

FORECAST FOR THE NEW
GOVERNMENT AND PARLIAMENT

CRIMEA AND
THE DONBAS IN 2015

JAN TOMBINSKI
ON REFORMS FOR UKRAINE

i n t e r n a t i o n a l e d i t i o n

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Тиждень

Post-Revolution Hangover

Who will win the war of each against all in Ukrainian politics?

The next year (or even its beginning) promises to pose very difficult challenges for Ukraine's social and political stability. The expected confluence of several negative factors suggests that the country is more than ever at risk of plunging into total chaos, the consequences of which are currently unpredictable, and the forces that might overcome it, uncertain.

The country is rapidly approaching a financial, economic and sociopolitical abyss, modern analogues of which may be found in the case of Argentina during the default of the early 2000s, or Greece in recent years. These crises arose out of problems that began at least in the last decade. Previous administrations have done nothing to remedy the situation—neither Tymoshen-

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Kramar

PUPPETEERS. The oligarchs are trying to exploit the population's spirit of protest to further their own interests

ko's Cabinet after the crisis of 2008-2009, nor Azarov's in 2010-2014. On the contrary, each government tried to hand off the responsibility of addressing these problems to its successors: public debt increased rapidly in order to maintain an overvalued exchange rate for the hryvnia, and the populist holiday continued amidst growing deficits for the budget, the Pension Fund and Naftogaz, the state-owned monopolist gas supplier in Ukraine.

Ultimately, the margin of safety was crossed. Beginning in April 2011, more than USD 30bn out of USD 38bn in foreign reserves was spent to support the illusion of stability (according to estimates in December they will fall to USD 7.2-7.6bn). The Naftogaz deficit exceeded the astronomical sum of 100

billion hryvnias, despite a significant rise in gas prices for household consumers in the first half of the year. The fighting in the Donbas and permanent threat of Russian invasion triggered capital flight and a decline in foreign exchange earnings. This intensified problems that had been brewing for years and left the country without a safety net.

The devaluation of the hryvnia, whose rate has been impossible to stabilize at 11.5, then 12.95, then 15-16 to the dollar, naturally did not stop and will not stop. The official rate is already at least 10-15% lower than the prices of currency on the black market, though it is really only available there at 17-17.5 hryvnias/USD (the price grows constantly). Most experts and international agencies predicted further economic decline of at least 3-5% next year, along with rising unemployment and inflation, reduced real incomes for citizens and the state budget. It's already no secret: in order to truly stabilize the situation in the monetary and financial sectors, the budget deficit must be reduced, from the state to Naftogaz and the Pension Fund.

To reduce the budget deficit to at least 3.7% of GDP, the Finance Ministry has required all ministries to cut spending by 25%. This inevitably means layoffs, reduced social



benefits or long unpaid leaves. And this time the government is unlikely to avoid austerity measures. Indeed, the IMF will not continue lending to a country that does nothing to even come close to spending less than it earns. In January, without the IMF's support, the level of reserves may fall to a critical USD 5.6bn and be completely exhausted by March or April, so a default surely awaits.

Among other things, this will mean the inability to draw loans to finance even the aforementioned deficit of 3.7% of GDP. Hence even greater restrictions will be placed on actual spending. These restrictions will either be nominal or through the large-scale printing of money by the NBU in order to cover the deficit, causing hyperinflation in a manner reminiscent of the early 1990s.

UNFAIR BELT TIGHTENING

The decline of living standards is already very significant. The 21.8% year on year inflation rate recorded by the Ukrainian State Statistics Service in November is just the tip of the iceberg.

Most vulnerable social groups can expect a targeted support package, which will at least partly alleviate the impact of austerity for them. But the majority of citizens whose average incomes are higher than the long-inadequate living wage (1,176 hryvnia or around USD 70 at the current official exchange rate) are destined for further rapid deterioration of living standards. We can also expect a sharp increase in tax pressure on small and medium businesses to fill the revenue side, and new initiatives on taxation of ordinary citizens (such as the newly-introduced 30% personal consumption tax). By contrast, there is no evidence of the Government's willingness to withdraw from the offshores or tax the multi-billion hryvnia income of oligarchs. Moreover, having influence over opposition and coalition political forces, the oligarchs will try to maintain and expand existing privileges and budget leaching operations through corruption schemes.

The oligarchs, as always, are selling goods produced in Ukraine to their offshore companies at prices often below cost. They use this as an excuse to complain about "losses" allegedly incurred by their businesses and prepare the ground for new tax and transport privileges. Their total monopoly continues to

dominate the most profitable sectors of the economy. The country has lately seen countless scandals stirred by bribes in return for this or that lucrative government position, on which, of course, the candidates plan to earn a good yield.

The long talks by senior officials in the present government and the Tax Service regarding the hundreds of billions in damage caused to the state by corruption under the Yanukovich regime have not translated into savings for Ukraine. What's more, to the naked eye, even without any noticeable calculations, it is clear that the share of state revenues that "vanished" has not only remained, but has even increased. For example, the hryvnia-denominated budget revenues are virtually the same as last year, but after the devaluation of the national currency by more than half, the volume of imports (which provides a significant portion of revenues to the treasury), exports and the production of goods and services have increased significantly, even considering the losses incurred in the Donbas.

THE PHANTOM OF TOTAL CHAOS

Amid the impoverishment of the majority of Ukraine's population, including those who recently joined the ranks of the middle class, attempts to further tighten the noose on their necks objectively spells social instability. Not only due to "austerity" itself (though it could be less rigid if corruption schemes and tax loopholes for oligarchs were eliminated), but also because of the psychological factor - an acute sense of injustice. After all, it will signal that corruption loopholes in the budget remain unfixed, and oligarchs and most big businesses that are associated with the ruling parties continue their tax evasion practices.

Since the Revolution of Dignity was a struggle against injustice (and not a change from one government to another), the populace will quickly develop an appetite for continued revolution. However, under the present circumstances it is unlikely to be organized on a national scale given the lack of political power—or at least a civil movement—that is capable of taking on such tasks. The Maidan parties that came to Parliament are not only dependent on the oligarchy but are chained to the ruling coalition. The Opposition Bloc, a club of former

Party of Regions MPs, and the Communist Party would not be suitable conduits for revolution as they have lost any respect or authority in the country, and Svoboda party has been trying to take advantage of popular discontent but has discredited and marginalized itself not only at the national level, but also among its regional "base", where it long controlled the local government but did not live up to expectations.

Under these circumstances, it would be simple for a variety of players to exploit the high potential for explosive protests among a disappointed population that is even more aggressive toward the new government than it was toward the old. Those who might try to lead these uprisings are not likely to be able to control them for long. And they themselves will risk becoming victims of the movement as the populist spiral unravels. The latest rally in Vinnytsia offers a good example (on December 6, protesters stormed the Oblast Council premises trying to prevent it from holding the session and holding a vote



THE PARLIAMENT WILL LACK A SOLID RULING COALITION. DECISIONS WILL BE PASSED BY SITUATIONAL ALLIANCES

to dismiss the head of the oblast council. Eight people were injured in clashes between the protesters and the police – **Ed.**)

On the one hand, such events are a result of the current leadership's inability to bring members of the former regime to justice and remove them from governing bodies. On the other hand, these actions are not much different from the seizing of power and the conduct of local deputies and mayors in Sevastopol, the Donbas, Kharkiv and Odesa in the spring of this year. The rally in Vinnytsia was a gathering of 150-200 people, most of whom are hardly citizens of Vinnytsia. Leading the protest were local leaders from Oleh Tyahnybok's Svoboda and Yulia Tymoshenko's Batkivshchyna parties—who together garnered only about 10% of the vote in the latest parliamentary elections. In fact, Svoboda took only 4.25% in the general elections in Vinnytsia Oblast, while Batkivshchyna took just 6.6%. In the city of Vinnytsia, they garnered

6.2% and 5.4%, respectively. Even if successful, this kind of seizure of power is doomed because it will not be able to positively resolve any problems for the locals, though it may generate new ones instead.

A similar problem arose nationwide following the Maidan, and is now no less acute. In our modern reality, popular uprisings can overthrow this or that regime relatively easily, although they do not offer a decent alternative. As a result, a few representatives of the ruling class dependent on oligarchy or big business simply take the place of others.

A WAR OF EACH AGAINST ALL

Meanwhile, a war of 'each against all' (whose contours have been outlined in recent days) is brewing within this ruling class against the backdrop of social and economic destabilization. The main political parties now seem to be hoping to successfully maneuver within the environment of worsening socioeconomic and sociopolitical destabilization, keeping afloat and continuing to loot the country for as long as possible (by distributing corrupt posts, carving up the budget and taking control of the remnants of state property).

The situation is further complicated by the lack of a clear picture of Ukrainian politics in its current state. There is no political force to which dissatisfied citizens can turn with their concerns. Most of the current parties have plenty of patriotic and/or pro-European-minded people who understand the challenges facing the country and the need for real reforms, not lip service. But politicians who came to power to "solve" business issues for themselves or their sponsors and to earn back what they spent on campaigns prevail and determine policies.

At the same time, political parties are unprecedentedly diverse. They all have groups of people who have much more in common in terms of their view of Ukraine's future with their peers from other parties, than with their party fellows. This applies to those who are seeking to preserve the status quo or even return to "pre-revolutionary practices", as well as reformers calling for a true liquidation of the oligarchic-monopolistic model and a war on corruption.

The coalition in the format of a constitutional majority (currently

305-308 MPs including the presidential) opens broad opportunities for intra-faction games and the snubbing of not only party members, but of entire partner-factions. The leitmotif of parliamentary life will be that whoever sets up his opponent on a particular problem and unite with others to solve it in the most beneficial way will be the winner. This atmosphere can quickly result in a predominance of absolute distrust and thus unpredictable actions by the ruling coalition, aggravated internal struggles, blaming of mistakes on others and tug-o-war games.

In fact, the parliament will be left without a governing coalition and decision-making will rely on situational alliances, including those involving non-coalition parties. This situation can be tolerable in a presidential-parliamentary republic during a relatively stable time. However, it adds another fac-



AS ALWAYS, THE OLIGARCHS ARE SELLING GOODS PRODUCED IN UKRAINE TO THEIR OFFSHORE COMPANIES AT PRICES OFTEN BELOW COST

tor of destabilization in the crisis-ridden country where the parliament has more powers than the president.

Take, for example, a vote on a resolution to elect heads, deputy heads, secretaries and members of parliamentary committees. Only 249 deputies voted "for" the resolution, of which 228 were from the coalition. Thus, the resolution might not have passed without the five unaffiliated votes (former Party of Regions members Andriy Klyuyev, Serhiy Kivalov, Eduard Matviychuk, Oleksandr Feldman, and Oleksandr Suprunenko) and 15 votes it received from Ihor Yermeyev's Will of the People group. Andriy Pyvovarskyi, Minister of Infrastructure in the new government, was a top manager of the Continuum, a group Yermeyev co-founded. This is further evidence of the fact that Will of the People participates in the coalition, although this participation is informal since the fact that its members voted for the draconian January 16 laws under the Yanukovych presidency

compromised them, and would compromise the ruling coalition today.

In this format, the coalition comprises almost 330 MPs. This means it is able to pass decisions even without the support of a hundred of its official members (this is the combined number of the People's Front and Oleh Lyashko's Radical Party, or the People's Front and Batkivshchyna representatives in the coalition). Poroshenko's Bloc currently has 150 deputies, while the People's Front has 83, Andriy Savodiy's Samopomich (Self-Help) has 33, Oleh Lyashko's Radical Party has 22, and Batkivshchyna has 20. Ihor Yermeyev's Will of the People group has 20 votes.

Other solid groups include the Economic Development group led by the Party of Regions' Vitaliy Khotymytnik and Yevgeniy Geller (19 members), the Opposition Bloc (40), a group of Svoboda party members (7; Svoboda failed to cross the 5% threshold in the latest general elections but some of its members were elected as first-past-the-post candidates), a new association called the Ukrainian Opposition, which includes 5 MPs (Dmytro Yarosh, Borys Filatov, Andriy Biletskyi, Boryslav Bereza, and Volodymyr Parasiuk) and Viktor Baloha's United Centre (whose council also includes two of Baloha's brothers and a cousin).

THE OPPOSITION

A reactionary opposition force composed of former Party of Regions members is now taking shape. At the same time, the majority of the new Opposition Bloc's 40 parliamentary members and the 19 members belonging to the Economic Development group (which is saturated with former Party of Regions members from southeastern regions) have a common position.

Their representatives are increasingly critical of the current government and have a good chance to gain absolute victory (at least in most southeastern regions) in the next local or even early parliamentary elections, which their speakers have already threatened to initiate. Paradoxically, this opposition is currently seen as the major beneficiary of the growing dissatisfaction among citizens of the southeastern regions where living standards have rapidly deteriorated, although it was this group that is responsible

for the country's critical situation in the first place.

At the same time, the line of confrontation between Ihor Kolomoyskyi and Petro Poroshenko is becoming more obvious. The latter seems to be trying to use parliamentary groups of Rinat Akhmetov, Dmytro Firtash and Serhiy Liovochkin to balance Kolomoyskyi's influence in the southeast. If this is so, then Poroshenko is repeating the same mistake that Viktor Yushchenko once made, when he saw Yanukovich and the Party of Regions as a foil to Tymoshenko. It was a mistake for him to think that they might be any less dangerous to him.

Kolomoyskyi has put his eggs in different baskets. His people are present in the People's Front, Samopomich, and in Poroshenko's Bloc. However, his main stake is now in the newly created unaffiliated Ukrainian Opposition (UkrOp), which includes the famous Maidan captain Volodymyr Parasiuk, two deputies from the Right Sector (Dmytro Yarosh and Bohdan Bereza), the commander of the volunteer regiment Azov Andriy Biletskyi, and Kolomoyskyi's former deputy in the Dnipropetrovsk

Oblast Administration Borys Filatov, who is considered the unofficial supervisor of the oligarch's creation in parliament.

The group is expecting Svoboda to possibly join them along with some other MPs as well—in particular, those that are members of other coalition factions. After all, it must have at least 18 people in order to become an official group in the parliament. According to Filatov, UkrOp is betting that “there is so much arguing within this parliament, and the major factions are resorting to such Byzantine measures that we will soon see major changes”.

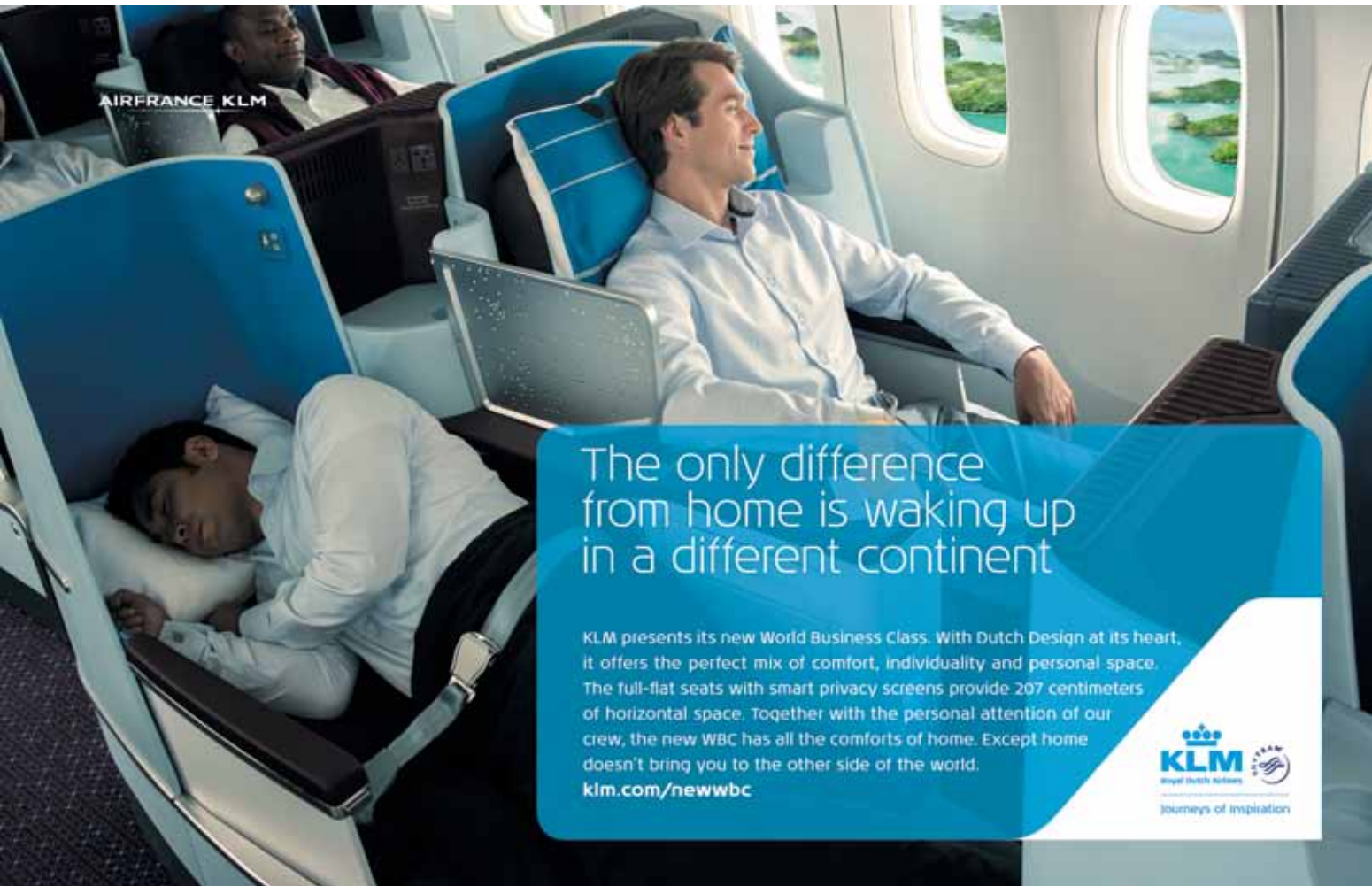
UkrOp actively bills itself as the main alternative to the Opposition Bloc and Economic Development for the many people dissatisfied with the country's development, especially in the Centre and West. Its representatives have publicly and sharply criticized President Poroshenko himself (Borys Filatov) and his speaker Groyzman (Volodymyr Parasiuk). With Kolomoyskyi's powerful media resources, this group can communicate its position to broader masses of dissatisfied citizens.

In the absence of organized political forces or a broad popular

movement able to take responsibility for the country's development and for fundamental transformation rather than imitation, the oligarchs will use the population's appetite for populism to strengthen their positions. Oligarch projects will over and over again achieve popularity positioning themselves as new political forces, and acquire a certain number of seats in the parliament and

THE OLIGARCHS WILL USE THE POPULATION'S APPETITE FOR POPULISM TO STRENGTHEN THEIR POSITIONS

government, continuing to act within the oligarchic matrix until replaced with new ones. The only way out is a true grassroots re-organizing of Ukrainian society from below. However, the conditions for this do not yet exist, and the citizens continue to simply assume that they can punish politicians who fall short of their expectations by voting for others in the next election. ■



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JOURNEYS OF INSPIRATION

Diversification Pains

External factors are pushing Ukrainian economy to overcome its extreme dependence on specific export goods and unreliable export markets

Author:
Oleksandr Kramar

Ukraine's dependence on export markets has considerably increased in 2014: the export to GDP ratio made 46% in the first half of the year (and will likely be even greater by the end of the year due to much deeper devaluation of hryvnia in autumn which has a negative effect on the foreign currency equivalent of the country's GDP). At the same time the current turmoil affected both the commodity and the geographical structure of the export. The changes will be shocking initially (as proceeds in foreign currency will reduce and destabilize the financial system), but they will have a positive impact in the long term, as they prompt the diversification of the commodity structure and decrease Ukraine's dependence on markets that are unreliable for political reasons.

During the first three quarters of 2014 the export of goods shrank by 7.7%. However, this was almost entirely caused by the industrial collapse in Donetsk and Luhansk oblasts (-24.7%). In other regions the downturn is barely noticeable (-1.6%). The statistics for the third quarter demonstrate that while the export decline accelerated in the course of the year, it was largely due to the instability in the warzone regions. Their orientation on metallurgic industry, the severely outdated and uncompetitive outside the CIS machine-building, as well energy-intensive chemical industry has led to the reduction of the share of these very commodities in the overall Ukrainian export.

In August-September 2014, the share of Donetsk and Luhansk oblasts in Ukraine's industrial output (not including Crimea) shrunk to 12.3% (compared to 25.2% in 2013). This happened as

An open wound

Exports plummeted this year largely because of the war in part of Ukraine

Exports in Jan-Sep 2013–2014 with and without the Donbas respectively, USD bn

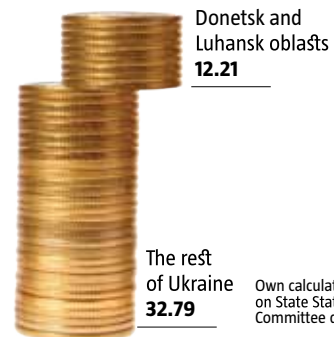
Jan-Sep 2013

Ukraine
(less Crimea)
45.53



Jan-Sep 2014

Ukraine
(less Crimea)
41.98



Own calculations based on State Statistics Committee data

a result of intensified hostilities, gradual suspension of production, and even more so as a result of suspended export of goods from terrorist-controlled territories. During the same period the share of ferrous metallurgy in Ukraine's overall export reduced from 26.6%

to 22.3% (or from USD 1.38bn to USD 0.96bn), while the share of machine-building dropped from 18.8% to 13.4% (from USD 904mn to USD 577.1mn). The latter has been dragged down by the railway locomotive manufacturers, the facilities of which are located inside the zone of the anti-terrorist operation. At the same time the aircraft builders located far from the aforementioned area have increased their export share considerably, and so did the manufacturers of electrical equipment.

The percentage of foodstuffs in the export demonstrated dynamic growth (up to 31.7%). This concerns not only grains and oilseeds, but also sunflower oil, poultry and vegetables. In this case, the factor of the anti-terrorist operation only accelerated the larger trend observed since the world economic crisis of 2008-2009: the reorientation of export towards the kinds of goods, in the production of which Ukraine enjoys a natural advantage. For instance, the foodstuffs share from 2007 through 2013 increased from 12.7% to 26.8% and exceeded that of the ferrous metallurgy.

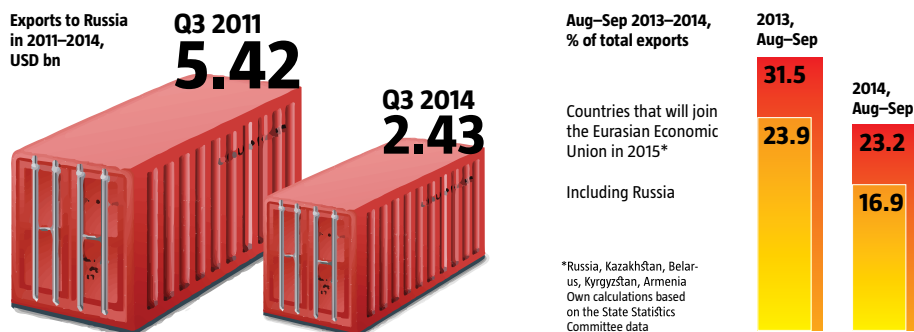
Simultaneously, the export share of industries that were historically seen as secondary in

THE CURRENT TURMOIL AFFECTED BOTH THE COMMODITY AND THE GEOGRAPHICAL STRUCTURE OF THE EXPORT

ation. At the same time the aircraft builders located far from the aforementioned area have increased their export share considerably, and so did the manufacturers of electrical equipment.

Farewell to Eurasia

The share of Russia and members of the Russian-led Eurasian Economic Union in Ukrainian exports is shrinking rapidly. Potential loss of these markets is no longer a threat to the Ukrainian economy



Ukraine's economy (textile, leather, footwear, woodworking, paper, furniture, glass, ceramic industries) has increased: up to 8.9% in the third quarter of 2014 (from 6.6% three years ago). In September the revenues from paper and paperboard exports (USD 71mn) exceeded the ones from fertilizer export (USD 53mn), while exports of furniture (USD 50.5mn) or finished textile products (USD 48.8mn) topped that of railway locomotives (USD 42.9mn).

This was considerable diversification of export, which used to extensively depend on three industries: inefficient and energy-intensive metallurgy and chemistry, as well as the outdated machine-building. It looks like this trend will continue in 2015. The contributing factors will include the reduction of export of machine building products that are not competitive outside the former Eastern Bloc, as well as the main Ukrainian export-oriented chemicals, the production of which relies on the usage of imported natural gas.

Metallurgic export will primarily depend on global demand, as there are plenty of production facilities outside the zone of the anti-terrorist operation to compensate for the loss of the Donbas production capacity, should the market demand necessitate this.

The competitiveness of Ukrainian industries with large proportion of labor wages in production cost will gain from the fact that the average salary of industrial workers in China, the "world's factory" (UAH 8,800 as

per the official NBU exchange rate of November 12), is several times higher than the corresponding salary in Ukraine.

The first four months of the 2014/15 marketing year (July-October) were marked by sharp increase of grain export. After the summer's drop the prices on the world market are gradually recovering, and the devaluation of the hryvnia made them all the more attractive for the Ukrainian agriculture: product cost has gone up by 30-40% for them, while the selling prices nearly doubled. Thus in 2014/15 marketing year (July 2014-June 2015) considering the expected gross yield of 62-63 million tons of grain Ukraine may export the record 36-37 million tons.

The growth of some products in total exports in Q3'14 compared to the same period in 2013, times

	July 2014	August 2014	September 2014
Textile	1	1.07	1.15
Footwear	1.12	1.06	1.06
Furniture	1.1	1.17	1.1
Wood and wood products	1.18	1.23	1.32
Glass goods	1.41	1.16	1.41
Grain	1.42	1.41	1.41
Meat	1.3	2.33	1.73
Sunflower oil	1.5	1.29	1.88
Vegetables	1.24	2.93	1.98

Own calculations based on the State Statistics Committee data

Livestock production is expected to considerably increase its export in 2015. This will be aided by the EU giving Ukrainian producers the green light to sell their output in the EU member states. Since the European Union unilaterally introduced duty-free access for Ukrainian goods (within quotas), poultry export to the EU has been growing at an impressive speed, 2.8 times in Q3'14 from Q2. Polish producers already voiced concerns regarding the emerging competition from the Ukrainian goods that currently undercut Polish prices by more than 50%. Export of other livestock products, first and foremost dairy and eggs, to the EU is likely to increase as well.

Diversification of exported goods, the signing of the Association and the Free Trade Area Agreement with the EU, and especially the loss of industrial capacity in the Donbas along with harsher trade restrictions imposed by Russia created the conditions for Ukraine's relatively painless withdrawal from the post-Soviet export markets.

In August-September 2014, when the abovementioned factors gained prominence, Ukraine's export to Russia was 40.5% less than the corresponding figure for the same period of 2013. The Russian Federation's share in the overall Ukrainian export dropped to 16.9%, or 23.2% if one takes into account Russia's satellites that are to become its fellow members within the Eurasian Economic Union (Kazakhstan, Belarus, the Kyrgyz Republic and Armenia). For comparison: export to the EU during the same period hit 28.9%, other export amounted to 47.9%.

At present the loss of the entire Russian market would make less of a difference than its reduction in the course of the previous three years: in Q3'14 Ukraine's export to Russia made USD 2.4bn, compared to USD 5.4bn during the same period of 2011. If this trend is to continue in 2015, by the time the Free Trade Area agreement with the EU fully comes into force (January 1, 2016) and the CIS FTA is potentially discontinued, the Russian share in Ukraine's export may well be down to 10-12%. ■

Fueling Energy Independence

Russia's energy war and devaluation of the hryvnia will force Ukrainians to use gas and electricity differently



The past years loomed as a major test for Ukraine's energy system. Widely regarded as fragile, inflexible and inefficient, it was expected to operate under extreme conditions of war and deficit of fuels. The winter of 2014-2015 has not been extremely challenging thus far, and most Ukrainians are prepared to endure the cold months in hope that the situation will improve in spring. However, the test will continue beyond winter.

Two things confirm this. Firstly, Russia is not going to stop using energy as weapons or undermining Ukraine's energy and transit infrastructure. Secondly, Ukraine has not saved much gas in 2014, despite even the government-imposed 30% cut in gas consumption. The latter fact will encourage Moscow to continue offering Kyiv obscure gas deals as a leverage, and leave Ukraine with few options for coal, between buying it from Russia or from the Russia-controlled parts of the Donbas.

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On top of the gas blockade and coal diet of 2014, Ukraine might face the deficit of petroleum products in 2015. Ukraine's biggest supplier is Belarus. Russia might force it to curb exports to Ukraine by cutting the supplies of cheap oil to Belarus.

The vital energy formula for Ukraine in 2015 should be "reforms + reserves". The key to survival in the winter of 2015-2016 will be reserves of gas, petroleum products, coal and nuclear fuel accumulated in

ON TOP OF THE GAS BLOCKADE AND COAL DIET OF 2014, UKRAINE MIGHT FACE THE DEFICIT OF PETROLEUM PRODUCTS IN 2015

the warm period. Ukraine's financial crunch will make the task very challenging. What will the Ukrainian government choose: yet another

murky gas deal from the Kremlin or a reform-oriented approach to gas consumption? Will coal barons continue to set their rules and milk the taxpayers by getting privileges from the state, or will the government launch painful reforms and close down most loss-making mines?

With energy and economic difficulties, Europe might once again act as an unreliable partner of Ukraine. It might utter as many declarations of support as ever, but offer less assistance unless the US pushes it to act differently. Many European politicians will be eager to turn a blind eye to the deals Moscow could offer, if only to see the "Ukrainian-Russian crisis" over and to go back to business-as-usual with Russia. The Kremlin, however, sees the Europeans differently. It will once again crash their illusions shaped by the post-WWII status quo, but will hardly be resilient itself.

Russia might try to take over more Ukrainian territory where vital energy-generating facilities are located in order to ensure energy supply to the new quasi-states in the Donbas and to deal an energy blow to Ukraine.

In 2015, and especially after the winter bills, most Ukrainians will install gas, electricity and heat meters. Energy efficiency and diversification will be the top priority for households in 2015, while autonomous energy generation and independence from the clumsy central systems will be the task for years to come. After the cold months of 2014-2015, "energy performance certification" and "thermo-modernization" will no longer be alien words to Ukrainian consumers. Gas and electricity bills and devaluation of the hryvnia will boost energy efficiency.

Biomass will be used more widely as fuel in the coming years. The legislative foundation laid in 2014-2015 will give rise to the beginning of diversification from gas and coal. Ukraine has huge agricultural capacity. Its growth will result in the increasing amount of biomass. It would be wise to benefit from this while remembering that it is not a panacea. Ukraine's energy survival in 2015 depends on its survival in the hybrid war unleashed by Russia. It looks like Ukraine has a good chance to stand and win it, often counter rather than thanks to the efforts of those in power. ■

On Another Front

Ukraine needs energy reform to fix the economy and weaken Russia's grip



PHOTO: UNIAN

GAS is flowing again from Russia to Ukraine, but blackouts have hit factories and homes. Ukraine's prime minister, Arseniy Yatsenyuk, says Ukraine's independence is compromised by its energy dependence on Russia. Mykhailo Honchar of the Centre for Global Studies in Kyiv claims that in its battle in Ukraine, Russia has opened an energy front where it has big advantages—thanks to Ukraine's own failings.

Until the 1970s Ukraine powered the Soviet Union. But since independence in 1991, inefficiency and falling production have left it reliant on Russia. The problems are crystallised in Naftogaz, a state-controlled gas giant with a bigger budget deficit than Ukraine. Ukraine has spent USD6.4 billion keeping the company afloat this year, much of it going to Russia's Gazprom.

After Naftogaz was created in 1998, it soon became a fount of corruption. Artificially low prices

The new energy officials, including Naftogaz's 36-year-old boss, Andriy Kobolev, are an improvement

and patchy metering offer ample pickings. Opaque finances and central control over extraction, transport, storage and sales allow rent-seekers to act with impunity. Yevgeny Bakulin, who led Naftogaz under President Viktor Yanukovich, is under investigation for corruption. Yet he has won a seat in parliament for the Opposition Bloc led by Yuriy Boiko, another former Naftogaz official.

The new energy officials, including Naftogaz's 36-year-old boss, Andriy Kobolev, are an im-

**UKRAINE COULD
RAISE OUTPUT AT ITS NUCLEAR
POWER STATIONS—
IF THEY ARE SAFE**

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provement. Mr Kobolev is opening up the company's books. He has secured reverse-flow supplies from Slovakia, a deal for imports from Norway and an international loan to refurbish ageing pipelines. But

Ukraine's energy oligarchs will complain, and some wonder if Mr. Kobolev has the strength to take them on.

Prices need to be raised to market levels, with subsidies only for the neediest. Energy conglomerates, including Naftogaz, must be broken up. Ukraine has to do this both to balance its budget and as a member of the European Energy Community treaty. Mr Kobolev argues for shock therapy. "It's better to cut off the dog's tail all at once," he says. This requires politicians to be "brave enough" to deliver unpleasant news, which Mr Yatsenyuk promises to do.

Yet Mr Yatsenyuk has ducked hard decisions on energy. Inflation ate up an initial price increase demanded by the IMF. Rather than putting up prices again, Ukraine pushed up taxes on private producers. Mr Yatsenyuk told big manufacturers to purchase gas exclusively from Naftogaz, strengthening its monopoly under the pretext of increasing revenue. "They robbed Peter to pay Putin," says one foreign diplomat, saying this amounts to "two own goals in a game they can't afford to lose." A third was a plan to import coal from South Africa. The deal, meant to offset disruption in supplies from eastern Ukraine, ended in another scandal over the coal's quality.

With separatists in Ukraine's east controlling the biggest coal mines, Ukraine has been forced to buy coal and electricity directly from Russia. Otherwise power shortages could have been devastating, a fact Russia underlined by holding up a coal train at the border. Ukraine's new energy minister, Volodymyr Demchyshyn, is hoping to retrieve coal from storehouses in the besieged city of Debaltseve.

Meanwhile Ukraine could raise output at its nuclear power stations—if they are safe. An emergency shutdown knocked out a plant in southern Ukraine last month, awakening ghosts of Chernobyl. Worse, Ukraine imports most nuclear fuel from Russia, despite increased co-operation with Westinghouse, an American firm. And Ukraine relies on Russia to store nuclear waste. As Mr. Honchar notes, with so many pressure points, the Kremlin does not need troops to "strangle Kiev". ■



Reforming Ukraine

Author:
Jan Tombinski,
EU Ambassador to Ukraine

2014 - *annus horribilis* for Ukraine. However, a year of hope as well. New nation with citizens well aware of their power and rights emerged. The times of crisis offer unique momentum for in-depth, rapid and irreversible transformations of politics and economy. Today they are matched up with hunger for change in Ukrainian society and with Maidan's inspiring spiritual force to transform the post-Soviet and oligarchic system. Ukraine, assisted by its international friends and partners from the democratic world, has a chance to lay the fundament for a new future. The prerequisite for reforms is always peace. I hope very much that Ukrainians will enter into 2015 with a sense that a peaceful solution to the conflict is emerging.

Among the best of insurances against any attempts to undermine the sovereignty and unity is to build a strong democracy and an efficient economy. The new Ukrainian leadership has a mandate of citizens to embark on serious, country-changing reforms. There is a broad understanding of priorities and urgencies to be addressed: from banking sector, fight against corruption and energy efficiency; from the rule of law to the empowering of regional and local structures. The EU and other international partners are determined to assist Ukrainian leadership and society in carrying out these wide-reaching reforms. Yet assistance will only be effective if there is a resolute action by the Ukrainian leadership and a clear ownership to the reform process.

For any country a reform process is very difficult and often – very painful. Ukraine may dispose of experience gathered by EU member states while reforming different sectors. Ukraine should not be considered as an exception from history and from basic laws of economy. Ways of reforming experienced by other countries can be applied in Ukraine as well. In short term, emphasis should be put on decisions that do not preclude long term strategies as set by the Ukrainian President and supported by Parliament: with an aim to be able by 2020 to fulfill criteria for being considered as a candidate country to the European Union. The Association Agreement that entered into force on November 1, 2014 constitutes a guideline for many of much needed reforms. The European Union will offer its assistance to Ukraine to go along this road.

However, reforms should be explained to the society and carried out in a constant open dialogue with representatives of various branches of Ukrainian civil society,

industry, business and administration. In order to ensure public support for reforms, their burden and costs must be calculated in a way that protects the most vulnerable citizens.

For many Ukrainians, the European Union is an ideal along which democracy, rule of law and free market loving society should develop. On many occasions, local authorities have also declared that the EU-Ukraine Association Agreement will serve them as a national roadmap and toolbox for a broad range of reforms. Today reforms are mostly needed for Ukraine itself in order to unlock the potential of Ukrainian economy and of Ukrainian brains. If fully implemented, such reforms would first and foremost develop Ukrainian internal market and make the country's agricultural and industrial exports compliant with European standards, opening up doors to the world's largest single market. If successful on European markets -Ukrainian goods will also be successful on larger global markets. A well-functioning Ukrainian economy would then attract large international investments.

Rome was not build in a day and Ukraine will not be reformed easily and rapidly. A comprehensive vision must go beyond the immediate crisis by addressing reforms related to the Constitution, election laws and decentralization – all to strengthen Ukrainian statehood for the

future. It must also tackle issues that do not fall in the immediate remit of Association agenda, like reforming complex and business-unfriendly taxes system, making labor markets more flexible by introducing easier hiring and firing practice and by supporting

**MORE THAN EVER UKRAINE
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lifelong employees training.

As my friend and former European Commissioner Janusz Lewandowski once observed -- successful reformers rarely win next elections. More than ever Ukraine needs statesmen with a long term vision looking beyond the horizon of their current mandate. A re-born nation will rally behind those who will embark on such a reform path and people will reward those courageous politicians. Examples for similar historical achievements are provided by some neighboring countries of Ukraine, which embarked on the reform paths in the 1990s. 25 years ago they shared almost with the same level of GDP with Ukraine, only to see it quadrupling in comparison to Ukraine in 2014. None of these countries found itself in such a dramatic situation as Ukraine today. However, with the aim to construct a new future for Ukraine, well implemented reforms should be seen as an important firewall for the protection of the borders. ■



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Andriy Levus:

"A successful post-revolutionary Ukraine would be the collapse of the Russian project"



Interviewed
by
Roman Malko

The *Ukrainian Week* spoke to the former deputy chief of the Security Service of Ukraine and current MP about Ukrainian partisans in the Donbas, reforms in the SBU and who it worked for prior to the Maidan.

U.W: How has the SBU, Ukraine's Security Service, changed after the Maidan? Has it?

Several of its top officials contacted me after those bloody events. One was Yaroslav Chernykh, SBU Deputy Chief under Yakymenko (Oleksandr Yaky-

menko was SBU Chief in 2013-2014 under Viktor Yanukovych as President. He is suspected of state treason and crimes against humanity and is in hiding in Russia – **Ed.**). In contrast to the rest of SBU officials, he did not flee and took some efforts to solve the conflict peacefully, even when it escalated to the bloodshed on Instytutska Street (the most violent phase of the Maidan where dozens of protesters were shot on February 20 – **Ed.**). His officers continued to speak to protesters and negotiate guarantees for the withdrawal of both sides. We con-

tinued to communicate as we watched the situation spin out of control after the snipers started shooting. He was the one who told us that the snipers were foreign. My first impression when I entered the SBU premises was of the German Reichstag after it was seized. Papers and weapons were scattered all over the place, frightened people were running back and forth chaotically and a stove was burning in the courtyard to destroy documents. Everything was covered in ash and fragments of computers containing databases.

My second strongest impression was on February 27, when I was already appointed to the SBU. A large number of officers started coming to my office; we talked. I felt that there were a lot of good guys among mid-level officers and people of the younger generation, who sincerely love Ukraine, particularly after the annexation of Crimea began. They are trained, disciplined, professional and truly patriotic, something that their actions in the counterterrorist operation area confirm. It was the SBU that has detained most of the Russian saboteurs and militants there.

My third biggest impression is red tape. I previously thought that decision making was quick at the SBU in order to deal with various issues. What I realized instead is that the system was essentially designed to prevent Ukraine from having a security service whatsoever. In the past 20 years, every effort has been taken to stifle sound initiatives with bureaucracy. Feeble signs of reforms were only seen under Viktor Yushchenko's presidency (2005-2010 – Ed.).

U.W: After Ukraine gained independence, Soviet security agencies in Ukraine merely changed their shingles, but the methods and the apparatus remained. How much of the KGB remains in the post-Maidan SBU?

The Security Service has undergone a natural transformation process. After Ukraine gained independence, KGB disciples, particularly senior officers, no longer played a noticeable role in the SBU. What we had left was the ossified structure, built to serve the interests of the government and to make money. There was also bureaucracy, the biggest rudimentary organ of the Soviet Union. This system stifled everything that was healthy, young and patriotic, so that there would be no development of the SBU. This had the worst effect on the renewal of personnel. The criteria for hiring people to the SBU left no opportunity for the young, educated and patriotic to get in, let alone to get to a top position. Most truly patriotic mid-level officers

were of Western or Central Ukrainian origin. They saw what was actually going on in the country and with the rule of Yanukovich, so they sided with the revolution on the emotional level.

Bureaucracy at the SBU is designed so cunningly, that everything is stifled by piles of inquiries, interviews, conversations, special inspections, and authorizations of the most primitive orders. All this enables the system to push the stop button for anyone at any stage.

U.W: How strong was Russian influence in the SBU?

Oleksandr Yakymenko himself was an agent of the Russian special services. So were his henchmen. In fact, under Yanukovich, 90% of those surrounding the SBU leadership were residents of Russia. Moreover, FSB (the Russian Federal Security Service – Ed.) officers worked there on a permanent basis, having their individual offices and separate entrances in key departments. During the Maidan, FSB and Vypel (an elite Russian special force unit under the FSB command – Ed.) people stayed at one of the SBU bases. Russian representatives were also in the SBU headquarters. In other words, the SBU was directly reformatted into a section of the Russian security service. The only functions tasked to the Ukrainian structure, other than to represent the FSB, was to protect Yanukovich and his political class and to destroy the opposition. These tasks came directly from the Presidential Administration. The SBU also ensured seamless financial flows for the Family from corruption, customs, contraband and so on.

Meanwhile, the functions of protecting statehood, fighting with terrorism and counterintelligence were destroyed. All important functions of the SBU were purposefully ruined. When we faced the Crimean crisis, a lot of the blame went to the officials appointed after the Maidan, including Oleksandr Turchynov as Acting President, Andriy Parubiy as Head of the National Security and Defense Council, Valentyn Nalyvaichenko as the new SBU

BIO **Andriy Levus** is Member of Parliament in the 8th convocation of the Verkhovna Rada representing Arseniy Yatseniuk's Narodnyy Front (People's Front). Born in Stryi, a small town in Lviv Oblast, he graduated from the Ivan Franko Lviv University majoring in history. Mr. Levus was a coordinator at civil society movements including Vilni Liudy (Free People) and Opir (Resistance), chief of the Maidan Self-Defence command center. Before he was elected to parliament on February 26, 2014, Mr. Levus served as SBU Deputy Chief

Chief, and Arsen Avakov as the Interior Minister. Many wondered why they didn't do anything. In fact, they had no one to work with. 90% of the personnel at the Crimean SBU office were Russian agents, some of them having dual citizenship.

U.W: How has the SBU been cleaned up so far? Have there been many criminal cases against its officials?

The clean-up began immediately. One of my functions in the Self-Defence of the Maidan was what we called internal security. We knew who exactly of the security agents worked on the Maidan. Now we can talk about it - many of them were detained by the self-defence. We did not make this public at the time. But we learned some useful information from them.

By then, I already knew the key agents who had to be detained. But the main ones, such as Oleksandr Yakymenko, chief of counterintelligence Volodymyr Bik, as well as a number of his deputies and closest aides who organized all anti-Maidan operations, and some Alpha special force officers, have escaped. Bik has now been arrested – he was No. 3 on our wanted list. That list contained 13 more people who remained in their positions after the Maidan. They are mainly officers from the K (anti-corruption) department, who were involved in the financing of the anti-Maidan; hiring *titush-*

**UNDER YANUKOVYCH,
90% OF THOSE SURROUNDING
THE SBU LEADERSHIP WERE
RESIDENTS OF RUSSIA**

kas – thugs and athletes who attacked, beat and murdered protesters; arranging provocations; ruining the businesses owned by people who provided financial support for the Maidan; working with judges on the mass arrests under the January 16 draconian laws, etc. They were recalled, investigations and criminal proceedings were initiated and five were immediately arrested. Then the gradual cleansing began but it is a long way from being finished.

U.W: How were they punished?

Proceedings against them are on-going. We could, of course, announce some names to calm society somewhat. But this is more of a chess game. We are gradually unraveling more tangled knots. On the Maidan, we intuitively found the provocateurs and neutralised them to the extent possible. However, as I mentioned earlier, the SBU database was destroyed, and it contained information and reports from agents. Some of the data was transported to Crimea. Actually, this was the first thing the security service personnel did when it began to flee. This is where the complications began.

In the first place, we dealt with people whose actions could be proven. Meanwhile, many are not yet punished and we are often blamed for that. But I cannot reveal all our intentions, because the SBU continues to unravel where and with whom they are connected and what they are doing. We are following connections, and this is more important than to just publish a report. We want to destroy the system.

U.W: How has the system been reformatting? We often hear reports of separatists walking around Kyiv freely and no one arresting them. Is this because of a lack of resources or negligence?

I have dozens such testimonials. Sometimes they are objective and we must admit our failures. But the SBU consists of humans who make mistakes. Another issue is the priorities that have been set. Right now, it is the anti-terrorist operation area and anti-subversive operations. Structural changes are necessary in the SBU for everything to work more efficiently and systematically. But we are operating within the limits of the former law and structure, with minimal changes. I have seen a range of gaps and prepared a draft law on the management of special operations, expanding the SBU's powers for some operations that are urgently needed today. I submitted it through a Member of Parliament in the previous convocation of the Verkhovna Rada, but only 211 MPs supported it.

It is necessary to change the entire law and take out everything that breeds corruption in the SBU. Corruption and treason often go hand in hand. When a person is corrupt, he or she is easy prey to recruiters from foreign intelligence. These are the basics of intelligence and counterintelligence.

U.W: What happened to Alpha, the special force unit allegedly accused of shooting the protesters? Has it been reformed? Are its fighters engaged in the anti-terrorist operation?

The situation with Alpha was very complex. I don't want to offend anyone, but in contrast to many special units, these are real professionals. We spoke to some, even during the Maidan. After certain events, they invited people from the Maidan to check their weapons, to see whether the shots had really been fired. Under Viktor Yanukovich, part of Alpha was transformed into private VIP guards. It was people from this section that were in crimes against the Maidan. They acted out of loyalty. Plus, Russian agents were involved. But most of the unit members stood by their oaths during the very first anti-terror-



WITHOUT ARTICULATING OUR INTERESTS IN EASTERN UKRAINE CLEARLY WE WILL NOT DEFEND KYIV

ist operation when the Luhansk SBU office was seized, and I saw this with my own eyes.

Today, Alpha is being restructured. Young people, including Maidan protesters, in the rank of officer, are joining, and the unit is performing its basic functions. I think that it will only take a short time for it to become an integral and sound unit. The wounding of Alpha Commander Hennadiy Kuznetsov in the first battle (near Sloviansk – Ed.), simply slowed down the process. In my view, the unit has a good future.

U.W: How far has the SBU progressed in purging Russian agents?

Obviously, some Russian agents are still in Kyiv. But compared to February-May (remember the provocations and attempts to destabilize the situation with rallies on May 9, WWII Victory Day; the rally in front of the Russian Embassy in Kyiv in June after a Ukrainian military cargo airplane was knocked down in Eastern Ukraine killing 49 Ukrainian servicemen; attempts to declare a "Kyiv People's Republic" near the Kyiv Pechersk Lavra church, and many more), we have definitely pushed them back. The ones that are still here have become more careful and understand that they can no longer simply do whatever they like openly. We have active anti-subversive and counterintelligence protection in place. Thank goodness we did not have a single terrorist attack or a seizure of government offices in Kyiv. Note that the Maidan stood here until mid-summer and foreign agents could well have manipulated even good intents and slogans to fuel new protest sentiments. That is, by the way, what Russian special services were doing. Of course, there have been frequent attempts to destabilize the situation in the oblasts near the anti-terrorist operation area, so foreign agents are present there, but we also see ongoing detentions of them.

U.W: We have seen a rise of guerilla movement in the Donbas recently. Does the SBU have any part in its creation?

Guerrillas are a people's movement. The only way we can probably intervene is by coordinating its different parts. There is no conventional guerilla movement in the Donbas as we know it: an organised group operating on occupied territory with support, agents, and so on. Instead, what you have there is resistance groups, people who stay on the occupied territory and provide information from there, and action groups that fight with the occupiers. Voluntary anti-subversion detachments work on the newly-freed territory to clean it up from the enemy, reveal the enemy's connections and networks and get rid of them. There

is no massive guerilla movement there.

U.W: Is it possible to win this war through negotiations and truces?

This is unrealistic. All wars end with truces and some agreements, but the problem lies elsewhere. You have to know who you are talking to. Having a dialogue with puppets like Denis Pushylin (a leader of separatists in Donetsk Oblast, an organizer of pro-Russian rallies in spring 2014, self-proclaimed ex-deputy speaker of the Donetsk People's Republic. In July, Pushylin fled to Moscow and announced his resignation – **Ed.**) who do not decide anything on their own territory means supporting Moscow's myth that this is not Russian occupation. But it is exactly that, so Russia should be recognized as the aggressor, Ukraine should turn to the Budapest Memorandum signatories and speak to Russia in that format, not to the Donetsk or Luhansk People's Republics. As soon as we do all this homework of ours and strengthen our army in the meantime, the world may find itself on the verge of a global conflict but the entire global system of checks and balances will finally start working. If we don't do our homework, do not fight and keep wearing rose-colored glasses of pacifism, why would someone from Alabama or the UK fight for us?

U.W: Is the latest attack in Grozny, the Chechen capital, somehow related to Ukraine?

We are now seeing a geopolitical domino, and Ukraine is the first piece that can make the line fall. Our task is to ensure that this wave does not stop here. Without articulating our interests in Eastern Ukraine clearly we will not defend Kyiv. Paradoxically, whenever we suggest that we could come to an agreement with Russia about something peacefully, that means that it will definitely grab something from us. If, on the contrary, we declare our claims and geopolitical interests, support the liberation movement of the oppressed nations within the Russian Federation and opt for a proactive position, we can set a


higher benchmark in negotiations for the interests of Ukraine. Of course, we have a weaker army. But our people are not as brainwashed as the Russians are, that's why we should demand more.

Ukraine and its authorities have to articulate these interests and use them as a strategy – then tactics will emerge. We are now discussing how well our checkpoints in Eastern Ukraine are placed all over Facebook and on all TV channels. At the same time, we are missing important things. We are not talking about the consequences of the South Stream termination or the new relations between Russia and China, although this should be of interest to us. We have a natural geopolitical interest in the East confirmed by a thousand years of our history. We colonised it and brought the light of Christianity and civilisation there. Being on the border of Europe and Asia, we have to think in those terms. Only then will we know where the checkpoints should actually be. But while generals spend time thinking about where to put them, Russia will grab another oblast from us. We have to re-orientate ourselves from the strategy of national defence to a strategy of national offensive. This is a key change of the mental paradigm that has to take place in our minds. It would help us deal with many problems effectively.

U.W: Can this happen anytime soon?

That's what we have come to parliament for. We can keep talking about winter uniforms for the military (which undoubtedly is crucial and our sacred duty), but that will not change anything. We will only develop the right perspective by choosing a different strategy (and what is a strategy? It is a law, which generates a framework for a military doctrine, reform of the army, creation of special operation forces). Ukraine does not yet have this at the level of state administration. Moreover, we lack experience in conducting war. Sun Tzu said that we have to define ourselves and determine what our opponent wants. In my

view, Putin is conducting a defensive, rather than an offensive war. A successful post-revolutionary Ukraine would be the collapse of the Russian project. He is defending himself from that, because he understands that he can no longer fool anyone. If he had not interfered in either Crimea or the Donbas, we would have conducted reforms and he would have been got rid of very quickly – within a year. He is conducting a defensive war. This has to be understood and we should not dream about a buffer zone that is kilometres long, but we must already think about how we will rule Tyumen. I may seem emotional, but this is the direction we have to take. We



PUTIN IS CONDUCTING A DEFENSIVE, RATHER THAN AN OFFENSIVE WAR. IF HE HAD NOT INTERFERED IN UKRAINE, WE WOULD HAVE CONDUCTED REFORMS AND HE WOULD HAVE BEEN GONE VERY QUICKLY

should use all our economic, family and other connections with Russia that Putin is currently exploiting against us in a reverse mode. This is where success lies.

U.W: Can we expect our current parliament to take any of these steps?

I think that if at least part of the promises on national security and foreign policy are fulfilled, as set forth in the coalition agreement, the current parliament will be a hero. And we have all the preconditions in place to implement them: for the first time in the modern history of Ukraine, we have a constitutional, legitimate, anti-Kremlin and pro-European majority. That could bring us a huge breakthrough. If we waste this chance, I really don't know what will happen. And that will be a tragedy. I strongly believe that the blood shed by the heroes of the Maidan and anti-terrorist operation will not be wasted. Our victory will be the best commemoration for them. That is why we will win. ■

Is Donbas Really so Hopeless?

Author:
Ihor Losev

Even progressive and pro-Ukrainian people from this region are often pessimistic about the Donbas and its population, saying that most locals are completely hopeless, it's impossible to get through to their brains or souls, and it's unrealistic to change the socio-political landscape of their territory; it's like a black hole on the map of Ukraine, a kind of huge demographic and psychological well, the bottom of a mine, from which it is impossible to claw a way out to the surface.

These Ukraine-oriented people from the Donbas are sceptical about prospects for their region as part of Ukraine, and are convinced that most of the population of the Donbas is still waiting for Putin's "paradise" while seeing a united Ukraine only as part of Russia. In my view, the only thing that is hopeless in Ukraine is its authorities. Because, as Isa Akaev, Commander of the Krym volunteer battalion rightly noted in an interview, the problem with Ukraine is that it is not even governed by businessmen, but by hagglers. Hagglers are incapable of thinking strategically and far-sightedly. Their basic instinct, figuratively speaking, is to grab a piece of pork fat and immediately eat it under a quilt, even if it makes them sick.

In truth, Ukraine is a country with a complex regional composition. But most of the countries in Europe and the world are the same, while monolithic ones, such as Japan, where 99.5% of the population is made up of ethnic Japanese, are a minority. So it is not worth counting on the fact that all regions of Ukraine will be full of patriots wearing embroidered shirts, particularly if with Russia continuously fanning the flames of separatist sentiments, to the point of the armed intervention of the Russian army in the Donbas.

Western Ukrainian liberals have finally realized that Ukraine is not their part of the country alone and are horrified to find out that the rest of Ukraine is not that like-minded after all. They then want to get away from regions that are in a different cultural paradigm. Why thoughts of escape, rather than battle have emerged in a certain part of the Ukrainian intelligentsia, is another matter. Unfortunately, these are also the very thoughts of some pro-Ukrainian intellectuals in Eastern oblasts...

However, the reasons for the disconsolate situation in the Donbas and Crimea must often be looked for in Kyiv, not in these particular regions. In 23 years of independence, there has not been a single patriotic government of action, not words, which could have proposed an alternative for the problematic regions and implemented it with the required inflexibility. Throughout these years, official Kyiv did not even attempt to withstand the efforts of neo-imperial Moscow in the Donbas, giving this territory as prey to pro-Russian oligarchic forces, which, having transformed it into its own powerful bridgehead, ultimately even took power in Kyiv. It was a miracle that they did not fulfil the plans of the Kremlin regarding the whole of Ukraine.

The Ukrainian government had a unique chance in 2005. If the favourite slogan of the Orange Revolution – "Bandits to prisons" – had been implemented back then, the criminal mafia elite would have been eliminated from the Donbas. This is what could have revived it as a fully-fledged Ukrainian region. The Donbas respects force and does not accept those, who "drive on empty", even if this "empty" is very democratic and patriotic. So a graphic example of such force, directed against local criminal "feudal lords", whose government was transforming the Constitution of

There has always been an active and constructive pro-Ukrainian minority in the Donbas, which official Kyiv ignored



Ukraine into a fiction within the borders of this region, could have made a deep and lasting impression on its residents, convincing them that Kyiv is definitely a nucleus of progress, law and justice, capable of both coming to an agreement and coercion. But it emerged that Viktor Yushchenko's Kyiv was merely the residence of a different clan, not from the Donbas.

Another Yushchenko regime, with all of its catastrophic prospects for Ukraine, is reviving in Kyiv today, in an endless pseudo-democratic demagoguery, excess rhetoric about reforms that don't exist and a glaring lack of practical steps. Another period of imitation in Ukrainian history?

A quick and decisive (completely possible in June – July 2014) crushing defeat of the separatists and terrorists in the Donbas, instead of the current ATO epic with uncertain chances for success, would have done far more for the Ukrainianisation of this region, than "special laws", "the expansion of the region's rights", "the special status of the Donbas" and other pseudo-legal and political speculations.

Much is said about the mass Russification of the Donbas with the help of the Russian mass media. Could the Kyiv authorities, who did nothing for the protection of the rest of Ukraine from this information avalanche, have with-



stood this? Is there any point in saying that convincing the residents of the Donbas will not give results, if no one has even tried to do this? For 23 years, the Kremlin used information to terrorise Ukraine, and it was only during a real war, that some of the most pathologically-militant TV channels were switched off in Ukraine. However, it is too soon to rejoice. It has been confirmed that the TV transmission centre, which broadcasts the Kremlin's propaganda in the Donbas, is paid for by... Kyiv. Such publications as *Trud v Ukraini* (Work in Ukraine), *Izvestiya v Ukraini* (News in Ukraine), *Komsomolskaya Pravda v Ukraini* (Komsomol Truth in Ukraine), *Moskovsky Komsomlets v Ukraini* (Moscow Komsomol in Ukraine), etc., still exist.

So what can be expected from authorities that tolerate and indulge this? And their attempts to actually do something, such as establishing a Ministry of Information Policy, have provoked the frenzied bellowing and screaming of "democratic journalists", who don't want any restrictions on freedom of speech during military action, so that no one prevents the Kremlin from using its own mass media to ruin Ukraine from inside. Meanwhile, the most democratic countries of the world imposed certain restrictions in the information sphere during wartime. The newspaper *Volkische*

Beobachter was not published in London when Britain was at war against Nazi Germany. So far, no one has actually and consistently attempted to protect the Donbas from the Kremlin's brainwashing. And what can be said about the Donbas, when propaganda is given out at every underground station in Kyiv – in free copies of the newspaper *Vesti* (News). No one can explain the source of its financing... Of course, there are regions which are the most prone to anti-Ukrainian propaganda, because of the array of political, cultural and historic circumstances. This pertains to the Donbas and Crimea first and foremost...

Today, the re-cultivation of the Donbas should lie in cleansing this territory of the rotten local nomenclature. Everyone who cooperated with treasonable elements and all traitors in the environment of the police, court, prosecutor's office, SBU employees, heads of administrations and their apparatuses, must be relieved of their duties without the right to reinstatement, and brought to justice. After all, they betrayed their civil servant's oath. The cleaning up of local councils, as well as all other government structures is also necessary, using the same method. People who proved their loyalty to Ukraine at this difficult time should be appointed to all key positions.

There has always been quite an active and constructive pro-Ukrainian minority in the Donbas, which official Kyiv ignored. It did not hear this pro-Ukrainian Donbas, while closely listening to the whims of the anti-Ukrainian one instead, gratifying it with subsidies worth billions of dollars, the total handover of power and responsibilities in the region, and indifference to local policy on ideology and values.

It was with approval from Kyiv, that the Donbas was transformed into a kind of state within a state, with little control from the centre, and the absolute rule of an oligarchic clan over the life and heads of local communities.

Without doubt, the Kyiv-oligarchic leadership in no way tried to create a strategic Kyiv – Donbas axis with the progressive pro-Ukrainian anti-oligarchic forces there. Even now, it is not striving for this, considering it better to

flirt (out of habit!) with the inspirers and financiers of the Donbas separatism (see p. 22), diligently guarding their business and income, not causing them any bother. Such policy of force, which is consolidated around Poroshenko – Yatsenyuk, is not only conducted in the Donbas, but also in the rest of the regions (there are concerns that they will have the same result). The most vivid example is that of Kharkiv City Mayor, Hennadiy Kernes, whose position was, and continues to be quite anti-Ukrainian. However, not a single attempt to eliminate this situation, which poses a threat to Kharkiv and the rest of the country, has been seen.

Official Kyiv's current policy in the Donbas is to reject revolutionary changes (which were already needed yesterday), keep the personnel of Rinat Akhmetov and Oleksandr Yefremov (see p. 20) personnel in office and avoid steps directed towards the punishment of traitors. It should be noted that the overall Poroshenko – Yatsenyuk course is reformatory rhetoric without any practical transfor-

IT WAS WITH APPROVAL FROM KYIV, THAT THE DONBAS GRADUALLY TRANSFORMED INTO A KIND OF STATE WITHIN A STATE, WITH LITTLE CONTROL FROM THE CENTRE, AND ABSOLUTE RULE OF AN OLIGARCHIC CLAN

mations, which has already led to a situation where representatives of the previous regime, close to the Yanukovych Family, win court cases against the current government. A joke goes that very soon, a court will rule that Yanukovych was stripped out of his powers illegally and should be reinstated as president. Without decisive changes in Kyiv, it is obvious that nothing will change for the better in the Donbas either, because in an ideological confrontation, there will be no arguments that would lead to a victory there.

And ordinary people in the Donbas and Crimea are far less hopeless than the officials in downtown Kyiv. ■

A War in the Luhansk People's Republic

Author:
Denys Kazanskyi

Widely perceived as the economic and political tandem of the Donbas, Luhansk and Donetsk oblasts have actually never been equal partners. Compared to the overpowering Donetsk, Luhansk and the oblast looked like a provincial backyard. Donetsk was the display window, polished and glammed up, while Luhansk remained an all-time loser friend. Donetsk had discipline and order; Luhansk had a never-ending mess, squabbles, intrigues and corruption so clumsy that it was hard to hide.

The tragic developments of the past year hardly changed this. The "Donetsk People's Republic" (DNR) has some stability because it is under total control of Oplot, a group officially promoting itself as a no-rules fight club and an active participant of the anti-Maidan in Kharkiv in spring 2014, as well as in the latest developments in Eastern Ukraine. The occupied part of Luhansk Oblast is by contrast tormented by the usual chaos. Its territory has turned into an arena for the squabbles of the rival criminal groups that have been interested in fighting with each other more than in resisting the Ukrainian army. They do not care about civilians, which makes the havoc and hunger in the insurgency-covered part of Luhansk Oblast worse than in Donetsk.

The occupied part of Luhansk Oblast is split between the groups of Oleksandr Yefremov, Head of Luhansk Oblast State Administration in 1998-2005, elected Party of Regions MP in 2006 and head of the Party of Regions faction in the Verkhovna Rada in 2010, and the "Don Cossacks" under the leadership of Nikolai Kozitsyn, a Russian citizen. Yefremov's people are in Luhansk and present themselves as the "Luhansk People's Republic" (LNR). Kozitsyn's group makes up the "Great Don Cossack National Guard", a paramilitary organiza-

tion established in early May 2014 to participate in the conflict in Eastern Ukraine. The group controls almost all of the rest of the occupied territory in Luhansk Oblast. The two groups have been in a flaccid conflict with each other, seeing the Ukrainian army as the primary opponent so far. However, as soon as some sort of a truce gains

ground, they will most likely rush into their final battle against each other.

The information war between the two groups has raged for quite a while now. They made several attempts to unite against Ukraine but squabbles soon resumed every time.

The influence of the Yefremov group in Luhansk Oblast has been fading lately, quite in contrast to the clout of the "Cossacks". This is hardly surprising. Yefremov and his team have long ago repelled Luhansk residents. The unrests that took place there in spring were both against the new government in Kyiv, and the brazen corrupt officials in Luhansk. Supporters of the unrest believed that the "Luhansk People's Republic" would bring about new people to replace the old officials and the rotten system. That never happened. Very soon, Yefremov's role behind the LNR project became obvious.

At first, an unknown Valeriy Bolotov was appointed the LNR leader. People soon recognized him as Yefremov's supervisor of kopy, illegal coal mines in the Donbas. He was then replaced by Ihor Plotnitskiy, an unknown civil servant who was a better candidate for the new face in the "government".

Then, Yefremov ran out of "new faces" so Plotnitskiy was forced to hire trustworthy people who had been solidifying the clout of Yefremov's clan in Luhansk Oblast for many years. On December 2, Ihor Plotnitskiy appointed 12 city "mayors", all of them ex-Party of Regions members and long-time loyal men of Yefremov.

Manolis Pilavov, ex-deputy mayor of Luhansk, became the current city mayor, while the neighbouring Stakhanov, Brianka and Rovenky got ex-Party of Regions Serhiy Zhevlakov, Mykola Morhunov and Serhiy Kniazhev, former legitimate mayors of these cities. Party of Regions' Vitaliy Mykhailov, Head of Perevalsk County State Administration, became the mayor of Perevalsk. Pervomaysk and Sverdlovsk are the only cities with Yevheniy Onyshchenko and Andriy Sukhachov, members of the Cossack militant groups, as mayors.

In addition to the loyal mayors appointed by Plotnitskiy, Yefremov's people are in the top echelons of the LNR. One is Oleh Aki-

"MAYORS" OF OCCUPIED CITIES IN LUHANSK OBLAST



Luhansk

Manolis Pilavov,

First Deputy Mayor of Luhansk since 2006, member of the Party of Regions



Brianka

Mykola Morhunov,

Deputy Mayor of Brianka in 2006-2010, Mayor since 2010, member of the Party of Regions



Perevalsk

Vitaliy Mykhailov, Head

of the Perevalsk State County Administration since 2010, member of the Party of Regions



Krasnodon

Serhiy Kozenko, Deputy

Mayor of Krasnodon since 2006, member of the Party of Regions



Sverdlovsk

Andriy Sukhachov,

a militant from Luhansk



Lutuhyne

Yegor Russkiy,

LNR militant, Russian citizen from Ukhta, Komi Republic



Stakhanov

Serhiy Zhevlakov, Mayor

of Stakhanov in 2002-2006 and 2008-2010, member of the Party of Regions



Alchevsk

Natalia Piatakova, Deputy Mayor

of Alchevsk since 2013, member of the Party of Regions



Rovenky

Serhiy Kniazhev, City Council

Deputy since 2006, Acting Mayor since 2013, member of the Party of Regions



Pervomaysk

Yevheniy Ishchenko,

aka Malysh, a Russian citizen from Nizhniy Novgorod, served two sentences in prison



mov, the "head of the LNR trade unions", a Party of Regions man known for a corruption scandal. Before the war, he was director of Sports for All, a public institution receiving millions of hryvnias from the budget to set up sports grounds in town that never actually appeared. Known in Luhansk as Yefremov's creature, Akimov switched to work for the separatists after the LNR was proclaimed.

The Party of Regions' Rodion Miroshnyk is another of Yefremov's seasoned men and a long-time director of Luhansk Oblats Television (LOT). He personally hosted pro-Russian rallies in Luhansk this spring asking people to rise for insurgency. After the war began, he left Luhansk but returned recently to join the separatists.

Yefremov's people never boasted brilliant managerial skills. Thanks to them, Luhansk Oblast always dragged behind all others in Ukraine in various ratings. This explains why the new "LNR government" outraged many ideological separatists who were very well aware of the moral qualities and corruption appetites of Yefremov's people. The "Cossack" field commanders soon began to accuse Plotnitskiy's team of treason and embezzlement. Cossack leader Kozitsyn insisted that Plotnitskiy paid the Ukrainian military for a corridor to escape to Russia.

The local branch of Natalia Vitrenko's Progressive Socialist Party of Ukraine is another ardent critic of Plotnitskiy. Branch head Liubov Korsakova known for pleas to ban people with Lviv registration from entering Luhansk Oblast made in 2009 wears a Cossack hat today and openly speaks of Ihor Plotnitskiy as a traitor.

Vostok (East), the newspaper she edits, says that Plotnitskiy's team has "traded coal from Antratsyt and pocketed the revenues, causing an armed clash between the local Cossacks and Plotnitskiy's raider group". Ksenia Shkoda, a journalist now working for the separatists, described the conflict that took between the LNR militants and Kozitsyn's Cossack National Guard in Antratsyt in detail to The Free Press, a Russian website. The Cossack commander of the city was killed in the stand-off. "That day, the Cossack National Guard headquarters got a radio message from its checkpoints of a military convoy heading to Antratsyt from the LNR-controlled Lutuhino. When asked 'where and why are you going?' they replied 'it's none of your business'," she said in the comment. "The day before groups in civilian clothes arrived in Antratsyt claiming that they

were visiting relatives. They stayed at private apartments... Next day, prior to the expected arrival of the military convoy, these groups began to storm the building where the Cossack National Guard headquarters were located. A shootout began. Commander of a special unit of the Antratsyt garrison Shakhtar (Miner) and a guard were shot. Three more Cossacks were wounded. Prapor, the commandant of Antratsyt, was shot in the heart. His heart stopped beating 15 minutes later... The Cossack National Guard rapid response team arrived 10 minutes later and purged the headquarters building from the LNR fighters. One assaulter was shot. Four were taken captive, others escaped. When the apartments where they stayed were searched, Dragunov sniper rifles, Shmel portable rocket launchers, grenades and rifles were found. War prisoners with LNR IDs are being interrogated. Disarmed by a diversionist group, the military convoy turned around and headed towards Luhansk. Several minutes later, news popped up on the official LNR website of the "LNR police force and a Cossack unit that neutralized an armed gang," Oksana Shkoda said.

The latest episode in the standoff of the Cossack groups with the Yefremov-Plotnitskiy gang was a hysterical accusation of the "LNR authorities" of stealing humanitarian aid by Yevhen Ishchenko, the separatist-appointed mayor of Pervomaisk. He pledged to return to Luhansk with arms unless the "LNR authorities" provided better supplies of food and necessary items to the city.

Frustration over the leaders of the self-proclaimed republic will obviously grow, especially given the fact that Luhansk gets far better supplies compared to the rest of the oblast. Local princelings blame the humanitarian disaster and massive unemployment on Plotnitskiy and his people, persuading the locals that the LNR is headed by traitors and crooks.

At the same time, Yefremov's people are probably more convenient partners both for the LNR supervisors in Russia and for the Ukrainian side than the uncontrollable criminals in Cossack attire. This means that the squabbles amongst the militants will continue, so suggestions of ceasing the war and resuming peaceful life in Luhansk Oblast are pre-term. The region will most likely face a slew of violent criminal scandals and redistribution of the stolen property. It is next to impossible to guess who will win the standoff. ■

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The Union of Donetsk and the Kremlin

The Ukrainian media offer countless versions of who actually started the war in the Donbas. They blame Putin, separatists that are not subordinate to anyone, oligarchs or the Party of Regions. To this day, there is no consensus as to whether the turmoil in the Donbas is an occupation, an anti-terrorist operation or a civil war. I come from Donetsk and I was in the heart of the turmoil when it started this spring, so I would like to offer some clarification.

In contrast to most regular citizens, who saw the riots from outside, I knew the process from inside. From the very first days, I clearly understood that there was a guided, controlled rebellion, in which everyone skilfully played the roles designated to them. Initially, it was controlled by the local authorities, or more accurately, the representatives of various Donetsk-based oligarchic clans. It was only later, in mid-April that Russian saboteurs appeared in the Donbas, taking leading roles and drawing international attention to themselves.

Would a war have flared up if the Russian subversive groups had not come to the Donbas? I am convinced that it would not have. Igor Girkin aka Strelkov (a Russian citizen and organizer of the DNR insurgency – Ed.) said in an interview that the war would not have begun without his participation. Would Russian saboteurs have come to the Donbas if the groundwork had not been laid by collaborators from the local authorities and provocateurs? Once again, no. Today, we already know that Putin did not prepare a Crimea-like scenario for the Donbas, and small subversive groups would never have managed to do in Eastern Ukraine what the little green men did in Crimea.

In this conflict, internal and external enemies of Ukraine worked in tandem, so it would be a mistake

Author:
Yegor Firsov

to lay all the blame for the bloodshed on just one person, as is sometimes done today. Putin would not have come into Ukraine if the fifth column did not help him locally. The separatists, too, would not succeed without help from the Kremlin. Everyone who absolves one of the parties of responsibility and says that “this is an internal conflict, there are no Russian armies in the Donbas” or conversely, that “this is a Russian occupation, and locals do not support it”, is wrong.

Local authorities initiated the anti-Ukrainian putsch in Donetsk. For me, as a local politician, this was no secret, but people behind the organisation of the riots were quite successful in leading journalists and society by the nose. Just in case the Maidan was victorious, Plan B was already developed by the henchmen of Donetsk oligarchs in January, at the time when Kyiv saw its first fatalities, and it was becoming clear that Yanukovych may be toppled. In mid-month, the future “DNR ministers”, under the leadership of the local authorities, began to meticulously prepare detachments of titushkas in Donetsk Oblast, that were used against the Donetsk EuroMaidan, and sent to

Donbas and force the new government in Kyiv to concede and share power with the Donetsk clans, at least in the oblasts which they considered to be their own. I don’t know what agreements they reached with the Kremlin at that time, but Putin was apparently supposed to play the role of a monster in this show and force Kyiv into negotiations with the Donetsk clans. Judging by the way events developed, it is more than likely that this was the case until April. But Kyiv did not give in, the situation was deadlocked and Moscow sent saboteurs to the Donbas to help their allies. Until Russians entered Slovyansk, the destructive process was supervised by local clans. Without them, there simply would not have been any riots. As an organiser of numerous anti-government protests in Donetsk in 2012–2013, I can confirm that local authorities can easily break up any meeting, and any massive event can only take place after a green light from them. When we were gathering people for Rise, Ukraine rally in Donetsk, Horlivka’s authorities blocked the road to it with cars, pretending that there was a car accident, so no one could drive out of Horlivka for an hour. When we wanted to conduct an AutoMaidan and go to Yanukovych’s home, once again, all the roads were blocked by cars filled with titushkas. When we sent people by bus to Kyiv, the road police stopped them on the road, while titushkas punctured the bus wheels. In March, Donetsk officials suddenly turned a blind eye to all the mass riots. Their organizers could do anything: lease transport from carriers supervised by the authorities, gather and bring in people for meetings and park in places where parking is not permitted. This was all done by people who had previously gathered people for anti-Maidan manifestations. The police and SBU did not interfere.

LOCAL AUTHORITIES INITIATED THE ANTI-UKRAINIAN PUTSCH IN DONETSK

Kyiv. This work was supervised by the Secretary of the Donetsk City Council, Serhiy Bohachov, and the well-known Party of Regions member and director of various municipal enterprises, Oleksiy Hranovskiy, who later became a “DNR minister”. While their thugs were pounding civilians in the centre of Donetsk, Hranovskiy and Bohachov were wandering nearby and talking quietly.

The point of their Plan B was to provoke mass unrest in the



PHOTO BY UKRINFORM

The chaos was completely managed, because Donetsk was not paralysed by a mass of people unlike Kyiv last winter. Only 2-3,000 people, who had virtually no weapons, participated in the storming of buildings. Local authorities pretended that they were dealing with a powerful public protest, which was impossible to overcome.

At the head of this “protest” were provocateurs that were well-known throughout the city. At that time, no one in Ukraine was aware who all these people were, but we in Donetsk knew them very well. And it was obvious who organised the uprising, and why. For example, I still remember the current “DNR minister”, Oleksandr Khryakov, from school. I was still writing dictations when he was already giving money for participation in meetings against Viktor Yushchenko in 2005 and defended the then arrested Borys Kolesnikov, a notorious Party of Regions

member. Throughout the last decade, Khryakov lived on hand-outs from Kolesnikov, was involved in political provocations and carried out orders. Before the 2012 election, using the Party of Regions funds, he tried to organise a raider attack of our UDAR branch, of which I was the leader. This attempt failed.

Pasha Gubarev is also well-known in our political circles. For many years, he organised different actions, including children's parties and political campaign shows. In 2006, he worked for Mykola Levchenko (a Ukrainophobic former MP, member of the Party of Regions – **Ed.**), then Serhiy Beshuli (a former politician, now forgotten by all), his wife drafted some city improvement projects for the city council and received grants for their implementation. All that time, Gubarev was an errand boy for the Party of Regions, had good relations with the local authorities and posed no threat to

Rinat Akhmetov's business operates undisrupted in the separatist-controlled zone, which means that he has certain guarantees from them

anyone. He did not manage the uprising in the spring of 2014, as some supposed. He was simply tasked with organization of the large-scale and expensive performance, something he did brilliantly.

I can speak of every “minister” in this show but that would be too much honor. They are all people hand-fed by the local nouveau riche. This is why I find it funny, when Donetsk Mayor Oleksandr Lukyanchenko now appears on Rinat Akhmetov's TV channel and presents himself as the victim of circumstances. I remember well when on March 1, he, together with the city council, called for an illegal referendum. He did not see me – I stood and observed his gala performance.

It dismays me to see how Rinat Akhmetov is once more taking the role of a patron and benefactor. He is supposedly helping people on the territory, where, with his own hands, he previously did everything to light the fire of war. By the way, his business in the zone controlled by separatists is operating without any disruptions. Needless to say, no one intends to take anything away from Akhmetov. No one nationalised his mines, wages are paid there and mining continues.

And there is nothing unusual in the fact that we once again hear talks of the Donbas as an inalienable part of Ukraine, but one with a special status in a federalized country. The rhetoric of Russia and its friends from the local fifth column have returned to that, from which they started in spring.

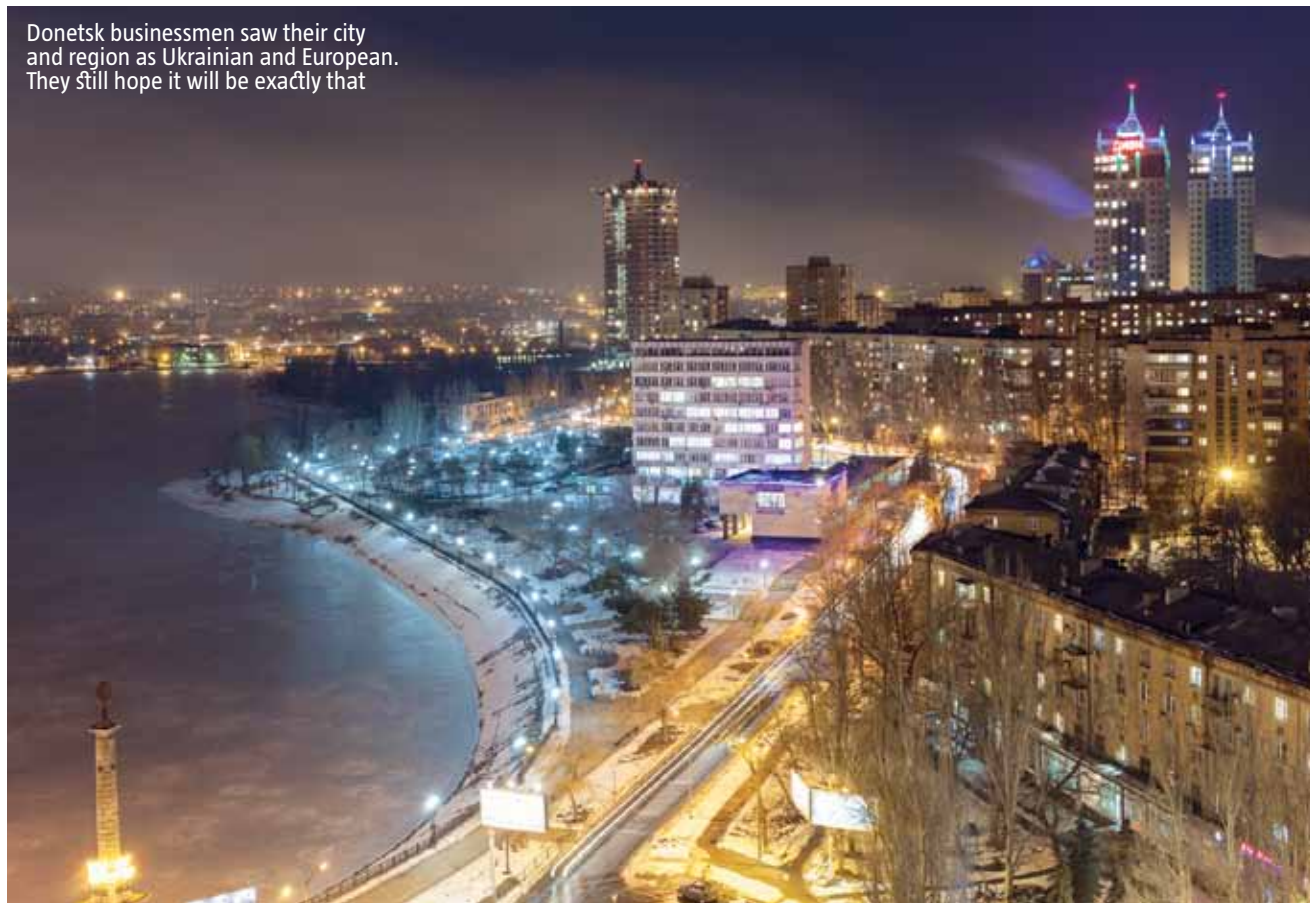
For Ukraine, acceptance of such conditions is tantamount to capitulation. This is precisely why the government is not making concessions to the Kremlin and gangs. Without doubt, Putin would find it very convenient if Ukraine had its own Chechnya and the entire country paid dues to Donetsk clans. But such an option will be a catastrophe for us and an end to our statehood.

Russian version of federalisation is nothing like federalism in Germany or Switzerland. For them, it's a way to impose slavery on us. But the Ukrainian nation has fought too long for its freedom and ultimately gained it at too high a price. It is not going to give it up just like that. ■

Donetsk and Phantoms of Capitalism

People never really liked them. They would call them “capitalists” and “oligarchs” even if these “capitalists” owned no more than a chain of three stores or a small confectionary

Donetsk businessmen saw their city and region as Ukrainian and European. They still hope it will be exactly that



Author:
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People did not call them that out of envy, although the feeling was partly present too. They just didn't trust these “capitalists”. Paradoxically, they had nothing in common with the nouveau riche who showed off their clout with expensive cars, covered their weakness with gloomy and muscular guards, and recovered their long-gone chances with young wives, happily living in the “power brings money” paradigm. This money came easily from cozy top offices and embez-

zled budgets, so it could be wasted as remorselessly.

The “capitalists” were different. Their money was earned with sweat and blood. They would never waste a penny. One factory owner, rumors had it, bought his first foreign-made car just two years ago. And he got a used one.

Another guy, the owner of a company with several hundreds of trucks, travels to work by public transport and shops at discount stores.

“You'd have to design a sophisticated scheme to talk them into buying a new apartment or building a house, and work on it for a year or two,” their wives lament.

These people never seemed warm, open and easy-going. Suspicious, laconic, too rational, very calm and cold as ice even when they are mad with rage. “You can't wrench your heart on everything, it will fail at some point if you do. Don't react to stress. Just learn to live without feeling pain. No pain

"When he says that he's a businessman and goes to work as an official, what kind of a businessman is he?" they thought. "If you can steal more at a government office than what you can earn from your business, we are doomed as society and country," was their verdict. They dressed, ate and entertained themselves modestly. They wanted to stand out through this manifested difference that challenged the extravagance of the local "aristocrats".

Time is money. Therefore, they did not accept being late to a meeting and waiting for someone, wasting time on reading fiction – only special books, sitting at restaurants, traveling and staying at five-star hotels (they preferred affordable hotels on business trips). They planned, calculated and booked airplane tickets six months in advance. They would spend their vacations in places from which they could fly back whenever necessary. Turkey, Bulgaria, Crimea, Sloviansk, Berdiansk. Nothing too exotic or extravagant. They dictated the pace of the city. Their workday started at 8 a.m. for years, or at 9 a.m. at the latest. They would evaluate other cities by how hard-working those were. "They wake up too late there, and sleep too long here. The Germans and Chinese are the right people," they would say.

Arrogant? No, pragmatic. That's why Saturdays were family days but not days off. They worked until 3 p.m., then went home. On Sundays, they would drop by, check the production, control a plant or a restaurant, and go on with the day.

Their children are their top treasure. Therefore, they send them to the best theaters, ballet classes and opera schools, take them to premiers and exhibitions, pay for their football classes and educate them in schools in Ukrainian. English is a must. German, Chinese and Spanish – a bonus. Plus, regular sports for the child and himself. A sound mind in a sound body. They need strength, plenty of it.

When their children grow up, they integrate them into work as couriers, copy typists, lab assistants, buyers of fertilizers, dishwashers and accountants. This starts on summer and winter breaks, then after university classes. They believe that the chil-

dren should learn business at home, not abroad. International experience is helpful, of course, but only as a bonus.

Are they patriots? They wouldn't say that of themselves. They would probably not think of themselves as patriots, too. They insist on being exclusively pragmatic. In practice, however, they do prove to be patriotic.

WHERE ARE THEY NOW?

They were the first robbed. The family came and took away their business. It offered USD 1mn for the business that was worth USD 10mn. When the "capitalists" resisted, it would put them in jail and take the business for free. Some are still behind bars. Some are free – they have paid to get

NOT A SINGLE "CAPITALIST" HAS JOINED THE DNR PUPPETS

out, and headed to the Maidan immediately. Dull, boring, pragmatic and greedy, they lost the business of their life and went out to fight for it. Some still do. As volunteers on the frontline. They bought all the necessary equipment and weapons for their own money.

Some took it to the streets in March and April in Eastern Ukraine, to rally in support of Ukraine's unity. Small and medium businesses were the first to support the army. Anonymously, quietly, and systemically.

When their city was occupied, many survived tortures in the basements of the modern-day equivalent of NKVD. Some are still in captivity. Their one-time employees who had been cherishing dreams of revenge for years broke into their houses and robbed them, humiliating their ex-bosses whom they could now make spit blood and beg for mercy, and get a ransom.

They left their city after the tortures in the basements. They left to forget and never return to the city they used to love, that eventually betrayed them.

Some left before the occupiers could take them to the torture basements. They have the capital and skills, so they can start it all from a blank page. Their children are their

biggest treasure, so they should be learning to write and read, not fall on the ground covering their heads when the bomb is falling.

Some took their families elsewhere and stayed in the occupied territory. Some have dozens of employees, others have hundreds. They are responsible for these people. They are not going to raise their salaries, but they will still pay them. And there are old, weak and lonely people left in the city for whom they are now responsible, too.

Not a single "capitalist" has joined the DNR puppets. They do not register their businesses anew in the occupied territory. Paying to the regime's supervisors is one thing. Registering a business in an economic wasteland, a concentration camp whose leaders will soon find themselves at the Hague court is not pragmatic. They will rather pay their taxes to Ukraine. They will also donate to charity in the city and the army around it. Quietly and consistently.

LIFE GOES ON

Sometimes one of them joins us, volunteers. He scrutinizes the boxes, checks the equipment according to the list. He calculates something in his mind and smiles happily. "Money must be respected".

He gets out of his car at the checkpoint of the Ukrainian army, greets the soldiers and says quietly: "Guys, don't leave us. Don't leave us, I beg you."

"Of course, we won't, grandpa!"

Grandpa is not even fifty yet.

Time stops in an occupied zone, but people age rapidly. He smiles and swallows a tear. The soldiers see it. "Don't go back there, will you? To hell with it. What if someone reports on you? They will torture you to death," they tell him.

"No way! I can't leave it all. I still have things to do there. Gotta knock the Lenin down!"

They embrace him as if it is for the last time and can't hold back tears. The tears don't pour down the face, just swell in the eyes. Embarrassed, he turns away.

"See, you can feel pain already," I say.

"Do you think I'll be able to feel joy again, too?"

I think he will. He will be able to feel everything again. ■

The Shattered Showcase of the Russian World

Crimea's real economy will shrink further if the Russian occupation continues. Those employed in it will lose income and jobs

Before Russia occupied Crimea, the peninsula had a robust industry and transport sector that often outpaced similar sectors in Ukraine. The tourists it welcomed, provided services to, fed, and entertained every year outnumbered the local population at least threefold. New tourist objects, many of them from small business owners and individual entrepreneurs, were mushrooming. Huge infrastructure projects aimed at shipping goods from deep-sea Crimean ports both to the continental Ukraine and other countries were on the way. This stands in a stark contrast to what is happening in Crimea after the occupation.

Author:
Oleksandr
Kramar

2013. The decline was largely caused by the new barriers in the shipment of Crimean wines and spirits to the continental Ukraine, its biggest market. From March to October 2014, Crimea produced 10.8mn l of spirits, 6.4mn l of cognac and 20.2mn l of wine compared to 38.4mn l, 6.4mn l and 20.2mn l in the same months of 2013, respectively. Wine makers still hope to see some improvement in the access to the Ukrainian market in the future. Otherwise, they will have to cut back on production. Crimean producers of wines and spirits are currently looking for ways to get back on the Ukrainian market by bottling their product in the continental Ukraine. Still, their sales are declining and prospects look dim. The Russian market will hardly offer them a decent alternative since some Crimean producers have already taken their niche while others, mostly the makers of sweetened wines, do not fit Russian qualification standards for wine.

Crimean fishing industry has found itself in a critical situation as

well. It has lost the Ukrainian market while finding a niche in the Russian one that always had plenty of fish and seafood will be difficult. Crimean fish producers are struggling to enter it but they are facing serious barriers. The result is a 90% decline in fish catches and sale. Sergey Aksyonov, Crimea's self-proclaimed premier, has recently admitted that the industry is in a critical condition.

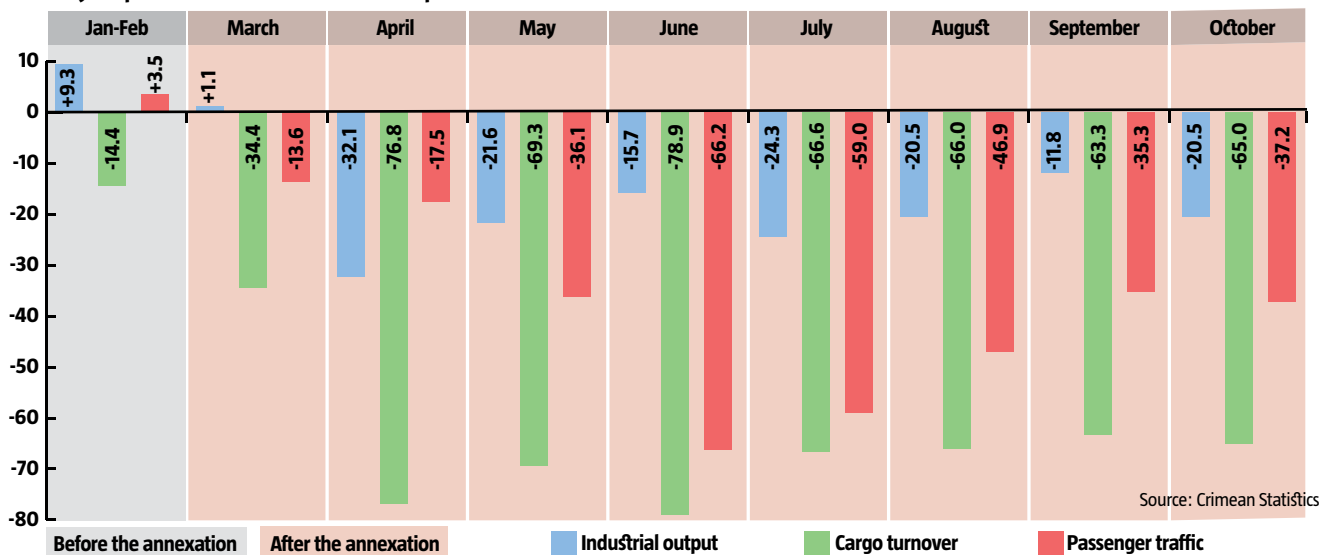
In Q3'14 Crimea's chemical industry began to decline. Before the occupation, it accounted for 25% of total output of Crimea's processing industry, and nearly 40% of its exports. Its output in June, July and October 2014 went down to 93.5%, 78.8% and 74.2% of the output generated in the same months of 2013. So far, it has stayed afloat thanks to the lobbied Tax and Customs Control in the Crimean Free Trade Area law passed by the previous parliament of Ukraine (it came into effect on September 27). The law qualifies Crimean chemical products from plants owned by tycoon Dmytro ▶

THE LOST MARKET

Food and beverage production used to be Crimea's major processing industry, and it has been plummeting since summer. It generated 40% of the peninsula's total output before the occupation. In June-October 2014, its output shrank to 64.3-69% of the level of the same months in

The impact of Russian occupation on Crimean industry and transport

Monthly output in Crimea in 2014 as % of output in the same month of 2013



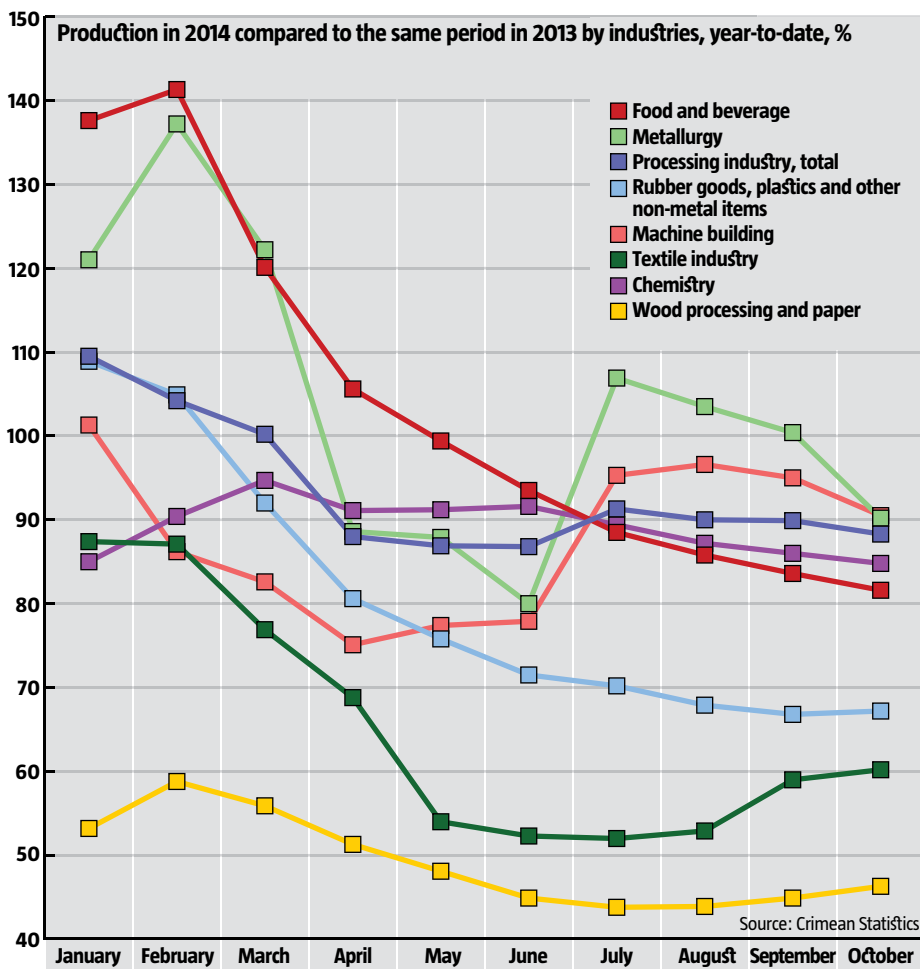
Firtash as “Ukrainian products” and sets forth preferential customs regime for them. This makes the future of Crimea’s chemistry completely dependent on how soon the new parliament decides to amend the law.

International sanctions have caused a steep decline in the shipments of Crimean products to most of their consumers. According to the records of the Crimean customs, Crimea exported goods worth USD 90.67mn in Q2-3’14, which is 3.3 times below its exports over the same period of 2013 (USD 301.9mn; exports to Russia are not accounted for). The structure of exports has changed, too. In April-September 2013, chemicals accounted for 38.1% or USD 161mn. In 2014, their share dropped in price value to 10.3% or USD 9.3mn, giving way to grain at 27.2%, mineral fuels and petroleum products at 29.6%, ship-building products at 20.3% and ferrous metallurgy at 9.1%.

Surprisingly, the major markets for Crimea were Switzerland (29%) and Panama (20.4%) in April-September 2014. This signals attempts to use their customs regimes to re-export goods to the EU and the USA that have imposed sanctions on Crimean companies. Still, these efforts will hardly compensate for the huge losses Crimea has suffered from the closure of the European and American markets where it exported USD 79.5mn worth of goods in Q2-3’13. This almost equals Crimea’s total exports in Q2-3’14 (USD 90.7mn). Another new big importer of Crimean goods is Saudi Arabia – it is buying grain.

TURNING FROM A PENINSULA INTO AN ISLAND

Crimea that is part of Russia turns into an island, and this has many negative consequences. It is virtually impossible to deliver anything, including basic consumer goods, to Crimea in winter through any routes that bypass continental Ukraine. Russia admitted that by banning the imports of a number of Ukrainian goods to Crimea in summer and lifting the ban in winter. Equally difficult is the delivery of Crimean goods and commodities in large amounts to Russia. The threefold fall of cargo deliveries through the Crimean territory and the decline of the local seaports confirm that. The Ukrainian government introduced an official



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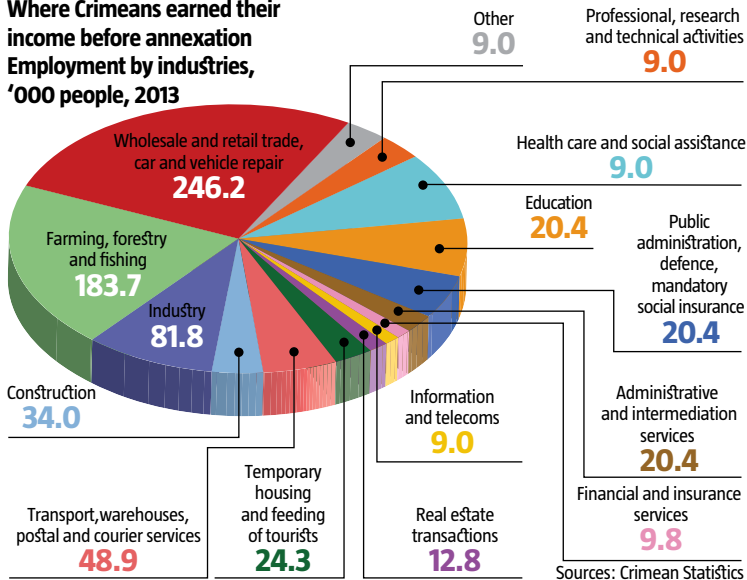
ban on foreign ships to enter commercial seaports of Yalta, Kerch, Sevastopol, Feodosia and Yevpatoria as of July 16. Ukraine has also notified the International Marine Organization of the closure of all Crimean seaports for international ships and cruisers. They have transhipped 13.8mn t of cargo over the past year but Ukraine has not felt any effect of the ban. Over January-October 2014, 83.3mn t of cargo passed through the ports under Ukraine’s control, up from 77.5mn t in the same period of 2013. This means that Ukraine has hardly noticed the loss of its Crimean seaports, while the workload of Odesa and Mykolayiv oblasts has increased.

Meanwhile, the seaports in Crimea have virtually stopped. The biggest one in Sevastopol transhipped 0.2mn t of cargo in Q2’14, down from 1.78mn t in Q1’14. Crimean experts believe that all they can expect in the near future is accepting imported goods for Crimea from Russia or other countries that shrug off international sanctions

and the prospect of their ships being arrested at Ukraine’s demand.

Crimea’s transport problem could in theory be solved by building a bridge across the Kerch Strait. However, costly and limited in traffic load capacity, it will fail to replace major transport routes running from Crimea to Ukraine. Even if it is built eventually, it will make no sense to deliver goods from Russia to Crimea in order to load them in Crimean ports for further shipment. The neighbouring Krasnodar seaports on the Russian Black Sea coast will be a better option, especially when transit through Crimea could result in sanctions and fines. It is equally unlikely that the Russian authorities will solve Crimea’s electricity and water supply problems. Ukraine supplied 5.96bn kWh of electricity to the peninsula in 2013. Another 1 kWh was produced in Crimea itself. The peninsula would now need USD 450-500mn to import the current amount of Ukrainian electricity at international market prices. Ukraine also delivered nearly 1.2mn cu m of fresh water to

Where Crimeans earned their income before annexation Employment by industries, '000 people, 2013



Crimea in 2013. Imported even at USD 1 per 1 cu m, it will now cost Crimea an additional USD 1.2bn a year (desalinization of seawater will be equally expensive).

All this puts an unbearable burden on Crimea's economy which it can hardly endure, especially as markets for its products shrink rapidly. This cost of electricity and water makes it unfeasible to use it for many industrial and farming purposes. As a result, production will shrink or stop. If Ukraine stopped providing fresh water through the North Crimean Canal, it would cause shortages for the population, let alone industry. In November, for instance, Sevastopol began to provide water at specific hours only. This could get worse in 2015.

Current talks of potential construction of alternative energy sources in Crimea are similarly unjustified. First, the peninsula will hardly get enough funding to implement development programmes approved earlier. Second, the generation of current at Crimean plants has dropped as a result of limited supply of electricity from the continental Ukraine from 714mn kWh in March-October 2013 to 498mn kWh in the same period of 2014. Solar and wind power generation has shrunk significantly: unlike Ukraine, the fuel-rich Russia is not prepared to subsidize green energy production facilities.

TOURISM

Many countries in the world do not produce or export anything but live well on tourism. According to polls,

this was the path most Crimeans saw as a priority one in their development before the annexation. The Russian occupation crushed the peninsula's tourist potential.

According to Oleksandr Liyev, ex-Minister of Tourism in Crimea, almost 4 million Ukrainians, 1.3 million Russians, 250,000 Belarusians and 500,000 tourists from the EU, Turkey, Azerbaijan, Kazakhstan and other countries visited Crimea in 2013. The biggest growth of the tourist flow was from the EU and Turkey. In the latest holiday season, only 370,000 Ukrainians visited Crimea. Most of them were IDPs from the Donbas who stayed at the vacant local resorts for free. A mere 1.15 million of Russian tourists came over nine months, which is fewer than last year. This has aggravated internal polarization in Crimea: whereas Sevastopol and the Great Yalta saw some new visitors, Yevpatoria, Feodosia, Great Alushta and Sudak hardly had any clients although they used to be popular destinations and most locals were employed in tourism there.

The growing cost of life and vacations in Crimea, and the lack of convenient transportation routes from Russia to Crimea make it a worse option compared to the Black Sea coast of Krasnodar Krai around Sochi. The Russians are essentially forced to pass that one to get to Crimea through the Kerch Strait. Belarusians find it easier to go to the Sea of Azov or to the rest of the Black Sea coast in Ukraine, while Ukrainian or European tourists will not go to Crimea for obvious reasons. In

this situation, Crimea has no chance to revive the 2013 tourist flow of tourists and in the mid-term.

PROSPECTS

Vladimir Putin has recently signed a law on the development of the Crimean Federal District and FTA in the Crimean Republic and Sevastopol for the next 25 years. The special FTA regime provides for preferential taxation for companies operating in tourism, farming, processing industry, seaports and transport infrastructure, and in IT. However, these decisions will have no serious impact if international sanctions against Crimea stay in place. The new Ukrainian Parliament will most likely cancel the preferential exports law mentioned above (on the creation of the free trade area on the peninsula), thereby cutting ways for the Crimean companies to sell their products to Ukraine or re-export them to the third countries through the Ukrainian territory.

If that happens, the Crimeans and Russians will realize that the peninsula cannot develop successfully without Ukraine. They will also realize that the Soviet government decided to transfer it to Ukraine in 1954 for objective economic and infrastructural reasons, not because

In April-September 2013, chemicals dominated in Crimea's exports, accounting for 38.1% or USD 161mn. In 2014, their share dropped

17
times in price value
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9.3mn

IT WILL BECOME OBVIOUS THAT CRIMEA CANNOT DEVELOP PROPERLY WITHOUT UKRAINE

Nikita Khrushchev liked Ukraine that much (see p. 38).

Cut off from Ukraine, Crimea will need constant huge funding from the Russian federal budget, even if it turns into a big military base (see p. 30). Meanwhile, Russia's spending capacity is limited, and so is its motivation to spend a lot of money on what it already grabbed.

Hopes of Crimea's transformation into a showcase of success of the Russian World look bare: it will now get only RUR 100bn out of 373bn ascribed to it by the target programme to develop Crimea in 2015. The rest of the sum may come in the next years or not come at all. Before the annexation, this amounted to USD 11bn. Now, Crimea will get less than USD 2bn, and even that could plunge as the ruble devaluates and the fiscal crisis in Russia gets worse. ■

The seaports in Crimea have virtually stopped. The biggest one in Sevastopol transshipped

0.2mn t
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down from
1.78mn t
in Q1'14

The Unfree Peninsula



Author:
Borys
Chatyrdah

For the Kremlin, the annexed Crimea currently appears to be, first and foremost, a fortress-peninsula which is to be a base for subversive-reconnaissance activity, a constant threat to Ukraine's underbelly, a base for expansion into Ukraine and under favourable conditions – to the Caucasus and the Balkans. Crimea has an extremely important geostrategic position.

The Kremlin will try to secure Crimea for itself, so in 2015, it will continue to intensify the militarisation of this Ukrainian region. We can expect the creation of a powerful separate armed group on its territory as announced by President Putin, and in the worst-case scenario – the use of these armies in a full-scale war against Ukraine. At which, nuclear missile carriers are already present in Crimea. This could be a means of intimidation and blackmail. In all likelihood, Crimean military plants will be kept very busy, yet ungainly laws and red tape can cause a delay in this.

The militarisation of Crimea is an excuse and a tool the Krem-

lin can use to gradually change the structure of the Crimean population. The "large military base", which the annexed region is rapidly transforming into, needs loyal and relatively well-to-do residents. Crimea is extremely dependent on mainland Ukraine for its water, foodstuffs and electricity supplies. Importing all this at international market prices is a huge expense for the Kremlin. So it is simply too costly for the Kremlin to support the existing population there. It has already been announced that 17,000 apartments are to be built for the Russian military in Crimea over the next few years. According to Ukrainian statistics, the average Crimean family has 2.6 persons. Multiplied by 17,000, this makes 44,200 family members of the military, many of them coming from Russia. It is also safe to assume that many military who used to serve in the Ukrainian Army and have stayed in Crimea will not get these apartments. Accordingly, the number of military colonialists will be higher. On the other hand, mandatory conscrip-

tion in 2015 will oust many Crimean men, especially young Crimean Tatars, who are reluctant to serve in the Russian army.

In addition to that, preferential enrolment of young Crimeans to Russian universities might expand, while local teachers, university professors and other professionals might be transferred to work in Russia following the servicemen, police officers or civil servants who switched allegiance from Ukraine to Russia after the annexation. The "Crimean Federal District" will instead be refilled with Russian officials and employees.

KADYROV REGIME AS A MODEL

It appears that for the transition period, the Kremlin has decided to keep the old Crimean establishment to rule Crimea, albeit with the addition, and under the reliable control of the Russian "new Crimeans". It is very likely that only minor officials will go to work in the annexed peninsula, while serious players will be cautious of international sanctions.

The Crimean establishment is largely ineffective, but reliable for Moscow. Many of its representatives have burned their bridges with Kyiv through separatism and subversive activities in Eastern Ukraine.

In 2014, they established active contacts with the Chechen Republic through bilateral visits and cultural exchanges. 4,000 young Chechen conscripts will be the first since the 1990s to serve in Crimea. Apparently, the Kremlin sees a special role of the predominantly Muslim Chechnya in the annexation of the peninsula, the takeover of its shadow economy, and neutralization of the Crimean Tatars. Sergey Aksyonov, the "Premier of the Crimean Republic", seems very interested in the power maintenance experience of Chechen President Ramzan Kadyrov. For many years, the Chechen leader has demonstrated absolute loyalty to Vladimir Putin. In return, Chechnya regularly receives significant federal subsidies. Apart

from that, Kadyrov has security forces that are independent of the Russian federal ones and often act beyond the Russian borders. The Crimean authorities could use the “Crimean self-defence” formed as a paramilitary separatist group in early 2014 to that end. Human rights activists accuse it of systematic violation of human rights and suspect it of committing serious crimes – kidnapping and murder. Since June, the Crimean leadership has been trying to legalize the “Crimean self-defence” in the Russian legal domain. It is safe to assume that the Crimean establishment will use it, in whatever status, to subdue discontented Crimeans and redistribute property in 2015.

Overall, in 2015, the Crimean leadership will most likely benefit from embezzling a fair share of federal bailouts to Crimea, the creation of a free trade zone, and illegal income from gambling, should a gaming zone be opened in Crimea. Some could pocket profits from drug trafficking from Afghanistan and the North Caucasus to Europe.

CORRALLING EVERYONE INTO HAPPINESS

Russian human rights activists say that the Crimeans will experience a “decompression” in the human rights sphere by facing the pressure the Russians have grown accustomed to in 15 years in a very short time. Indeed, the population of Crimea has gone from a relatively free Ukraine to the consolidated authoritarianism of Russia. The rights to free speech, assembly, thought, personal immunity and even life will unfortunately be violated systematically in the annexed peninsula in 2015.

Few of over 3,000 mass media registered in the Autonomous Republic of Crimea at the beginning of 2014, will be registered anew under the Russian jurisdiction in the coming year. The pressure of the Russian authorities and pro-Russian groups will intensify on the remaining media and journalists. The NGO sphere will also be weeded out. The space of freedom and the possibility of self-organisation will narrow significantly. In 2014, the Crimeans were already deprived of the right to elect their mayors – Crimean

city councils elected them through secret ballot in September.

The rights of ethnic groups, such as the Crimean Tatars and ethnic Ukrainians are under particular threat. The well-organized Crimean-Tatar movement, with its 50 years of self-organisation experience, does not fit into the realm of authoritarian Russia. National self-governing bodies, the Crimean-Tatar Mejlis and Kurultai, did not recognise the annexation of Crimea. So Russia will strive in 2015 to create a pro-Russian majority in the Mejlis and Kurultai by means of bribery, blackmail and repression. At the same time, it will create Crimean-Tatar organisations that are loyal to Russia, such as the K'rym movement. Moscow has already virtually succeeded in winning the cooperation of the Spiritual Directorate of Crimean Muslims to which most Crimean Muslims belong. A slew of measures were taken to achieve this, including the establishment of a parallel Crimean muftiate.

Life will be equally difficult for ethnic Ukrainians struggling to preserve their language and culture in Crimea. The occupation authorities continue to liquidate the remains of the already small cultural infrastructure of Ukrainians. In the 2015-2016 school year, Crimea will most likely end up with no Ukrainian-language schools and hardly any lessons of the Ukrainian language. Crimean branches of the Ukrainian Orthodox Church of Kyiv Patriarchate, Ukrainian Greek Catholic Church, where most parishioners are ethnic Ukrainians, will face increasing pressure. Other characteristically Ukrainian things will also be destroyed, while Ukrainian activists will move to the mainland, weary of moral and psychological pressure and repression. The rights of other ethnic minorities are also under threat.

Ethnic and religious tensions and provocations could spark spontaneous conflicts. However, numerous cases of human rights violations in Crimea and other problems resulting from the annexation will probably fail to encourage insight in most Crimeans in 2015. They remain under the influence of the large-scale infor-

mation war, which Russia has unfolded against Ukraine.

The consequence of the powerful brainwashing will be that the many difficulties of the Russian reality will be viewed as the lesser evil compared to the war, “fascists” and the like. Vital infrastructure projects, such as the construction of a bridge across the Kerch Strait, the Sevastopol-Kerch highway and others, also offer room for manipulation. Influenced by propaganda, the post-Soviet mindset will be prepared to endure temporary hardships while believing that the bridge will be built eventually, and the happy life will begin. Some experts claim that a Kerch-

LIFE WILL BE EQUALLY DIFFICULT FOR CRIMEAN TATARS AND ETHNIC UKRAINIANS STRUGGLING TO PRESERVE THEIR LANGUAGE AND CULTURE IN CRIMEA

Kuban bridge or tunnel, vital to the connection of Crimea to mainland other than Ukrainian, will not be built because of the expense and the geological complexity of the seabed.

Carrots, such as higher social benefits, guaranteed domination of ethnic Russians and propaganda alone will not help Russia keep Crimean society under control. It will also need the stick – repressions and people reporting on each other. As Russia's economic problems and political isolation aggravate in 2015, the sticks will be used more extensively.

Ukraine, as the legal ruler of Crimean sovereignty, in spite of virtually no chance of returning the peninsula in the short-term, should develop and start implementing a strategy for re-integration of the temporarily occupied territory in 2015. It should make the burden of illegal occupation of foreign land ever more cumbersome for Russia. Next year, Ukraine can start selling both water and electricity to Crimea at international market prices, provided that the rights of Ukrainian citizens there are observed. Should they be violated, Ukraine can block the supply of vital products to the peninsula. ■

POSSIBLE IN 2015...

– The mass exodus of young Crimean men who do not want to serve in the Russian army

– The creation of a pro-Russian opposition in the Mejlis and Kurultai

– A shutdown of many regional mass media

The Nerve of Annexation

Author:
Iryna
Brunova-
Kalisetska

Some experts feel that the war in the Donbas was started to distract attention from the annexation of Crimea and force its recognition. If this is the case, the goal has almost been achieved. Indeed, when the military and civilians are dying, who can be bothered with Crimea where everything seems to be relatively quiet? However, that quietness is deceptive.

In March 2014, the whole of Ukraine and Europe followed events in Crimea with bated breath. Quite a few people did not believe that autonomous republic would switch so easily to a different country. Few had doubted until that moment that Crimea was more pro-Russian than the rest of Ukraine. But fewer even supposed that it was pro-Russian enough to become part of Russia.

Is it true that most Crimeans wanted their peninsula to be part of the neighbouring country throughout all years of Ukraine's independence? Were these sentiments concealed until they surfaced a few years ago? Or did this happen during the Maidan period? Were these sentiments already simmering in February – March 2014? The results of the so-called referendum are not so important – everyone knows how it was conducted, and how such things are generally conducted by the Russian scenario. The question lies elsewhere: what led to the current outcome?

THE PRE-ANNEXATION CRIMEA

The tangled history of different rulers in Crimea, voluntary and forced migration, position of an island, yet paradoxical mental distance from the sea and the opportunities sea trade presents

have shaped Crimea's exotic diversity – ethnic, linguistic, religious, civic and identity-related. In the early 1990s, this harbour of the relic homo sovieticus that pretended to not divide people by nationality encountered an alien ethnic paradigm of Crimean Tatars, one that stood strongly behind its interests of an indigenous people that had survived the trauma of deportation. In the double-standard morale of the homo sovieticus, ethnicity that was different from their own – that of majority – was unintelligible, monstrous and unacceptable. Seeing in it anything but the value of diversity, the majority preferred it secreted away or assimilated. There has been hardly room for diversity in a place where “people are not divided by nationality” simply out of fear to face something different. The Russian language has been seen here as a given even if it's not a native language of the interlocutor. To make things simpler still, anyone who is not Crimean Tatar has been automatically referred to as “Russian” or “Slav”. The purpose of Greeks, Armenians, Germans, Karaites, Bulgarians and many others in Crimea has been nothing more than an element of cultural contrast and tourist attraction. They have been allowed their songs, dances, cuisine and folk crafts because that is comprehensible and canny, while mosques were better in remote parts of the town, and azans – calls to prayer – were not supposed to overpower Christian church bells.

Anything that was different from the overall canvas of the dominating Russian culture was long perceived as a threat, a factor that forced people to change. Humans do not like to change. And that is where political manipula-

tions with fears of “Crimean Tatar separatism” and “creeping Ukrainianisation” come in handy.

Some of those fears have disappeared over time, as communication, mutual interest and experience of peaceful co-existence intensified. Numerous education and cultural programmes, directed towards overcoming xenophobia and the development of mutual understanding between cultural communities helped. But there has been little of such dynamics and communication with mainland Ukraine. The Crimeans used to vote for politicians who appeared to be their “homeboys” as opposed to “strangers”, regardless of their political orientation, platforms, promises, activities and performance. They watched Russian TV, but were unaware of the reality in modern Russia: neither its political and social life, nor the economic situation of regular citizens outside





Moscow and St. Petersburg, nor of problems in the Caucasus or with migrant workers, nor the tax, pension, health care, education, law enforcement and other systems, all of which affect everyday life. After all, it is one thing to imagine Alaska, based on the books of Jack London, but living in modern Anchorage or Unalaska is a profoundly different experience. The Crimeans hoped that, once joined with Russia, they would have pensions and wages like in Moscow, and the climate and comfort like in Crimea. At least the latter has not changed.

Therefore, it would be wrong to say that most Crimeans wanted to become part of Russia. They rather believed in the myth of some golden place and time, and felt nostalgia for something unfeasible which, paradoxically, comes from the same needs that the mainland Ukrainians declared, such as decent salaries,

efficient medical aid, good roads, polite clerks, safety on the roads, and the like. The difference between the Crimeans and mainland Ukrainians was in their understanding of where all this comes from.

The Crimeans hardly understood or knew Ukraine. They travelled to Dnipropetrovsk, Kharkiv, Kyiv and Lviv, but when asked

MANY HAD TO THINK FOR THE FIRST TIME ABOUT WHICH COUNTRY THEY WOULD LIKE TO LIVE IN, AND REACTED EMOTIONALLY TO A SITUATION OF UNCERTAINTY AND ALARM

“Where are you going?” they would respond: “To Ukraine”. The question “Where are you now?” would drive them into a blind alley. We’re in Crimea, they would say.

Everyone was used to speaking Russian. Another language was perceived as expansion, not as diversity and the norm. Our 2010 research found that representatives of each of the three largest language groups (Russian, Ukrainian, and Crimean-Tatar) saw a threat to their own language, but not to the other two. This did not always match their responses about where they could use their native language in public life, such as in ATMs, mass media or education, health care and services. Orchestrated fears thus made a much bigger impact on the behaviour of people, than analysis of objective reality. This explains why the call to “defend the Russian language”, no matter how absurd, worked.

As a result, Crimea ended up with a social and psychological environment where the ethnicity – nationality – nation discourse, as well as historical or linguistic markers related to these notions, were either omitted or articulated in narrow debates strictly divided into Ukrainians who talked about ethnic nationalism, Russians with their post-imperial sufferings, and Crimean Tatars with the consequences of deportation and the restoration of rights and justice. Experts involved in the Russian discourse rarely intersected with the other two in person. The rest of over 120 ethnic groups in Crimea were hardly heard or represented in public domain. This made perfect ground for bitter feelings among all ethno-cultural groups.

When looked at from Kyiv, Ukraine has several important epicentres, including Lviv, Donetsk and Crimea in addition to the capital itself. The debate between Lviv and Donetsk mostly focused on who allows Ukraine to exist as a state and what it would be like in the future. By contrast, Crimea never asked that question. Instead, it lived a separate life with a constant juvenile complaint that “Kyiv doesn’t understand us”. Most of its pro-Russian residents did not so much want to be part of Russia (they would have enrolled into Russia’s State Programme for Promoting Voluntary Resettlement into the Russian Federation of Compatriots Living Abroad, which came into effect in

2006, if they did), as they wanted Ukraine to preserve Russia in Crimea with the dominant status of Russians and the Russian language. Everything that Ukraine (or Crimeans themselves) did for the development of the other two large ethno-cultural groups and languages in Crimea was seen as the violation and the threat to that status quo. This offered convenient ways of manipulating the sentiments and fears of some Crimean Russians, while allowing certain political groups to implement their interests. The latter caught their fish in muddy water in November 2013 – December 2014, which they had been unable to do in the relatively calm period prior to this.

CRIMEANS IN NOVEMBER 2013 – MARCH 2014

Average Crimeans (most of them found life hard enough under any government in terms of economy, but differently as far as identity was concerned) found the Maidan incomprehensible. They tend to think that “you can’t change the system, don’t even try; only fools do, or those who are paid for it”. While many Maidan protesters saw it as a place where civil society (a diverse one) was shaped, the Crimeans thought of it as a threat to the Russian culture and language of their region. It is hard to tell which of their fears dominated, whether it was fear of change, responsibility for it, of answering the question “Who am I?”, of potential violence, or any other fear. Crimea has feared conflict over the last 23 years, so it was now willing to do anything to avoid one. The dominant feeling

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in February-March was probably that of confusion and anxiety.

In the month before the “referendum” we saw in Crimea the growing likelihood of an ethnic conflict, an increase of violence with political overtones, “little green men” whose presence was hard to believe in at first, and the sudden announcement of the “referendum” which was another unimaginable thing. At the same time, the government in Kyiv government was virtually absent, and no one knew who would come to power next. Plus, we hardly saw a possibility to change the situation. In such environment emotions come to dominate over reasoning, and the ability to think critically plummets. Caught in this emotional turmoil, the Crimeans are offered to answer a few quick questions in the “referendum”:

1. Do you support the reunification of Crimea with Russia as the subject of the Russian Federation?
2. Do you support the reinstatement of the 1992 Crimean Constitution and the status of Crimea as part of Ukraine?

The questions were designed this way for a purpose. Few re-

member the details of the 1992 Constitution. Passed on May 6, 1992, it declared that relations between Ukraine and Crimea would be based on treaties and agreements, and introduced Crimean citizenship. These provisions could essentially be used for Crimea’s separation from Ukraine. Crimean parliament amended them in September 1992, six months after it had passed them.

The “referendum” ballot did not offer an option of Crimea’s independence or for the preservation of its then effective status and Constitution. And Crimeans wanted a quick, simple and comprehensible answer to one question: “How will we live now?”

It is hard to say how the Crimeans would have voted if these options had been on the ballots and the little green men had never been there; if they had not arranged provocations that could potentially lead to ethnic clashes in the late February; or if the votes had actually been counted rather than adjusted to the figure instructed from above. With all these “what ifs” it no longer matters how many people actually came to the polling stations and voted in the “referendum”.

So what happened to the majority of Crimeans? The likely answer is that many had to think for the first time about which country they would like to live in, and even more did not so much think, as react emotionally to a situation of uncertainty and alarm, choosing the option that was proposed to them through manipulation as the positive and best resolution of this situation. ■

Afterword on treason

I hereby do not judge anyone, let alone decide who betrayed whom. I would rather like to understand what happened, and why it happened. Treason is a moral category that stands for the failure of a person or a group of people to meet the expectations of another individual or group. We refer to people whose behaviour does not match our expectations as a traitor. It is hard to say who was a traitor in the Crimean crisis, except for those who switched allegiance – that is a legal dimension. We, who have left Crimea for the continental Ukraine: have we

betrayed our peninsula, or have we returned to our country? Have we, the Ukrainian Russians, betrayed other Russians who never felt like they were part of Ukraine? We, who lived with nostalgia and dreams of the Great Country and can hardly come to terms with the fact that it no longer exists? We, who for various reasons, remain in the occupied territory but do not recognize annexation yet are forced to stay in this painful reality? We, who lived our everyday life with families and friends, and the necessity to survive under any government, something that was only

possible at maximum alienation from political processes? We, who never asked ourselves the uncomfortable question – who are we with?

Our actions are mostly caused by emotions and feelings. One is the sense of being part of a group, of fair or unfair history, of pride or humiliation of this particular group. I once again stress out, that the above piece is not about the accuracy of historical facts. It is about feelings and emotions. Who can judge, which of those are right, and which are wrong?

The Multitude of Nations

Author:

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Crimea has always been a place of exceptional ethnic diversity. The Bulgarians, Armenians, Greeks, Jews, Karaites, Crimean Tatars, Krymchaks, Ukrainians, Russians, Romani – these are just the most prominent of the ethnic groups that populated the peninsula over the last century and a half. In fact, the most recent Ukrainian census (2001) revealed that there are representatives of 116 nationalities residing in Crimea, be it individuals or large national diasporas. Such an ethnic diversity has always been characteristic of the peninsula, yet its composition changed over time.

CRIMEAN TATARS VS. "EVERYONE ELSE"

Many wonder these days how all these different ethnic groups view the events that recently unfolded in Crimea.

The established train of thought is that the views on the Crimean crisis are determined by the ethnicity: insofar as the ethnic Russians approve of the annexation of Crimea by Russia, while the Ukrainians and Crimean Tatars are against it. The reality is more complicated. In fact the pro-Kremlin camp and the Russian-imposed administration of Crimea is teaming with quintessentially Ukrainian surnames. Also evident are great efforts to adjust and find a place inside the Russian Federation's government structures by some Crimean Tatars. At the same time one can find all kind of nationalities within the Crimea's camp of "political Ukrainians", the minority of locals fighting for their rights in Crimea as the representatives of the ethnically diverse Ukrainian political nation.



THE TRAIN OF DEATH. A PAINTING BY RUSTEM EMINOV

However, if we look for the general trends, we will find that views divide the population onto two large communities. On one side of the fence is what is obviously the majority of Crimean Tatars together with a reasonably scarce (or, perhaps, very covert?) group of "political Ukrainians". On the opposite side of the divide we'll find... everyone else. The latter group includes Russians, Moscow-oriented ethnic Ukrainians and the rest of Crimea's many nations. I'll reiterate that we're dealing with general trends here, there always are exceptions to the rule.

One would logically presume that the motley ethnic composition of the Crimean population would result in a far wider spectrum of thought, rather than a primitive division onto the "Tatars" and "non-Tatars". Then why does the majority of "everyone else" associate themselves with the Russian interests? How come all this "ethnic richness" of Crimea in the political sense is reduced to the "Tatars" and "everyone else"?

The answer to this question is rooted deep in history.

"WELCOME GUESTS" AND "UNWELCOME NATIVES"

After conquering the Crimean Khanate in 1783 Russia took over what was essentially a mono-ethnic country almost entirely populated by Crimean Tatars. Such a mono-ethnic situation is very uncharacteristic of the Crimean peninsula, and it was brought about in part owing to Russia's efforts. Before

taking the region under its complete control, in 1778-1779 (between occupying and annexing it) the Russian leadership enforced a "voluntary-compulsory" migration of all local Christians from the peninsula to the steppes north of the Azov Sea. All in all that's over 30 thousand Greeks and Armenians.

The goal of this campaign has historians scratching their heads to this day. It is made even more mysterious by the fact that seizing Crimea was only a part of the greater Russian plan of "restoring the Byzantine Empire". Remnants of this bizarre fantasy live on in the current names of the Crimean cities renamed during that period in a quasi-classical fashion (Sevastopol, Simferopol, Yevpatoria, Feodosia), while the very real and living carriers of the Byzantine culture were forced to leave their native mountains and to migrate towards the steppes, dying in their thousands along the way. Some have even resorted to apostasy in order to pass for "Crimean Tatars" and not Greeks just to preserve their homes.

Having cleansed the peninsula from all Christians (the move that no previous ruler ever dared to embark on over the entire almost five-century long Muslim dominance in Crimea), the colonial administration proceeded to dealing with the Crimean-Tatars. Those of them that didn't flee the peninsula during the Russian invasion and the concurrent civil war were being pushed out and deprived of land. By 1793 Crimea lost up to a half of its former population.

At the dawn of the 19th century great many representatives of the Russia's elite came flooding into the region with great enthusiasm. The empress encouraged the "development" of the peninsula by giving away rather fetching lands left and right. The justification for pushing out the Crimean Tatars was that the latter were supposedly incapable of developing their lands appropriately. A typical view for the times was written by a judge Pavel Sumarokov (conjointly the author of one of the best early Russian overviews of Crimea): 'The greatest good for Tavryda (the classical pre-Turco-Mongol name of the peninsula, also Taurica or Tauris – Ed.) would be if the Tatars left the latter entirely... The delighted area in the aforesaid form liberated from the Tatar Horde would then present all manner of attractions to the Armenians populating Anatolia (Asian Turkey – Ed.) and the Greeks scattered over the islands'

The thought that the place of Crimean Tatars should be taken by the more "apt" and the more "industrious" peoples became generally accepted. Its practical implementation followed shortly.

Having deported the Crimea's Greeks and the Armenians, Russia began to populate the peninsula with... the Greeks, but a different kind. The previous Greek population of Crimea was not so much a Hellenic diaspora but rather a conglomerate of descendants of ancient Crimean peoples consolidated by Greek Orthodoxy: the Tauris, Scythians, Goths, Alans, Cumans etc. In this sense the "Crimean Greeks" were closely related to Crimean Tatars, a considerable part of whom were the descendants of the very same ancestors. To replace the peaceful natives of Crimea, who were accustomed to the Khanate's tolerance towards them, Russia invited the Greeks from the Aegean Islands, the "Arnauts". These, unlike their Crimean siblings were battle-scarred in the uprisings against the ottomans, and we used by the Russians as military settlers brought in to look after the "suspicious" Crimean Tatar population.

After brining in the Greeks, the Russian Empire opened Crimea's doors for thousands of other new settlers: the Russians, Ukrainians, Bulgarians, Serbs, Germans,

Czechs, Estonians... They were to turn Crimea into an income source and a trading centre: essentially to do exactly what the natives were incapable of, as far as Saint Petersburg was concerned. The Russian government encouraged foreigners to settle in Crimea by granting various privileges and, most importantly, generously providing land plots. And there was plenty of land up for grabs on the peninsula, given that simultaneously with the waves of new settlers arriving to Crimea, the Crimean-Tatars were being pushed out. This phenomenon reached its peak after the Crimean war of 1853-1856 when the very presence of anti-Russian coalition forces on the peninsula provided Saint Petersburg a suitable (but false) premise to accuse Crimean Tatars in mass collaborationism. Following this up to 150 thousand more Crimean Tatars were forced to migrate. As a result, for the first time this ethnic group became a minority in Crimea.

The most fitting term to describe the relationships between the new settlers and the natives would be "segregation". The newcomers settling away from home ended up living in closed stand-alone communities. They never managed to form a class of latifundists: some remained wealthy farmers (the Germans), others (the Serbs and a certain percentage of Bulgarians) failed to adapt to the new place and chose to return to their homeland. Yet in spite of the small disparity on the social ladder, the difference in the official position between the settlers and the Crimean Tatars was dramatic: the newcomers were the welcome guests, while the natives were being forced to migrate.

Among the Crimean natives that remembered the life under Khanate, two other ethnicities should be mentioned: the Krymchaks and Karaites. The first being the descendants of Crimea's medieval Jews were subject to the same kind of restrictions that the Russian laws imposed upon Jews. At the same time the Karaite clerics insisted that their people descends from the Jews that had supposedly settled in Crimea Before Christ, and therefore are not responsible for the Savior's Crucifixion. Whether the Tsar believed their story or not is unknown, but the Karaites were granted a whole host

of privileges that the rest of Russia's Jews could only dream of. Consistently showing great loyalty to the Russian government this ethnic group managed to preserve its traditional social niche being financiers/creditors and prominent merchants.

Similar tactic of unquestionable loyalty was also employed by the representatives of the Crimean Tatar nobility, or rather the part of it that managed to maintain such status by cooperating with the colonial authorities. Russian manifestos regarding the annexation of Crimea envisaged guarantees of preserving all the "natural rights" of the empire's new citizens, and it must be said that in regards to the part of the elite that obeyed those guarantees were observed. Crimean Tatar nobility smoothly merged into Russia's upper class (which did have a long tradition of integrating various indigenous elites), and found itself on the opposite end of the social divide that separated them from their compatriots.

NATIVIZATION, OCCUPATION AND DEPORTATION

It's not exactly breaking news to say that the transformative period of the 1917-1920 changed a great deal. The revolutionary flames claimed the ruling classes of all ethnic groups on the peninsula along with the plans to call a Founding Assembly where delegates of all Crimea's ethnic groups were to meet and determine the region's future together... The subsequent events unfolded in a very similar way they did in Ukraine: the "nativization" propaganda stunt gave the Crimean Autonomous Soviet Socialist Republic traits of a Crimean Tatar national autonomy.

The Bolsheviks' belief that Crimean Tatars were the most oppressed by imperialist Russia ethnic minority on the peninsula was not unfounded. They were less enthusiastic in their attitude towards other nationalities, as the majority of the Greeks qualified as "small bourgeoisie", while the Germans presented a classic example of "kulaks". There was also a brave experiment in "liberating" peoples from the "bourgeois shackles" in the form of organizing Jewish collective farms in Crimea, furthermore a whole agricultural region was reserved for the representatives of this ethnic group. However,

BIO

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Crimean Nativization also ended in a way it did elsewhere: accusation of the "National-Bolsheviks" in "bourgeois nationalism" and the subsequent shootings.

After seizing Crimea the Hitler's Germany initially acted much like the Bolsheviks did when they took control of the peninsula: appeasing ethnic minorities, creating faux self-government bodies etc. The major difference was the mass killings of Jews, which all but wiped out the population of Krymchaks. The Nazi long-term programme for Crimea envisaged complete depopulation and the arrival of the Tyrol Germans. Unlike most occupied territories, Crimea was to become part of Germany itself. Fortunately the Nazi plans were thwarted, but shortly afterwards Crimea was subject to a new wave of racial experimentation, this time by the Soviets.

In May 1944 the entire Crimean Tatar people was deported from the peninsula. Several weeks later followed the Bulgarian, Armenian and Greek diasporas (the Germans having been deported before occupation in summer 1941).

The analysis of the reasons for deportation is a vast topic for a separate discussion. It should be mentioned, though, that those reasons were exclusively racial rather than political, as no amount of previous achievement and no amount of loyalty could save Crimean Tatars: neither war veterans, nor party members were spared.

In the late 1950s the Bulgarians, Armenians and Greeks were allowed to return to Crimea. A decade later the Germans were given the green light as well, yet the Crimean Tatars weren't as fortunate. The appeals of the communists among the deportees to the "principles of Lenin's national policy" only resulted in government denouncing the "sweeping accusations of aiding the invaders", but not the permission to repatriate. Having achieved the Tsar's age-old dream of cleansing Crimea from the Tatars, Moscow wasn't resting on its "laurels". The deported peoples suffered more inequality, where some were "pardoned" while others faced continued oppression.

DIVIDE ET IMPERA

During the Perestroika Moscow finally allowed Crimean Tatars to

repatriate. However, their demands went beyond the permission to return. Facing artificial obstacles regarding place of residence, employment and so forth, being treated like semi-legal migrants in their homeland Crimean Tatars demanded the status of Crimea's indigenous people (which, it must be noted, was completely justified, given that this nation formed in Crimea and did not represent a diaspora of any nation living outside of the peninsula). Such a demand envisaged state guarantees of restoring the people's rights, its representation in local authorities as well as the protection of the language and the cultural heritage. The Crimean Tatars believed and believe to this day that the best format for ensuring such guarantees is a Crimean Tatar national autonomy within Ukraine.

Such demands infuriated the post-Soviet half-communist party half-criminal clan elites that after the collapse of the USSR already began building up a "comfortable" structure of Crimea's politics for themselves. The typical counterargument to the demands of the Crimean Tatar national movement was the response along the lines of "You're not alone in Crimea". According to this logic, the Crimean population's ethnic diversity itself precluded the possibility of restoring Crimean Tatar national autonomy. Categorical objection to the status of Crimean Tatars as the peninsula's indigenous people became a tenet of the state policy both in Simferopol and, unfortunately, in Kyiv. To back its stance the government would seek support from other ethnic minorities of the region, trying to create an artificial conflict between the Crimean Tatars in one corner and "Crimea's multitude of nations" in the other. The demagogues would stress that none of Crimea's many ethnic groups is above all others.

There's no denying that having "superior" and "inferior" ethnic groups is unacceptable, yet this was never part of Crimean Tatars demands. National statehood itself (and national autonomy in particular) is not an issue of "racial superiority" or even ethnicity-based privileges, but simply of political recognition of the fact that every territory has its indigenous and non-indigenous peoples. This fact

of nature in no way restricts the rights and freedoms of citizens regardless of their ethnic descent. It does, however, demand certain changes to the political system, the kind of changes that would no-doubt spell bad news for the Crimean "elite".

One must admit that the latter succeeded to a great extent. It managed to persuade the rest of the ethnic groups that Crimean Tatars declaring their indigenous status would threaten the rights of all other ethnicities. The division was helped by the fact that almost all Crimea's ethnic and cultural societies were dependant on government subsidies and thus maintained their loyalty to the Crimean authorities. All the while Crimean Tatar national movement surpassed them in quantity, organization, independence, and, most importantly, its objectives that reached far beyond strictly ethnographic interests. Being in constant opposition to the local authorities, the Crimean Tatar

CATEGORICAL OBJECTION TO THE STATUS OF CRIMEAN TATARS AS THE PENINSULA'S INDIGENOUS PEOPLE BECAME A TENET OF THE STATE POLICY BOTH IN SIMFEROPOL AND, UNFORTUNATELY, IN KYIV

movement was also seen as the agent of "Ukrainian interests" on the peninsula. This perception is maintained to this day... with all the dangerous consequences it may bring under today's Russian occupation.

So the tactics employed by the authorities to divide Crimea's ethnic groups onto the different sides of the ideological fence are old as the world itself: divide and conquer. And, as we can see, those have been in use on the peninsula for a very long time.

Putting your citizens in distinctly unequal conditions and by artificially fueling the manipulated conflict between them is the easiest way to prevent their consolidation into a single front of dissent, a way to avert the emergence of a force capable of pushing the manipulators out into the dustbin of history. ■

Crimean Anchor

The rationale behind transferring the peninsula to the Ukrainian SSR in 1954

The status of Crimea is one of Europe's most sensitive issues these days. There was a time when Lviv was firm on the minds of Polish hotheads, while Germans had claims for Gdańsk and Kaliningrad. But those times have gone and those claims will likely never again reemerge on the agenda.

In the meantime, Russia's annexation of the Crimean peninsula birthed quite a tsunami of political and history-related debate, and the reasoning in it is capable of confounding even the most studied of scholars. Great many American and European periodicals came out with articles "explaining" to whom Crimea really belongs and whether seizing the territory of a neighboring state can be seen as "restoring historical justice". Without comprehensive and well-founded analysis of all the pros and cons Ukraine has little hope for empathy of the Western societies. The conventional partisan divide goes between the patriotic, and legally correct "Crimea is Ukrainian" standpoint, and "Crimea is Russian" because of the myth that Sevastopol is "the city of Russian navy glory" (and, not least because of punishment for calls for separatism in Russia that urge people to take the latter stand). The article below looks at it from the position of a regular European citizen and tries to show *sine ira et studio* how and, most importantly, why Crimea got transferred by Russia to Ukraine in 1954.

HISTORICAL BACKGROUND

For thousands of years Crimea was inhabited by hundreds of peoples, from Cimmerians to Krymchaks; its territory belonged to hundreds of empires, from the Roman to the Ottoman, and it wasn't until 1783 that the Russian double-headed eagle began its reign over the peninsula. A number of local and occupying governments came and went during the revolution of 1917-1920, but Crimean independence was short-lived.

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The peninsula was finally conquered by the Bolsheviks in November 1920 and became part of Russia as just another governorate. On October 18, 1921 as part of the "nativization" policy (or Crimean-Tatarization as it was locally referred to), as well as to promote the Soviet order among the "workers of the Muslim East", the governorate was given the status of Crimean Autonomous Socialist Soviet Republic. In

1946 the peninsula once again became a regular region (oblast) of the Russian Soviet Federative Socialist Republic and in 1954 it was transferred to the Ukrainian Soviet Socialist Republic. On January 20, 1991 Crimea conducted the first of USSR's independence referendums, upon which it regained autonomy within Ukraine on February 12.

How: Per the law or per justice?

Find yourself two lawyers and you'll get three opinions. This saying is especially true if those lawyers represent two different hostile countries, therefore it applies to the Crimean issue. The Russian side of the argument is that the Presidium of the Soviet Union's Supreme Council had no authority to alter the borders of the Russian Soviet Federative Socialist Republic by passing a resolution, as it was not on the list of powers determined for it by Article 33 of the Constitution. Similarly the borders of the USSR according to the Constitution could only be altered by the Supreme Council itself, but not its Presidium, which did so with its decree on February 19 (art. 14 and 31). Therefore the grounds of Crimea's transfer are of questionable legality to say the least, if not outright illegitimate.

The Ukrainian side will argue that the change of peninsula's status



was later reinforced by the USSR law passed by the Supreme Council on April 26. And given that the law has a superior legal power to that of a decree, the transfer of Crimea was thus legitimized. Even if the Presidium's violation of procedure resulted in a legitimate law being passed to approve an illegitimate decree, the subsequent constitutional process removes all possible contradictions.

First of all, by passing the very law in question the Supreme Council of the USSR amended Articles 22 and 23 of the then 1936 Constitution, which determined the territorial structure of the Russian SFSR and the Ukrainian SSR. Secondly, the Russian SFSR Supreme Council amended its own Constitution removing Crimean Oblast from the list of its territories. Thirdly, the new Constitution of the USSR (1977), as well as the new Constitutions of the Russian SFSR and the Ukrainian SSR (1978) explicitly define Crimea as the territory of Ukraine.

Given that the Constitution possesses the highest legal power and cannot be overruled, all other documents must be brought to compliance with it. And thus, all the talk questioning the legitimacy of the procedure of Crimea's transfer to Ukraine becomes null and void. What is in the Constitution is by definition absolutely legitimate.

As for the city of Sevastopol, the situation here is pretty much the story of the peninsula in miniature. In 1948 the city was excluded from Russia's Crimean region and assigned Republican Subordination. It should be noted that the documents regarding the transfer of Crimea to Ukraine have no mention of Sevastopol. Therefore, say the Russians, Sevastopol remained part of the Russian SFSR and must now belong to Russia.

But the answer to this claim is exactly the same as the one regarding the peninsula itself: while there is no legal document reassigning Sevastopol's subordination to Kyiv, according to the Constitutions of the Russian SFSR and the Ukrainian SSR of 1978 the city is part of Ukraine and does not appear on the list of Russia's administrative units. It is written into the two constitutions – end of story.

WHY: THE MULTI-LAYER ONION OF A QUESTION

The vast number of myths surrounding the reasons for Crimea's

transfer makes the question something of an onion: too many layers to peel them off without breaking a tear. One should carefully separate one from another. On the top is the official version stated in the resolution of the Presidium of the Russian SSR passed on February 5, 1954, the decree the Presidium of the USSR Supreme Council passed on February 19 and the USSR law as of the April 26: '...taking into consideration the integration of economies, territorial proximity and close business and cultural ties...'. Paradoxically, this failed to satisfy most of the post-Soviet scholars and politicians, and so began the great quest for true reasons "concealed by the powers that be".

Myth #1. It was Nikita Khrushchev's "generous gift" to his "beloved" Ukraine on the 300th anniversary of the Treaty of Pereyaslav and the "unification" (the 1654 treaty between Cossack Hetmanate and Muscovy was often used by Soviet and post-Soviet Russian leadership as argument in support of the

power struggle or tried to make amends for his part in the mass persecution. As far as the power struggle is concerned, it is clear enough. The decision was collective, therefore any kind of personal allegiance of the comrades from the Ukrainian Communist Party was not to be expected. The same can be said about the persecution: even if Khrushchev had guilty conscience about it, the fact of persecution in Ukraine was not officially recognized by the Soviet Union until the 20th Congress of the Communist Party (in 1956 – **Ed.**), therefore he had nothing to apologize for.

Myth #3. It made sense economically. Ironically, this is the one favored by most Ukrainian patriots. The gist is that by transferring Crimea to Ukraine Moscow simply handed Kyiv the burden of rebuilding the devastated post-war region. This is only part-myth, because Nikita Khrushchev's son Sergei confirmed that his father indeed sought to rearrange the economic management of the Ukrainian South and the Crimean peninsula into a single republic. However, 10 years before the construction of the North Crimean Canal began, this was intended as a project of state importance, a Union-wide "Great Construction Project of Communism", i.e. it was developed by the efforts of the entire Soviet Union. Additionally, the peninsula was not that devastated anyway by that time. During the post-war decade most of the facilities would have been rebuilt or created from ground up like the railway station in Simferopol. And, finally, the burden would not have landed exclusively onto the shoulders of the Ukrainian SSR because the republic did not have its own independent budget, thus any additional expenditures would simply have been subsidized from the centre. In 1950 the subsidies made just 0.6% of the republican budget income, in 1955 (after the transfer of Crimea) they made 13.4%. That's a 22-fold increase! All in all, one should not overestimate Crimea's economic "burden".

Myth #4. Financial conspiracy. Another legend floating the internet is that in February 1929 Soviet Russia made a deal with an international company called Agro-Joint, which was to provide a multi-million loan secured by land in Crimea. According to the myth, the payout deadline specified in the agreement

SEVASTOPOL AND CRIMEA WERE DETERMINED AS PARTS OF THE UKRAINIAN SSR BY THE REPUBLICAN CONSTITUTION

idea of Russia and Ukraine being "brotherly nations" – **Ed.**). Web of lies! First off, after Stalin's death (1953) and before the personality cult was denounced (1956) Nikita Khrushchev could not run the Soviet Union single-handedly. Sure, he was the First Secretary of the Central Committee of the Communist Party, but the formal Soviet leader was Kliment Voroshilov, the head of the Presidium of the Supreme Council. Meanwhile the executive branch was headed by the chairman of the Council of Ministers Georgy Malenkov. Both belonged to Stalin's old guard. Such a decision unilaterally taken by Khrushchev would be unthinkable, so it must have been a collective one. On top of that, there is zero evidence in archives to support the idea about "timing" the event to coincide with the Treaty of Pereyaslav anniversary.

Myth #2. If the version presented by Vladimir Putin on May 18, 2014 is to be believed, Khrushchev sought to gain support of the local Ukrainian party ranks in his

was coming up in 1954, so the asset was simply offloaded to Ukraine in order to get rid of the liability. Yet the proponents of this version failed to provide any kind of archive evidence or witness testimony to back their story. Instead they are often keen to lump together everything from the actual deals made in the 1920s to the Jewish autonomous settlements on the peninsula, plans to create the "Crimean California" – all generously garnished with the names of the Rockefellers and the Roosevelts. This kind of machination, however, would be more apropos in the world of the early 1990s post-Soviet thug-like businessmen, rather than the one of intergovernmental agreements. The truth is that the 1929 agreement was signed between Agro-Joint and the Land Committee of the Central Executive Committee of the Soviet Union and approved by the Union-wide Council of the People's Commissars. Therefore the transfer of Crimea would not rid the USSR from the liability. Funnily enough the date "1954" doesn't even feature in the text of the agreement.

But if it was neither the voluntarism, internal power struggle nor the economy that became the reason for transferring Crimea to Ukraine, what prompted the Soviet authorities to make such a move? The answer is impossible to find looking at local factors alone, instead one has to see the bigger picture and take a look at the Soviet Union in its entirety.

ENCLAVE DOCTRINE

Have you ever wondered why Transnistria – the historically Ukrainian and completely "Slavic-speaking" region – ended up as a part of Moldavian SSR? What was the thinking behind splitting Ossetia between the Russian SFSR and the Georgian SSR and why was the latter handed Abkhazia? How come the Armenian-populated Nagorno-Karabakh ended up under Azerbaijani rule, and the ethnically Uzbek Fergana Valley part of the Kyrgyz Republic? What was the rationale behind carving the republican borders in the North Caucasus and the Volga Region in the way it was done? Why does such a disproportionately large percentage of Russians reside in the North of Kazakhstan and the Baltic states? USSR has done a lot of wrong, but those things were usually done for a rea-

son, especially the things done over and over again. And if all the national suburbs ended up being infested with ethnic enclaves that stood in the way of stabilizing the political borders and constantly incited ethnic conflicts, it must have been by someone's design. The "designer" in question is obvious: none other than the Russian SFSR People's Commissar on Nationalities, and later the General Secretary of

the All-Russian Central Executive Committee over the Council of Soviet Commissars and Central Executive Committees and economy councils of the independent republics, which is to say the replacement of the fictitious independence with a true internal autonomy of republics in terms of language and culture, justice and internal affairs, agriculture and so on", because "the young generation of communists on the periphery no longer treat this game of independence as just an act, and are insistent on taking independence seriously" (memo addressed to Lenin).

Lenin disapproved. Here is a quote of his letter to Kameniev: "Chapter 1 of the 'introduction' to the Russian SFSR should read: 'Formal unification together with the Russian SFSR into a Union of Soviet Republics of Europe and Asia... we recognize ourselves as being on equal terms with the Ukrainian SSR and the rest, and together on equal footing we enter the new union, the new federation, the Union of Soviet Republics of Europe and Asia'".

Back then Lenin's concept of formal equality did win (and was written into the Agreement on the establishment of the USSR of December 30, 1922), but it was Stalin who had the last laugh. Having started his reign with unseen centralization of state power and total replacement of government apparatus with the one of the Communist party, the "father of nations" ended up carving the borders of Soviet republics and even relocating entire nations (Crimea "moved" later, but

TODAY'S RUSSIA IS FOLLOWING STALIN'S GUIDELINES, AS IT INCITES SEPARATISM IN NEIGHBORING COUNTRIES IN ORDER TO CREATE IN ITS NEIGHBORHOOD A GREY BELTLINE OF INSTABILITY MADE OUT OF UNRECOGNIZED REPUBLICS

the Central Committee of the Communist Party of the Soviet Union Joseph Stalin, as well as those that succeeded him.

It all started with Stalin's famous autumn 1922 disagreement with Lenin regarding the future format of the Soviet Union. Jugashvili (Stalin's birth name – Ed.) proposed to play tough with the socialist republics and to simply make them part of Russia as autonomies: "True unification [...] into one economic entity with formal power of the Council of Soviet Commissars, the Council of Labor and Defence,

Simfereopol-Yalta trolleybus, the first innovation signifying Crimea's life as part of Ukraine



well within the same rationale; also note the case of Kaliningrad). Of course, such moves were not officially announced or explained, but now it will take a blind person not to see how Stalin brought about his carefully crafted plan, which can be aptly called the enclave doctrine.

So what is this doctrine all about then? Let us return to Stalin's reasoning during the debate regarding the format of the USSR. The future tyrant saw the biggest threat to the new Union in the prospect of independent foreign policy conducted by Soviet republics, further exacerbated by the possibility of their exodus from the Bolshevik empire. The autonomy that he proposed for Ukraine, Belarus and the South Caucasus was supposed to iron out this problem, but since the path of confederation based on formal parity had been selected, Stalin had to find a workaround. If one cannot bar the republics from declaring independence, one can still make the cost of such a process too high to bear. The first safeguard came in the form of the Kremlin-controlled Union-wide punitive apparatus and the army (eventually Moscow attempted to use it in Tbilisi 1989 and Vilnius 1991). The second safeguard emerged in the shape of Moscow-oriented ethnic minorities (something that the former People's Commissar on Nationalities cut his teeth on). Which is why throughout the entire existence of the USSR Kremlin pursued the policy of adjoining the territories with "alien" population into various Union's republics, and on top of that actively encouraged ethnic Russians' migration to the periphery.

The above resulted in the situation we see today. Pro-Russian enclaves are acting as anchors designed to keep the republics at bay, to prevent the newly formed countries from drifting out of the sphere of Russian influence: Narva in Estonia, Transnistria in Moldova, Crimea and the southern Donbas in Ukraine (Donetsk and Luhansk used to be UNR's border towns), there are also very considerable Russian diasporas in Belarus and Kazakhstan. The Lithuanian SSR has been offered opportunity to take over the Kaliningrad region no less than one three occasions (!!!) in 1945, 1963 and even as recently as in 1987. Vilnius, however, wisely declined, and in doing so saved itself a great deal of headache. "Alien" enclaves and spitefully laid borders in the Caucasus and the Central Asia were designed to cre-

ate conflicts that would require the resolution seeking authorities to address the "big brother": Fergana Valley, Karabakh, Abkhazia, Ossetia. There are long-standing latent conflicts over the disputed territory between Ossetia and Ingushetia, as well as inside Dagestan. Clashes are bound to spark in Kabardino-Balkaria and Karachaevo-Cherkessia. There a mismatch between administrative borders and ethnic clustering of Tatarstan and Bashkiria. The shrewd handling of the sides of these "orchestrated conflicts" strengthens Russia as an empire, and the fact that ethnic Russians tend to be among the casualties never seemed to cause much concern.

PRESENT DAY

All things considered, the transfer of Crimea was neither motivated by some kind of extraordinary love for Ukraine, nor driven by economic calculation, and neither was it a part of some power struggle. Instead it was the age-old strategy of "mooring" the USSR's republics by Russia's side using "anchor-regions". And while this does not take away the importance of historic ties between Crimea and Ukraine and their integrated infrastructure, admittedly Kremlin has succeeded in its strategy. At the dawn of the '90s the peninsula would routinely destabilize the political situation in Ukraine pulling one stunt after another (like declaring independence or synching its time zone with Moscow), later it would become an electoral stronghold of Party of Regions and the communists, and now it "took off" to a foreign country.

Thinking that the enclave doctrine has been resigned to history along with the USSR would be naive. The Russian Federation of today has dusted off Stalin's manual and is following it meticulously, as it incites separatism in neighboring countries in order to create in its neighborhood a grey beltline of instability made out of unrecognized republics. And by doing so Russia itself does not gain strength per se, it does, however, weaken its neighbors. Trying to counterattack the enclave doctrine head-on would be an inexcusable waste of time and energy. The only adequate response would be using the very same strategy to achieve own objectives, like, for instance, supporting the anti-Russian residents of Crimea and Donbas, and then (you never know), perhaps, anti-imperial underground in Russia itself. ■



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Vaira Vike-Freiberga:

"The most important element for the future of Ukraine is what Ukrainians do themselves"



PHOTO BY ANDREY LOMAKIN

Interviewed
by
Olha
Vorozhbyt

The *Ukrainian Week* talked to Vaira Vike-Freiberga, the sixth President of Latvia, about the EU's strategies towards Ukraine, differences between new and old member-states and ways to counter Russian propaganda.

U.W.: In one of your lectures you said that the EU lacks plan B in its politics, economics, etc. This is seen well in the way it has been dealing with the Ukrainian crisis: there are no back-up policies for cases where the initial ones do not work. How can the EU teach itself to create those back-up options?

Strangely enough, I discovered that the EU does not like to have a

plan B in very important situations, because they feel that having a choice will immediately split such a large group. For instance, when they wanted to have a new constitution adopted, I kept saying what if one of the countries vetoes it, because it has a right to do so? The answer was: "Oh no, you mustn't talk about that, because it will give people the idea that there is an alternative". Sometimes, the lack of plan B is a tactical choice. They have plan A, want to implement it and take everybody on board. When one country vetoes it, they start debating plan B publicly.

In case of Ukraine there are a lot of think-tanks both inside the country and abroad debating as to

what should be done in this country, what it needs to do and what other countries need to do to help it. I have myself seen four different scenarios of possible developments in Ukraine. All four include actions by the West and manners of handling sanctions, because no one wants a nuclear war.

The West claims that it does not want a Cold War, but we have it already. Just read and compare Vladimir Putin's speeches with those of Barack Obama or the NATO General Secretary - they are not from the same universe. So, whether you call a Cold War or whatever, the rhetoric, the narrative is entirely different. Russia has a unique way of looking at things, distorting facts to its own advantage that simply is not accepted by most people in the West.

The invasion and annexation of Crimea was a surprise to the West. They certainly were not expecting that; they thought that the Budapest Memorandum would be respected. Well, it's not. When it was written, there was absolutely no thought of any plan B either. Still, in all scenarios of Ukraine's future, the central and most important element is what Ukrainians do themselves in their country or what is left of it, no matter how much is invaded by the foreign troops.

U.W.: 10 years after the Baltic States entered the EU, we still say "new" and "old" member states. Do you still feel the difference?

Of course... 50 years of Communism is the difference. It surely affected the infrastructure, leaving it in a terrible condition. In Latvia some roads still are. Portugal managed to build more roads than they need when they got European aid. We have so many needs that we haven't been able to rebuild all old roads even with European aid.

Then, take our scientific labs... Since during Soviet times most of the top research was done at secret institutes in Moscow, many of our labs do not have sufficient infrastructure. Many European scientific projects require collaboration with other countries. Some years ago when I finished my presidency, the Commissioner for Science asked me to chair a committee which evaluated the newly created European Research Council (it gives research grants at all levels in Europe). I told them to look at the map of who got

the grants – I saw an invisible Iron curtain going through Europe, because all of the centers of excellence were in Western Europe and none in the East. I asked whether it was really true that there are no smart scientists in Eastern Europe. The answer was that they do not meet the Western criteria of excellence, which include collaboration with other universities. Yet someone who lived behind the Iron Curtain was by definition excluded from collaboration with those on the other side.

50 years of Communism have put us behind in many ways and we have worked hard to catch up. Some countries have moved forward faster and have better resources. Poland was supposed to be the “sick man of Europe” at the beginning of accession talks. But it has survived economic and financial crises better than most Western European countries. These things are unpredictable. In fact, Poland is doing rather well compared to, say, Greece or Spain at the moment.

The major division is now between North and South. That is emphasized more often than the line between “old” and “new” countries. Countries like the Baltic States, Poland and Lithuania put Eastern Partnership on their agenda and among priorities in the EU. Latvia takes over the presidency in the European Council on January 1st and it will have Eastern Partnership on its list of priorities. For countries like Greece, Spain, Italy and Portugal, Africa is of the greatest priority. What we need in Europe is solidarity whereby people from Estonia or Latvia go into committees that deal with refugees heading to Italy or Spain from North and Sub-Saharan Africa, while South-European countries are interested in what happens in Ukraine. In other words, Europe is still in a process of integration and 10 years is a short time in history. I think that a lot has been done in that area. I myself think that Europeans do not even appreciate how much has been accomplished within this past decade. But naturally more still needs to be done.

U.W.: At the moment both Ukraine and the EU have to counter Russian propaganda. What methods do you as a psycholinguist see as the most effective to that end?

I think that you need independent newspapers with investigative

journalists here that are not paid by local oligarchs or Russia. That is something very hard to find. I used to chair a committee asked to evaluate media plurality and freedom in Europe. The Commission does not regulate that, but it is part of European values, a free and open press. We found that the situation with the free press is not ideal even in well-established democracies. England had a big scandal with the Murdoch empire, the Leveson Inquiry discovered many corrupt deals between the press, politicians and the police.

We recommended that newspapers, for instance, should have mastheads saying who their real owners are rather than specifying offshore companies in the Virgin Islands or Jersey. That sort of information is almost impossible to get. As for diversity of opinion, that is part of democracy. Take France: you pick up a left- or a right-wing paper there and you know where you stand. First, that gives you a choice. Second, you know what it is. Propaganda is something that is fed to you without you being aware of it or without there being alternatives. It is like that in Russia now: everything is under the Kremlin's control and that is very dangerous, because you can zombie the population. You can literally use neuro-linguistic programming whereby you repeat the same message again and again.

U.W.: Russian propaganda seems to be pretty sophisticated. They create separate groups of people (right or left extremists, peace activists) and provide them with information which is partly true and is sensitive to them. What are ways to deal with these risk groups in society?

That is the concern about how far you can control them without infringing basic principles, such as freedom of expression, assembly and press. To me, theoretically at least, the human mind, just like nature, will not tolerate a vacuum. People feel the need of ideology, a set of values, something they can believe in. This is how the European and Western values have developed, but they did so very gradually. Not so long ago, it was public entertainment in many countries of Europe to watch a hanging or beheading. The abolition of the death penalty in Europe was an important step because it created a different attitude towards human

BIO
Vaira Vīķe Freiberga is the sixth President of Latvia and the first female President of Latvia. She served as President for two terms (1999-2007). During her presidency, Latvia became member of the EU and NATO. She earned her PhD in experimental psychology from McGill University in 1965. She is fluent in English, French, Latvian, Spanish and German. Now she is Head of Club de Madrid – an independent club of 95 former democratically elected presidents and prime-ministers.

life. So, these things develop slowly over time.

I would say that the real basic pillar of democracy is made up of the accumulation of the best that human minds have produced in the past, selected and adjusted to present days, and re-evaluated by each generation anew. You need a stable, well-educated middle class that can read, understand and analyze information critically. We have had many education reforms that are supposed to teach children critical skills, not just basic ones. But it is not that simple. I personally think that basic skills such as reading, writing, arithmetic, spelling and memorizing poetry, are important to the development of critical thinking when the mind is mature and ready enough for it. Meanwhile, many people are grown-up children looking for guidance. Some look for extremist ideologies because they make them feel more important. There is a case of a French boy who found ads about how to become a Muslim on the internet, converted to Islam at 17 and saw an ad for recruitment of warriors to be trained for the jihad. He went to Syria, I think, or to some place nearby and is now on Youtube with a big beard, in a row of men, cutting off heads of Syrian pilots.

U.W.: What mistakes, in your opinion, the EU has made in its Russia policy? What should it be now?

After the collapse of the Soviet Union, the West in general took a very romantic view of Russia. I have heard it particularly from my good friend Jacques Chirac – he learned Russian when he was young and has great sympathy towards Russia. But France is far enough from Russia. I asked him whether his idea of Russia was of a troika going in the snow, with fur banquets over it and spectacular churches with onion domes. He said, “Yes, this is my image of Russia”. He argued that since Communism had disappeared as a system, the Russians would become like us. We would be nice to the Russians and they would be nice to us. Now, the Europeans say that Ukrainians have to be nice to the Russians and they will be nice to you. But the sad thing is that they are not. Stalin wasn't nice, Mussolini wasn't nice, Hitler wasn't nice and I am afraid to say that Mr. Putin also is not a nice man. ■

Lev Gudkov:

"Immorality and cynicism are essential components of the Russian public space"



**Interviewed
by Hanna
Trehub**

The *Ukrainian Week* spoke to Lev Gudkov, Director of the Levada Center sociological group, about the actual support of the annexation of Crimea and military activities in Ukraine in the Russian society, the lack of understanding among Russian citizens of their responsibility for Russia's aggressive foreign policy, and their inability to protest effectively.

U.W.: What kind of transformations took place in the Russian society since 2000, the first year of Putin's first presidency?

– After the 2008 crisis, the support for the regime in Russia

waned, the discontent was growing, and after Putin's return to the presidential post, the numbers of his sympathizers dwindled. We are talking about a very conventional Russian middle class, that doesn't have very many similarities with its European counterpart. In is comprised mainly of state officials and businessmen who found themselves utterly limited in their development due to a number of reasons. These include corruption, strong fiscal pressure on businesses (which they would have tolerated), and the lack of independent courts. Due to this latter factor, private property is not protected, and a huge number of businessmen are under adminis-

trative pressure and wary of illegal takeovers. According to the research conducted by our colleagues, 16% of all businessmen in Russia are under arrest for economic crimes, and this is a huge figure. 9 out of 10 of such cases are never concluded with a court sentence. In Russia, courts and judicial system are used as an instrument for unfair competition, and as a tool for corporate raiding.

Another problem of the Russian middle class is the lack of institutional mechanisms of government accountability that would have exposed the entire regime to a great risk (transparent and fair elections, change of leadership procedures, etc.). And the third prob-

lem is the freedom of the press. Putin's rise to power was accompanied by a new war in Chechnya and the introduction of strict censorship and a monopoly on television broadcasting. Up to 95% of all Russian TV stations are controlled by the Kremlin. After the growing discontent of the population resulted in mass protests of 2011-2012, the media market of the country was reshaped: the oligarchs closely connected to the regime, under the pressure from the government, bought up media holding companies and started controlling the press. The remaining two or three more or less independent publications (based primarily in Moscow) have only a tiny share of the Russian information space.

Russian provinces are very much like your Donbas, preserving all kind of Soviet vestiges and the remnants of the sectoral structure and the heavy industry inherited from the USSR. Local residents are well aware of the fact that the market economy undermines the very possibility of their existence, since they would be utterly uncompetitive should they abide by its rules. Without state subsidies, government contracts, social support for the needy, and investments in social infrastructure, they would not survive. Therefore, public sentiments in the Russian provinces are dominated by conservative, anti-Western moods and nostalgia for the Soviet era. This accounts for 20-45% of the Russian population. There are also people that are outside of politics. These are the residents of the national republics or remote settlements that are returning to pre-modern modes of life.

I am personally surprised by the population's deepest contempt for the modern-day Russian political elite. However, this attitude is explained by the dissatisfaction with the scale of state paternalism and the government's refusal to fulfill its social obligations. A tacit consensus about any Russian government is that it takes care of the Russian population. In Ukraine, the Kremlin behaved exactly as it was expected to by the Russian citizens: it showed care and provided protection.

For the humiliated, dependent, poor people who are chronically under pressure from the authorities and are extremely envious, the status of a superpower and an em-

pire proved to be extremely important. Its loss in 1991, with the collapse of the USSR, caused an extremely strong frustration, and the trauma still remains. I reviewed the data of our surveys conducted in 2000 (at the time when Putin became president), when expectations for the advent of an authoritarian leader who would lead the country out of the crisis were extremely wide-spread. At that time, people aspired first of all to restoring their living standards, and after that, to regaining the superpower status. Issues like healthcare or the fight against corruption and crime were somewhere on the margins of public awareness. In this way, the symbolic rather than the practical component of Russian aspirations is overwhelming.

In Russia, Russian nationalism as an emancipatory movement was never very important. It was seen rather as a compensatory, protective, nostalgic, with sentiments of the past, but without the image of the future.

U.W.: The Revolution of Dignity in Ukraine, the subsequent annexation of Crimea and the outbreak of the war in the Donbas were bound to affect the sentiments of the Russian citizens. What was the situation a year ago, and how things have changed since? Tell us about the actual level of support for the invasion of Crimea and the military activities on the Ukrainian territory.

— A year ago, in November 2013, there were no active anti-Ukrainian sentiments whatsoever. According to our research, when Maidan started, 65-70% of the Russians believed that Kyiv's orientation towards the West and the European integration was an internal Ukrainian affair, and that Russia did not need to intervene in any way. The quasi-moral position of the Russian government, that is, the protection of the Russian population on the territory of a foreign state, caused the approval of the annexation of Crimea and the fighting in Eastern Ukraine.

The situation is aggravated by the fact that since the second half of January 2014, we have had to deal with a different state, a different Russia. This is a country of total unprecedented propaganda. Its technology significantly differs

from the Soviet one. It is omnipresent, because practically all sources of alternative thought are silenced. 95% of the population create their own picture of the reality basing on what they see on TV. The Internet, in which liberals invested their hopes, does not help either: the Kremlin has learned to deal with it. Only 18% of Russian citizens believe the web or social networks to be reliable sources of information. The web today is overloaded with Kremlin trolls and information sources.

FOR THE HUMILIATED, DEPENDENT, POOR PEOPLE WHO ARE UNDER PRESSURE FROM THE AUTHORITIES, THE STATUS OF A SUPERPOWER IS EXTREMELY IMPORTANT

The television technologies are extremely aggressive and Orwellian. The state propaganda is not so much anti-Ukrainian in nature (even though it is by all appearances), but is rather aimed at discrediting the liberal and democratic ideas and values that the Russian citizens might have preserved to this day. This includes the rule of law, the orientation towards the West and Europe, and so on. The most important point serving as a backdrop is the following: "Do you want change, reforms and a new government that will guarantee your stability? Look at what's going on in Ukraine: civil war, loss of life, bombings, and destruction." For the Russians frustrated by the crisis of the 1990s (perhaps even more than elsewhere in the former Soviet Union), this statement sounds remarkably strong.

Russian population's support for the annexation of Crimea is an absolute fact, and it stays at approximately the same level. Russia's seizure of the peninsula caused a nationalistic and patriotic upsurge, improved Putin's plummeting ranking, and brought it to the highest level since the summer of 2008, at the time of the Georgian war. The numbers of the annexation supporters have decreased, but only slightly. Here we are not talking about a drop in the support for the Russian president and for his actions, but about a growing anxiety about the chang-

BIO

Lev Gudkov is a Russian sociologist. Since 2006, he is the Director of Yuri Levada Analytical Center and Editor-in-Chief of the Russian Public Opinion journal. He is a PhD graduate of the Faculty of Journalism of Moscow State University. He teaches Cultural Sociology at the Institute of European Cultures of the Russian State University for the Humanities and Political Sociology at the Moscow Higher School of Social and Economic Sciences. He took part in all major analytical projects conducted by Levada Center, including Soviet Man, Bureaucracy, Russian Nationalism, etc.

ing situation and the crisis caused by the sanctions against Moscow. The initial willingness to endorse the invasion of Ukraine by the Russian army was also very high (in March and April, such actions were supported by 74%, and today by 38% of the population). Today, the levels of anxiety and concerns about the economic decline, which, frankly, is not entirely caused by the western sanctions, are high. The general state of the Russian economy was quite gloomy already a year ago. Late 2013 marked the beginning of a stagnation related to the inefficient management of the economy (which has a rather large state share) and, consequently, with treasury expenditures and populist policies pursued by Putin to buy the loyalty of the citizens. The sharp rise in social spending did not solve the problem, but rather served as a painkiller. The falling oil prices and the cost of fighting in Ukraine speeded up the degradation of the economy, largely affecting the quality of life in large cities, where people have money, but which depend on imports. In addition, a significant blow was delivered to savings and wages that lost if not half, then at least 40% of the value.

U.W.: Do concepts such as social responsibility for the actions of the state represented by the current government, including the annexation of foreign territories, the undeclared war, and the destruction of the international security system exist among ordinary Russian citizens?

– They are non-existent, as well as the notion of public policy. The logic here is as follows: the authorities make decisions, while an individual may well expressed support, but cannot influence the process, and therefore is in no way responsible. This is the political situation of an authoritarian regime and its power technology. It is not a totalitarian system, it has no ideology and, most importantly, no image of the future. The authoritarian technology is based on nurturing the population's feelings of passivity and helplessness (see p. 32). Accordingly, 85% of the Russian citizens believe that they are unable to influence the authorities even at the local level. And even if they had such opportunity, they would not be willing to take part in politics

because "power is dirty, corrupt, and nothing can be done about it." This is the Soviet experience, the aftereffect of totalitarianism, and an example of the passive adaptation to the repressive state regime. The demands are held down, and individuals are locked in their private, mostly family circle and do not make splashes. In your kitchen, you are free to blame the regime as much as you wish, but you cannot take part in real changes and decision making process, and after all, it is pointless. Immorality and cynicism are essential components of the Russian public space. Therefore, although the RF authorities are mafia-connected, arrogant, and corrupt, by this logic they have always been like that, and you just have to get along with them.

U.W.: Please assess the capability of today's Russian society to protest effectively. Can it become the foundation for the country's future?

– Today's protest moods are at the lowest level for the 25 years of our research. There has been no negative consolidation or mobilization over all these years. A repressive legal framework has been put in place to suppress any movements with the slightest resemblance to a protest against the current Russian authorities. Here we can talk about the relapse into to-

from the Soviet times and the Putin era. A social explosion in Russia will not happen in response to the deteriorating economic situation. It will explode when the authorities try to take away the last that people still have.

Who will come to power after Putin is rather obscure. Whether Russia is capable of escaping on its own from the shell of authoritarianism, where it is trapped, is a complicated question. For the last 25 years, Soviet institutions of state power and government agencies have been reinstated in Russia, from the judiciary to the education system. The economy, mobility and communication principles have changed. But the Russian identity and mentality have remained the same. Real qualitative change may come about only in one or two generations.

U.W.: How is Levada Center doing after the adoption of the new Russian law on "foreign agents" that came into force in June 2012? What is the future of nonpartisan sociology in Russia?

– During 2013/2014, we were subjected to four comprehensive inspections. They were conducted by the prosecutor's office, the tax police, the Ministry of Justice and the Interior Ministry, with the obvious participation of the FSB. They were interested in the Center's foreign financing. The recently adopted Russian law prohibits receiving foreign funding and engaging in political activities at the same time. The latter term is interpreted quite arbitrarily. While the sociological research in theory is not prohibited, you cannot publish its results. The publication of such data is the objective of our organization, otherwise why would be study the various aspects of the Russian society? Today, this very activity has become a threat to the existence of Levada Center. The prosecutor's office only gave us a warning so far. But we are constantly hunted by the pro-Kremlin institutions as "foreign agents." Officially, we have no such label, although many of our colleagues, such as Yelena Nemirovskaya's Moscow School of Civic Education and the Memorial Human Rights Center, have to deal with this problem. Since our research is commissioned by foreign companies, we are always at risk. ■

AUTHORITARIAN TECHNOLOGY IS BASED ON NURTURING THE POPULATION'S FEELINGS OF PASSIVITY AND HELPLESSNESS

talitarianism. Talking about the future, in the short term all logic of the regime's actions will be limited to hard-line home policy.

In my opinion, counting on social protests triggered by the deteriorating economic conditions in Russia is slightly irrational, almost like hoping for a miracle. In addition, the society is not prepared to develop the programs that would create alternatives to Putin's regime. In fact, Russia is on the fast track to economic collapse, but the question is, where the public tolerance ends. Believe me, this tolerance is incredible, taking into account the life strategies inherited

Ukraine's Historical Time Zone

What happened in Euromaidan a year ago will force West European and North American sociologists to revise their writings. The Ukrainian-American political scientist Alexander J. Motyl and the Russian writer Vladimir Sorokin noted that a new Ukraine was born and that we have had a unique opportunity to witness the emergence of a new political nation. This statement, however accurate, is incomplete, though.

It was assumed by social scientists that the 19th century was an epoch of the emergence of the new collective actor on the political map of the world. True, after the First World War new nation-states came into existence, but the second half of the 19th century paved the way for this new civilization-shaping movement. The epoch was called the nation-building century, and also the era of the springtime of the peoples. What happened after the Second World War was perceived as a turning point in world history in terms of the closing page in the political saga of modern Europe. The nations were born, the state borders drawn, and nobody believed that we can step into the same river twice. Nay, nobody even suspected that we can change our historical-political time zone.

We were taking for granted for a long time that we were living in an increasingly post-national world. The fall of the Berlin Wall indicated the end of modern bloody history of opposing ideologies reiterated by Francis Fukuyama. The blow dealt by a horrible war in the Former Yugoslavia to Europe was twofold: first and foremost, it exposed the impotence, self-inflicted moral and political blindness, and self-deception of all Europe's politics and soft power which culminated in Srebrenica with eight thousand civilians killed in two days before the eyes of Dutch peace-keeping forces – far and away the most horrible crime against humanity in Europe after WWII; second, the ease with which people jumped fifty years back in time arriving in a radically different historical-political time zone.

A most horrifying thing in Bosnia-Herzegovina was that people were slaughtering each other with the names and labels on their lips that had absolutely nothing to do with reality which one should have described as present. Such labels as *Chetniks* (that is, Serbian nationalists and monarchists) came back to reality as soon as there was a need to justify a new slaughter in a fratricidal war. Were there any real *Chetniks* or *Ustashi* in the former Yugoslavia in the 1990s? Of course, there were none. What happened there was that some disturbed or politically troubled individuals withdrew from present reality choosing to live temporarily in a radically different historical-political time zone and to accommodate it again. They chose to live elsewhere withdrawing from social reality and abandoning it for the sake of a phantom, a short-term logocratic project, a specter of selective memory and willful forgetting. And how about a déjà vu feeling on our hearing and reading the label of Banderovites

exploited by Russian state-sponsored propaganda? Are there any flesh-and-blood Banderovites in Kyiv today? Were they there a year ago during the Euromaidan Revolution?

In fact, there is a long way to go from plain brainwash and propaganda to a more complex phenomenon of the withdrawal from present time zone and the return to it. What lies behind this mechanism is historical trauma, suppressed pattern of identity, or conflict of identities and loyalties. We may cease explaining reality as it is and, instead, may switch to the past trying to reenact or recover it. Hence, countless memory wars in Europe. The withdrawal-and-return form of existence can therefore be seen not only in the case of adaphorization of consciousness (abandoning the zone of our human sensitivity temporarily and then returning to it), but in the troubled historical-political time zone as well.

Deep discontent with present time and the resulting temptation to repeat or reenact history appears as one of the most explosive and dangerous feelings and conditions in our world. What results from it is the loss of the sense of social and political time. Dictators or even perfectly sound individuals with, one would think, unquestionable democratic credentials, may think that they can return justice or derive it from the past projecting it onto the present or the future. Yet not every form of withdrawal-and-return poses a grave danger to the world.

In his novel *The Winter of Our Discontent*, John Steinbeck exposed this mechanism as deeply embedded in modern pattern of human behavior: we may vacate the realm of norms and part with our views and attitudes

of today for the sake of well-being, self-esteem, safety, and security of tomorrow. He describes this mechanism of living elsewhere for a while for the sake of regaining or reenacting control over circumstances with the stroke of genius. This is more than true with regard to the world of na-

**DURING THE WAR IN
THE FORMER YUGOSLAVIA,
INDIVIDUALS, GROUPS,
AND SOCIETIES ACTIVELY
REENACTED AND RELIVED
THE PERIODS OF PREWAR AND
POSTWAR EUROPE'S HISTORY**

tions. Nationalism has long been regarded by sociologists as a specific phenomenon of the 19th century, and rightly so. However, this fact itself does not mean that nations cannot be reshaped or that they cannot intensify their daily plebiscite, as Joseph Ernest Renan would have had it. Nations may come into existence repeatedly, one more time, withdrawing from our postmodern reality and celebrating a set of sentiments and attitudes that sociologists would ascribe to 19th century or the early 20th.

In fact, during the war in the former Yugoslavia, individuals, groups, and societies actively reenacted and relived the periods of prewar and postwar Europe's history. It may well be suggested that Ukraine lives now in its historical-political time zone made up by critical junctures of modern history and politics enabling and repeating similar or even identical moral choices that were made in the twentieth century. All in all, a new nation comes into existence. ■



Author:
Leonidas
Donskis,
Lithuania

Yuriy Sergeyev:

"Ukraine wants to create a coalition for the protection of the interests of our region – Europe"



PHOTO: REUTERS

Interviewed
by
**Olha
Vorozhbyt**

The *Ukrainian Week* spoke to the Permanent Representative of Ukraine to the United Nations about the transformation of the UN, Ukraine's cooperation with member-nations with a neutral position and isolation of Moscow.

U.W: On November 14, Russia abstained from voting in the UN Security Council for the extension of the stabilisation mission in Bosnia. Statements were then sounded that it is links the Ukrainian issue to others in consideration at the Security Council. Are there any steps that could be taken to transform the UN to prevent this in the short-term prospect?

– The issue of the UN system reform is not new; it has been dis-

cussed for several decades. It was activated in this millennium, with the particularly active phase happening right now. Both the Security Council and the mechanism of the General Assembly need to be reformed. The Security Council is the most complicated element of this entire system, because that is where decisions that are mandatory for execution by all member-nations are approved, while those approved in the General Assembly are of a recommendatory nature. I have the feeling that next year will see an active search for solutions as to how to make the Security Council more effective and restrict blocking mechanisms, particularly under conditions of open conflict, when there is a threat to people's lives. France, one of the member-states with the veto power, has al-

ready articulated this position. All of this will be the subject of a difficult discussion, because the system is steeped in bureaucracy. I anticipate that activity to that end will intensify, but I doubt that the decision will be approved quickly.

U.W: During the vote on the territorial integrity of Ukraine in February, 58 countries abstained. How can Kyiv cooperate with those neutral member-states?

– It is important to note that abstaining is perceived in the UN system as an act in favour of a resolution, not against it. Many member-states made their statements on the results, even the ones that abstained or voted against that resolution, so we conclude that Russia and a small group of states were the only ones that did not accept it.

Some were contemplating the situation. A number of governments compared it to similar realities in their own regions; some needed additional arguments. The latter appeared later, and we understand why some African countries did not support the resolution. They abstained because they were shocked by the legal consequences of what was happening in Ukraine for their regions. In order to understand challenges they faced, they needed additional consultations on the national and regional levels, and that of society.

U.W: Do you think these states could support Ukraine's position in the future?

– We felt and continue to feel the understanding and contribution of the countries that are currently standing with us against the manipulation of international law for the purposes, such as the annexation of Crimea and the occupation or seizure of a territory. It has become clear to them that Russia made disreputable use of the nations' right to self-determination set forth in the UN Charter. They also understood something else: that the application of this provision in this way is a challenge to their national security. African countries are built on an ethnic principle. What is happening today, for example, in Mali or Libya, where separate regions are demanding independence and manipulating this particular right, signals to many countries, that the situation in Ukraine poses a threat to them. They are now transferring to the side that Ukraine is on – the one protecting international law. Together, we shall decisively act against the use of any provision of the UN Charter in conflict with another provision (namely territorial integrity, which everyone is supposed to comply with and protect).

Different countries had their own reasons for abstaining. Now, all these countries are openly expressing their sympathies for us, so I think that on this basis of protection of international law as a result of this aggression we are consolidating the entire world not only around ourselves, but also around the values that were so flagrantly trampled on by Russia. This pertains to Latin America and Asia... Yes, these countries have certain nuances related to their own his-

tory, when their territories were also seized in violation of international law, but they understood that we have become a victim in this case. They were also victims once, so they have now stepped over their own national ambitions, and I feel that we have broader moral and political support.

U.W: All BRICS countries, except for Russia obviously, also abstained from voting on the resolution on territorial integrity of Ukraine. How about these important partners? Can they take our side in the future?

– I feel that they can. We understand why they abstained. By the way, their governments made declarations about that. There is assistance from them. Moreover, in this session, we have already co-authored many resolutions sponsored by them or other countries. We have many joint events planned with each of these countries for the current and upcoming years, including informal ones. Ukraine and India will jointly conduct an interesting chess event, with the support of the UN Secretary-General. This is our bilateral initiative. With the exception of Russia, we have no civilisation clashes with BRICS members, because India, South Africa, and Brazil have respect for human rights and international law as the foundation of their state-building. This is something that Russia lacks. In other words, we have things in common that we can talk about and defend with the above-mentioned countries. And not only with them, but also with other countries of the world, where respect for basic rights and freedoms rules: we have developed a united position and we can build cooperation with them.

U.W: At the G20 summit we saw that Russia is being diplomatically isolated. Is this the case with its representation in the UN?

– Russia is still a member of the United Nations, so its future in it depends on how adequately it behaves. Its leadership understands that the UN statutory documents have been designed in such a way that it is impossible to exclude a permanent member of the Security Council from either this entity or the UN as a whole. Everything is tied in such a way, that holders of the veto power can block many things. However, the feeling of not

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so much isolation, but rather the loss of respect to Russia is present. Moscow should think about ways to renew this trust.

Meanwhile, we have to be concerned with other things. As long as all these crises related to Russia's aggression are present, as long as Crimea is not returned to us and we do not bring an end to aggression in Eastern Ukraine, the position of the consolidated world in supporting the legal interests of Ukraine is more important to us than is Russia's position. This is why we need further consolidation and the solidarity of EU member-states, the members of the OSCE and individual countries such as the USA, Canada, Australia and Japan. Ukraine needs the solidarity of regional structures in Africa, such as the African Union, so that by defending our national interests, we can help the world to understand that the whole international security system is under threat. After Russia failed to fulfil its obligations within the framework of the Budapest Memorandum, the foundation of international security as regards the non-proliferation of nuclear weapons was undermined. Now, the entire world has to be made aware that by defending its national and security interests, first and foremost, Ukraine wants to create a coalition for the protection of the interests of our region – Europe. Actually,

ABSTAINING IS PERCEIVED IN THE UN SYSTEM AS AN ACT IN FAVOUR OF A RESOLUTION, NOT AGAINST IT

we are consolidating all countries around ourselves in order to strengthen trust and security measures in the world – this is what is of paramount importance to us at present. All of this will help us to gain support for the resolution of our domestic financial, economic and security problems, that we are hoping for. Of course, we would not like to have the present relations with Russia. And as we appeal to it every day, we tell all Russians, with whom we live as neighbours: Come to your senses! This is what we begin and end with in any of our speeches in the Security Council or the General Assembly. ■



Anti-Crisis Communication

Author:
Pavlo Gudimov,
musician and gallery curator

Goethe-Institut has recently invited me to a cultural conference in Germany, which focused on the construction of a cultural segment in the former depressed coal-mining city of Ruhr. I thought it was similar to Ukraine in the way its obsolete industry-oriented economy and old lifestyle was dying out, giving way to the new one. The renewal turned out to be an easy process in Germany: the state provides huge support to various cultural initiatives through reforms. One aspect of this is the transformation of former workshops into museums. For Ukraine, cultural reform is one of the most urgent issues. Without it, there will simply be no way out of the crisis.

This path has many risks. One is to draw yet another utopia on paper that will be full of officials and budget embezzlement. The most important step, however, is to bring private cultural initiatives and the state to a point where they intersect. Private institutions are often more important than the state ones today, so they must be supported. It is not necessarily standard monetary or financial support from the budget. It could be a tax relief or promotion of the national cultural product through state channels, regardless of who finances or initiates it – state or private institutions.

It is very important to understand that culture is not only about art, but also education, social institutions and initiatives, intellectual pastimes, and so on. Finally, we have to come to understand that the national cultural product and its progress is one of the country's main strategic tasks. This product includes both mass and elite culture in proportions that will ensure the most effective presentation and presence of Ukraine in the world. In the modern universe, a state does not need to be engaged in culture on its own, but it must provide as much support as possible to those who are.

The current situation is that the private sector knows how and why the state and the private sector have to draw closer, but the state doesn't. It is cur-

rently in a kind of stupor after a complete rejection of private initiatives, but the time has finally come for interaction. And it is this rapprochement, if only on the level of communication, that is the main task and trend in Ukrainian culture for 2015. We all have to gradually realize in what mess we are. Inactivity simply cannot be allowed, because it is the inactivity of the past years that has led to incivility, which in turn, has caused the current political situation.

By the way, communication is ongoing on all levels. I, personally, am constantly invited to the Ministry of Culture, to talk on various issues, about how we can be helpful to one another, and that's just great. At the same time, the private sector is undergoing a natural cleansing – we can see who is all talk, and who is actually doing something. After all, there is also a great demand for Ukrainian culture in Ukraine itself. For instance, the Book Forum in Lviv

sold a record-breaking amount of books this year compared to the previous ones.

I'm sure that contacts will intensify and the weight of culture will grow regardless of the difficult economic situation, because as vast re-

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search and historic experience has confidently shown, crises increase the significance of culture and artwork. Now is not the best time for business, but it is the best time for culture. One does not have to be a prophet to foresee that the state will hardly finance culture next year. But I am convinced that patrons and initiators of various cultural initiatives understand very well, that it is in such difficult times, that money, effort and resources have to be invested in culture. They said that when Churchill was advised to cut the budget for culture, he responded: "Then what are we fighting for?" It is impossible to constantly lament that we are penniless, so there is neither time nor opportunity for culture in this vicious circle. On the contrary, it is necessary to use culture to cure our heads, even if it means being hungry. Only after that should the economy be remedied with a sound mind. ■



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