian language in the works of Ukrainian authors was completely artificial. He claimed that the intentions of the Ukrainian intelligentsia to develop their literature, culture and science were misguided and at variance with the demands of real life.

The Russian liberal intelligentsia viewed Ukrainian culture as a threat to its undivided rule in both spiritual and political life. The fear that the independent development of Ukrainian culture, language and literature could become an important foundation for the political separation of the Ukrainian people persisted among Russian intellectuals, generating suspicions of Ukrainian political separatism.

The position of many Russian intellectuals was not that different from the centralist "point of state coercion", to quote from Mykola Kostomarov. After all, it was their hidden conviction which contradicted their outward liberal rhetoric. "I don't believe a common Little Russian (Malorissiyky, a common name for part of Ukraine at the time – Ed.) literary language could be formed – apart from literary works of purely folk nature; I don't see any way in which this may happen, and I do not wish or am able to wish any artificial attempts to break the integrity of all-Russian development and disincite Little Russian authors from writing in Russian," nota-



Viacheslav Lypynsky

ble Slavophile Ivan Aksakov wrote.

The position of Slavophiles virtually coincided with the traditional assimilatory policy of the Russian state. The activists associated with *Osnova* (Foundation) were correct in viewing it as thinly veiled centralist intention to stump the development of a new Ukrainian movement and make society hostile towards it.

As can be seen, Russian Slavophiles echoed centralists like Katkov in their demand to use repressions against Ukrainians. This hypocrisy was exposed in Kostomarov's article "The truth about Rus' for Muscovites": "There are people in Moscow who call themselves Slavophiles, but they are not what they pretend to be. They want to foster in their own people enmity against another Slavic people... O Moscow! How much your children bespeak their fathers and grandfathers!"

An important sociocultural phenomenon of the time was *khlopomanstvo*, a movement that emerged in the late 1850s among the Polonized Ukrainian nobility in Right-Bank Ukraine. Khlopomans did not agree with the idea prevalent among the nobility that the restoration of Polish statehood in Ukrainian lands would improve the condition of Ukrainians. They saw their public duty in serving the people, primarily peasants (hence their name, literally 'peasant-mania'), to enhance their cul-

tural and educational level, etc. The leader of the movement was Volodymyr Antonovych, a student at Kyiv University at the time and later a notable Ukrainian historian. Together with like-minded people (Tadei Rytsky, Kost Mykhalchuk and Borys Poznansky), he believed that the dissemination of education and culture, rather than political struggle, was the only way to economic, political and spiritual liberation of the people. According to the khlopomans, the Polish nobility in Ukraine was faced with a dilemma: either continue to be exploiters of the Ukrainian people, hampering its national development, or return to the ethnic ancestral roots and work for the good of the people. As they joined the Ukrainian movement, khlopomans, former noblemen, became *déclassé* and joined the ranks of the intelligentsia. It took time for the Right-Bank intelligentsia to realize the need to preserve itself as a stratum whose all-around experience was to serve the Ukrainian social movement. This new stage when the Ukrainian nobility rediscovered its identity was initiated somewhat later by Viacheslav Lypynsky.

THE NEW INTELLIGENTIA LEADING THE WAY

In the second half of the 19th century, the leadership of the Ukrainian national movement was transferred to a new societal stratum – the intelligentsia, which was composed of both the nobility and people of other origin. The new generation no longer idealized the Cossacks, as did the Brotherhood of Saints Cyril and Methodius, and focused on the people which, they believed, needed freedom, material improvements and spiritual revival. It was in serving the people identified as the peasantry that the Ukrainian intelligentsia saw its mission. Thus, if the previous period was marked primarily by a desire to restore the former Hetman state, the new movement was about protecting people's interests more than anything else.

Since the 1860s, *narodnytstvo* (populism) was fully established within the Ukrainian movement and spread its views to social sciences and the humanities, as well as to literary activity. The populist

Russian public life was dominated by fierce denial of all things Ukrainian and attempts to prove that the Ukrainian movement was a Polish plot

school of historiography (Kostomarov, Oleksandr Lazarevsky, Antonovych and later Hrushevsky) cemented in Ukrainian society for years to come a view on Ukraine's past in which the dominant historical force was spontaneous mass movements aimed at satisfying popular socioeconomic interests. In the study of the Cossack period, the state-building activities of the Cossack *starshyna* (officers) and the Hetman's power were relegated to the background, while the activities of the rank-and-file Cossacks, sometimes openly destructive, were glorified. This school greatly underestimated Ukrainian statehood in the Princely Era and early modern history (the Ruthenian-Lithuanian period).

The liberal-populist intelligentsia, which viewed itself as the only representative of the Ukrainian people, fiercely opposed the attempts of the traditional Ukrainian nobility to play an independent political role. It hampered the engagement of both individuals and separate social groups in the Ukrainian movement. As a result, this conduct alienated well-to-do, politically and professionally experienced residents of Ukraine.

However, the emergence and establishment of the populist intelligentsi in Ukrainian sociopolitical landscape did not mean that the ideological influence of the Ukrainian nobility was eliminated. After its representatives and the descendants of the Cossack *starshyna* joined the Ukrainian national revival, they imposed on the Ukrainian movement traditional autonomist-federalist views of the state system in the context of future relations with Russia. These views held by the Ukrainian nobility, complemented by the ideas of Western liberalism and sociopolitical conceptions of the Brotherhood of Saints Cyril and Methodius, became central in the ideology of Ukrainian populism. Marked by inconsistency and ambivalence in its approach to the nation's key goal, i.e., obtaining



Volodymyr Antonovych



Ivan Franko

state independence, this ideology was definitive for the Ukrainian movement as such for a long time.

For a while, the tsarist government refrained from repressions against the Ukrainian social movement, which pursued largely cultural and educational goals at this stage. However, the Polish Uprising of 1863 changed the situation. The slogan of radical noble circles "For your and our freedom!" and agitation among Ukrainian peasants raised unjustified suspicions in the Russian government that separatism was possible in the Ukrainian national movement. This suspicion was fuelled by Russian chauvinist circles which believed that the development of the Ukrainian cultural and national movement would lead to Ukraine's breakaway from Russia and to the empire's eventual collapse.

Katkov and the Russian pro-government press tried to persuade Russian society that the Ukrainian movement was a result of a Polish plot and that the Russian government had every reason to expect a Ukrainian uprising like the one in Poland.

A campaign against the Ukrainian movement, Ukrainian-language schools and Ukrainian literature was launched. The tsar dispatched his man to Ukraine to investigate "Little Russian propaganda which has surged there".

In 1863, Interior Minister Val-

Ukraine's right to political self-determination but also Ukrainian culture, literature, theatre, education, etc.

On 18 May 1876, Alexander II added a new page to the history of anti-Ukrainian repressions by issuing the so-called Ems Ukaz in the form of a secret instruction. Under the ukase, Ukrainian-language books were not allowed to enter the empire, original Ukrainian-language works, translations and even lyrics to accompany music were banned from publication. Plays and public recitals in Ukrainian were also prohibited.

DRAHOMANOV AND HIS INFLUENCE

However, the Ukrainian movement could no longer be stopped. It had entered a new stage and found a new opinion leader in Mykhailo Drahomanov. As an opponent to Russia's autocratic centralism and a police state, he proposed a programme of evolutionary socialism building, for the most part, on Proudhon's ideas. His political ideal was a federalist transformation of society: free communities were to form a federation within Ukraine and then establish the federative community of the peoples in Russia, later a Slavic federation and, finally, a federation of the world's peoples.

However, Drahomanov's political activity and his socialist ideas were met with hostility in Kyiv's Hromada where they exacerbated internal tensions and triggered the emergence of a radical wing. Finally, after multiple attempts to come to an understanding with the moderate leaders of Hromada in 1886, Drahomanov severed ties with the organization and embarked on highly important activities abroad.

Drahomanov's importance as a political figure lies in the fact that he introduced a realization of the need to transition to political struggle and step outside the limits of heretofore dominant apolitical cultural enlightenment.

Moreover, Drahomanov's key contribution to the Ukrainian movement was that he familiarized Europe with the Ukrainian problem. While on an academic trip abroad in 1873, he started telling Western Europeans about Ukrainian literature. Among his large-scale works in this area was

THE RUSSIAN LIBERAL INTELLIGENTSIA VIEWED UKRAINIAN CULTURE AS A THREAT TO ITS UNDIVIDED RULE IN BOTH SPIRITUAL AND POLITICAL LIFE

uev issued his infamous circular banning the printing of textbooks and popular and religious books in Ukrainian. He wrote in a letter to the Minister of Education: "There is and cannot be any separate Little Russian language." Russian tsarism persecuted not only attempts to spread ideas about

his contribution to *Nouvelle Geographie Universelle* where he presented varied information about Ukraine in the fifth volume.

However, Drahomanov's political stance never allowed young Ukrainian politicians to break out from the firm embrace of Russian centralism. It seriously hampered independist Ukrainian political movements and organizations and ultimately eclipsed the need for continued struggle for an independent Ukrainian state. The concept of Ukraine's traditional autonomy which was, thanks to Drahomanov, combined with the Western European federalism of the time, was to become the foundation of the Ukrainian movement's political programme for many years to come and led to grave consequences during the Liberation Struggle.

After the assassination of Alexander II in 1881 and increased reactionary policies, the Ukrainian movement entered an even more difficult stage. Hromada organizations partly suspended their activities, and the ones that remained thought it advisable to focus on purely cultural and academic apolitical activities needed to justify the separateness of Ukrainians among other peoples.

Members of Kyiv's Hromada were active in various scientific societies, particularly the Nestor the Chronicler Historical Society, and rallied around *Kievskaia starina* (Kyiv Old Times), a journal founded on the initiative of Oleksandr Lazarevsky and Volodymyr Antonovych and supported by Ukrainian donors, sugar refinery owner Vasyl Symyrenko and landowner Vasyl Tarnovsky. The journal published research articles on history, ethnography, archaeology, literature, as well as literary works and historical documents. The authors included Dmytro Bahalii, Orest Levytsky, Mykhailo Hrushevsky, Mykhailo Drahomanov, Oleksandra Yefymenko, Oleksandr Lazarevsky, Ivan Franko, Panas Myrny, Mykhailo Kotsiubynsky and others. Moreover, research on Ukrainian topics was published in Russian by a number of official societies in Kharkiv, Odesa and other cities. Drahomanov tried to convince Ukrainian activists to focus their efforts on



Mykhailo Hrushevsky

democratizing and federalizing the Russian Empire and the Austro-Hungarian Empire, which, in his opinion, would put the conditions in place for the free national development of Ukrainians.

According to Franko, Drahomanov as a politician forever remained who he was when he left Russia on foreign trips: *gente Ukrainus, natione Russus*. In other words, he could not envision Ukraine "without a close connection to Russia". To Drahomanov, the ideas of federalism stood alongside the European ideals of social equality and political will, which eclipsed the idea of national independence. This position had an impact on entire generations of Ukrainian activists who for a long time remained captive to Drahomanov's view of the national problem and did not see the prospects of national liberation struggle. "Without harbouring this national ideal in their heart, Franko wrote,

THE POPULIST SCHOOL OF HISTORIOGRAPHY CEMENTED IN UKRAINIAN SOCIETY FOR YEARS TO COME A VIEW ON UKRAINE'S PAST IN WHICH THE DOMINANT HISTORICAL FORCE WAS SPONTANEOUS MASS MOVEMENTS AIMED AT SATISFYING POPULAR SOCIOECONOMIC INTERESTS

the best Ukrainian forces were drowned in the all-Russian sea, and those who stood their ground were discouraged and became apathetic. We now have no doubt that a lack of faith in the national ideal, elaborated to the extreme consequences also in the political field, was the main tragedy in Drahomanov's life and the reason why his political struggle was hopeless..."

His vision of an autonomous Ukraine within a federated Russian state was adopted by socialist and liberal Ukrainian parties, something they did not fully relinquish even in the course of the 1917-21 national liberation struggle. This was a fatal obstacle to widespread realization of the need for an independent state.

SOCIAL OR NATIONAL?

The domination of social tasks over national issues (whether in the interests of higher or lower strata) misguided the Ukrainian movement one way or another, causing social disharmony and inability to consolidate society, which was very much needed for national liberation. The key to solving the most pressing social problems was a wide societal realization of the need for state independence.

Lypynsky wrote that a "true revolution against the populist worldview" was necessary for the Ukrainian movement to leave behind its autonomist-federalist notions about the future of Ukraine-Russia relations. "It was only through a tremendous moral effort, he wrote in a letter to Andriy Livytsky on 16 October 1919, only through boundless love for the Ukrainian national idea and to the state idea as a political embodiment of full national will and only by rallying all honest national forces without exception around internal work towards this idea that it was possible to turn 40 million dark, self-disparaging slaves into heroes who would build Ukraine and secure a better human life for everyone."

The Ukrainian elites that accepted socialist ideology lacked, for a long time, clear orientation towards Ukraine's independence, but this could not stand in the way of a powerful national-cultural potential which grew as a necessary foundation for national liberation struggle. The 19th century Ukraine was concerned with building this kind of potential.

The resistance of a large part of the Ukrainian elites and many peasants to Russian assimilatory pressure ultimately led to the emergence of independist movements in Ukrainian politics. In 1895, Yulian Bachynsky, an activist of the Ukrainian Radical Party, published a brochure entitled *Ukraina irredenta* which became the manifesto of Ukrainian aspirations for state independence. That same year, Franko clearly testified to the popularity of this idea in society by observing that it was "a fact of our political life and an expression of the national feeling and

A vision of an autonomous Ukraine within a federated Russian state was adopted from Drahomanov by socialist and liberal Ukrainian parties and played an unfortunate part in the 1917-21 national liberation struggle



national consciousness". He noted that the perceptible "need for Ukraine's political independence ... will be on the agenda in Europe's political life and will stay there until it has been accomplished".

These aspirations for political independence, which can be found in the works of Galician politicians, were echoed by Mykola Mikhnovsky's conception expounded in his brochure *Samostiina Ukraina* (An Independent Ukraine, 1900). Thus, the idea of Ukraine's independence started to turn into a clear political programme on both sides of the Zbruch River.

INDEPENDENCE, NOT AUTONOMY, AFTER ALL!

The growing realization of the need for an independent Ukrainian state led to a better understanding that Ukraine had to develop a differentiated class structure as a precondition. Full-fledged national development had to eliminate social destruction caused by national oppression. It was along these lines that Franko criticized Drahomanov's unreserved "love for the common people". It was also the reason why Franko adopted a pro-independence position and departed from Marxism.

Hromada,
meaning
Community in
Ukrainian, in
Kyiv

Drahomanov's narrow view on the place and role of the main social classes, his "peasantophilia", to use Franko's description, led to "an excessively narrow understanding of the nation as the plebs also in purely cultural and educational efforts and prevented him from couching the cause of national development in such broad terms in which we formulate it now."

In order to overcome this kind of simplistic view on Ukrainian society, the higher social strata of Ukrainian origin, which used to

lies changed their sociational consciousness and political orientation in Galicia and the part of Ukraine that was under Russia. Despite the dominating positions of liberal democracy and social trends in the Ukrainian movement, this evolution showed a desire to balance ideological and political values and stimulate the underdeveloped right-wing conservative sector.

The prevalent social radicalism of the Ukrainian movement alienated the conservatively minded Ukrainian nobility to the point that some of its members joined monarchic Russian organizations and parties. However, this political preference was not conclusive. Rather, it was a step towards self-preservation and protection of socioeconomic interests. The conservative forces which were not déclassé departed from the Ukrainian liberal-radical movement but preserved their national instincts, which clearly showed after February 1917. Their attempt to realize, in 1918, traditional national statehood was a link in the all-European process of conservative revolutions and a reaction to the triumph of liberalism triggered by the 19th century and dressed in the new democratic attire after the First World War. ■

THE KEY TO SOLVING THE MOST PRESSING SOCIAL PROBLEMS WAS A WIDE REALIZATION OF THE NEED FOR STATE INDEPENDENCE

accept the Russian or Polish national state tradition, had to elevate themselves to a higher level of sociopolitical and national identity.

Throughout the 19th century, Ukrainian aristocracy underwent a complicated and ambivalent process of national awakening on both sides of the Zbruch River. This was vividly manifested in the way ancient Ukrainian noble fami-

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