

The Ukrainian Week

International edition

#4 (98) April 2016

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aircraft industry

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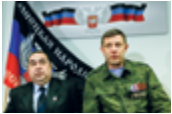
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BRIEFING

In anticipation of a temporary lull

Roman Malko

Life moves in a spiral and Ukrainian politics are clear proof of this dialectic rule. Just over 10 years ago, the country lived through a similar story. A crisis of relations in the victorious team blows up into a real fratricidal war and ends with some of them fraternizing with the one-time enemy. Then a comeback and the return to power of the man the Maidan had removed so humiliateingly, Viktor Yanukovich. Today, it's déjà-vu all over again. The winning team is stepping into the same pitfalls. A comeback is still far off, but if everything continues in the familiar manner, in a year or two, we could see that repeat itself, too.

PHOTO: UNIAN

At the peak of the Cabinet crisis, the Verkhovna Rada's five-faction coalition,—Poroshenko Bloc, Narodniy Front, Samopomich, Batkivshchyna and the Radical Party—finally fell apart. Efforts to come to an understanding went nowhere because there were just too many differing interests, desires, ambitions, and future plans among the one-time partners.

Batkivshchyna, Samopomich and the Radicals went over to the “democratic opposition,” as they call it. The three parties have not hidden their desire to have a snap election called immediately, because the polls suggest that they would all significantly increase the number of seats they hold in a new legislature. They're also reluctant to “dirty” themselves by continuing to cooperate with the president's and premier's factions, all the more so that most of the conditions they had originally set were not taken into consideration.

On the other hand, even if they were satisfied, it's not clear that it would be possible to return to cooperation. As far as they are concerned, constructive opposition is a much better option for them than risking their images by continuing to associate with obviously losing propositions. Cooperating can only continue on a situational basis, according to specific projects, which has long been the case in this Rada with its numerous independents and the Opposition Bloc.

Meanwhile, the crisis seems to be slowly dying down and close to a resolution. The main candidate for the premiership, current Speaker Volodymyr Groisman, is almost done putting together his



MOST LIKELY A NEW COALITION WILL BE FORMED AS ANTICIPATED, BASED ON THE TWO FACTIONS: POROSHENKO BLOC AND NARODNIY FRONT. BETWEEN THEM, THEY HAVE JUST ABOUT ENOUGH SEATS TO DO THIS

coalition and some politicians even predict that by mid-April everything will be in place. Who the new ministers will be is not entirely clear, however. So far Groisman has only named three names (possibly); Ivan Miklos, a former Slovak finance minister, who has apparently turned down the offer; Yulia Kovaliv, the current Deputy Minister of Economy, and Maksym Nefiodov, Deputy Minister for Economic Development under Aivaras Abromavicius. The name of current Chief-of-Staff Borys Lozhkin has also come up, as well as that of Social Policy Minister Pavlo Rozenko, Deputy Infrastructure Minister Volodymyr Omelian, Deputy Chief-of-Staff Oleksandr Danyliuk, previous Minister of Culture Yevhen Nishchuk, and one or two others. It's almost guaranteed that top cop Arsen Avakov will remain in that position, as will Justice Minister Pavlo Petrenko, as this is the Narodniy Front camp. Information Minister Yuriy Stets, FM Pavlo Klimkin and Defense Minister Stepan Poltorak are also certain to remain.

Most likely a new coalition will be formed as anticipated, based on the two other factions: Poroshenko Bloc and Narodniy Front. Between them,

they have just about enough seats to do this and they have already figured out where to find those remaining seats. To the rescue, the familiar old practice of “*tushkuvannia*,” that is, they will persuade independents or deputies from other factions to switch over to their team for a small “reward.” The “reward” is, of course, unofficial and no one talks about it, but VR legend says that usually this involves some specific promises or fat sums. This method was particularly popular when Yanukovych's associates went around buying up members of the Orange team with huge packets.

Whatever the case, the Poroshenko Bloc has already filled its ranks with three such deputies who were elected for Samopomich and then dismissed from the party and a whole bunch of other independents are being tirelessly negotiated with by specialists from the Presidential Administration. Whether they are being paid off or they simply agree to join the presidential team for ideological reasons, the country will never know. But the very fact that these old and not-quite-clean methods have returned says enough. It gained two more deputies from its party list in exchange for two deputies who were removed in a not-entirely-legal procedure: Mykola Tomenko and Yehor Frisov. This also caused a ruckus and raised many questions about the fairness of the game. But that's done.

It's quite possible that a few “*tushky*” will fill the Narodniy Front's bench as well. Inspired by these tiny victories, some spokespersons from the Poroshenko Bloc are already confidently announcing that the coalition is almost ready, they are close to having the necessary 226 votes, and soon everything will be just great.

Yet this is no more than the tip of the iceberg. Even if circumstances unfold in the most optimistic fashion, neither the formation of a coalition nor the appointment of a new Cabinet will really bring some kind of overall resolution. It's only delaying the inevitable. A snap election is the critical point that everyone is circling around, some of whom want to bring it closer, and others to keep it as far away as possible. The two largest factions, BPP and NF, of course, have no appetite for it. They will only consider this as an extreme step if they fail to resolve the political crisis no matter what.

After all the negativity accumulated over the last two years of governing and largely unsuccessful reforms, both have little support among voters and to go to the polls again with a minus rating would be extremely unwise. And where the presidential party, BPP, can still count on some support, the chances of the PM's NF gaining seats is pretty much zero. However, in resorting to fairly suspect methods, the new Cabinet is unlikely to turn out much better than the previous one and so its fate is unlikely to be envied any more than the fate of the current one. At least, many pundits and deputies themselves say that it won't last past the fall.

One other remaining option, then, is to roll out the broad coalition that some are already working hard at, which would include deputy groups that team with former Regionals. ■

Just between us optimists

Yuriy Makarov

Something's just not playing out right. The Government, the coalition, the prosecutor's office and then the mayoral elections in Kryvyi Rih like the cherry on top of a cake... What a mess! Not at all the kinds of achievements anyone can be proud of, especially during a war. All that's left is to interrogate the US Ambassador and the face of Ukraine's new democracy—the fourth republic as some refer to it—can be hung up in a museum with a brass plate saying, “How not to carry out reforms.”

The contrast between expectations and the achievements of the last two years has subdued the most determined optimists and raise a blunt question: Is it really possible to change the paradigm here? And, of course, then: Who's to blame? Typically, fingers are pointed at the oligarchs who, strictly speaking, amount to about two and a half today. How convenient to have a couple of daughters-in-law to blame everything on!

Of course, it's been a bit naive: to expect that infiltrating hardened post-soviet institutions with a certain number of motivated enthusiasts would be enough to change, both the institutions and their traditional *modus operandi* with the public—even with plenty of support from optimists outside the system, what we now call civil society. It's not that I don't admire optimists—I'm one myself. But to get anything going, you have to have your feet on the ground and at least start by using the right definitions.

There's a thing called the theory of administrative markets. Its inventor is the enfant terrible of Russian sociology, Simon Kordonsky, who is called both a dissident and yet almost an apologist for the current regime in Russia—but that's getting into the fine points. What interests us is how this academic describes Russian realities and what possible constructive parallels there might be. So, according to Kordonsky, there is no society in Russia. What there are, instead, are different estates—*soslovnia*—that are determined by one's relation to those in power and access to the distribution of resources based on what powers those at the top deign to permit.

The term “money” in the contemporary sense, also does not exist: money is something that can be made to work, that is, it can be invested, and no investments are possible in principle without administrative “protection”—a roof. Money is no more than a certain kind of resource.

And of course, there are no citizens, either, because everyone is self-defined according to the estate into which they happen to be born in, and not part of a society, since that does not exist. And, by extension, business also does not exist: there are all kinds of trades built into administrative relations. Oh, wait a minute, I almost forgot: there is no corruption, only the redistribution of rents. In some ways, this structure resembles medieval feudal states: instead of rights, there are priv-



ileges; instead of competition, distribution; instead of ownership, rewards. What makes Russia unique is that this structure has been reproducing itself, almost intact, for several centuries now.

Now, let's look at contemporary Ukraine as a clone of the empire, whether we like this or not. There are differences. First of all, the matrix we just described rests on general consent regarding the legitimacy of the monarch, something that is impossible in Ukraine. Secondly, Ukraine does not have nearly the level of centralization, so elites of various stripes need to work out how to satisfy their appetites, because when this system is violated, we end up with Yanukovich. Thirdly, resources are limited and we don't have anything similar to Russia's gas. Fourth, after the Maidan, the role of free associations of citizens (yes, citizens!) has grown beyond compare and their viability is limited only by their own actual endurance. Fifth, Ukraine's crazy optimists (that is, us) have support



UNTIL PROPERTY RIGHTS ARE GUARANTEED AND A FREE MARKET SYSTEM TO BALANCE VARIED INTERESTS, FEUDAL RULES WILL HOLD SWAY

from outside. Still, breaking the pyramid of the corporate castes is not so simple. There has to be an alternative that will provide incentive to all those in the food chain.

Most of all—and I apologize for the relapse into Marxism—, there has to be a guarantee of property rights, in the sense that social being determines social awareness. What we see today is not an economy and until there is a free market as a system for balancing varied interests, feudal rules will have the upper hand. No amount of confiscation of ill-gotten golden loaves will launch such a market. For that to happen, there has to be a firm conviction that your factory will not be invaded by thugs and your little vineyard won't be forced to pay “tribute.” And that means that there absolutely must be a conscious judge and not some a-hole in a cape driving a Porsche Cayenne. Incidentally, every foreigner who has come to Ukraine with serious intentions of investing in the country talks about this as the Job 1 of any program. Believe me, I've seen enough since 1991 to know...!

In short, I have no ambitions to open everybody's eyes and tell them how to live. I'm only suggesting that people learn about materiel. No “technocratic Government” will ever find the end of the string that is needed to unravel the tangle because it is part of that very tangle...as is the legislature, and the prosecutor's office... The only ones we can count on are those outside the system. ■

The second coming of Akhmetov?

Denys Kazanskiy

What is the "Medvedchuk plan" and can it be implemented

The news that oligarchs Rinat Akhmetov and Yuriy Boyko might return to Donbas to head the "Donetsk and Luhansk People's Republics" respectively, replacing current Moscow-controlled leaders Zakharchenko and Plotnytsky, raised a real storm in Ukrainian media. If implemented, the move could result in nothing else but massive resentment. Over the past two years, journalists have written gigabytes of text on the role of these two characters in inciting separatism in the East.

The fact that Boyko and Akhmetov allegedly agreed to head the rebel regions and reintegrate them into Ukraine was initially reported by jour-

nalist Serhiy Rakhmanin, a well-reputed author of the *Dzerkalo Tyzhnya* weekly, in mid-March. He was citing a source in the Presidential Administration.

"According to our information, Putin has confirmed his readiness to replace Zakharchenko and Plotnytsky with less odious characters. Poroshenko, for what we know, is showing interest in the "Medvedchuk plan," which provides for the establishment of the administrations in the occupied territories led by the figures acceptable for both Kyiv and Moscow. Apparently, Viktor Medvedchuk personally advised Poroshenko of the candidacies of Rinat Akhmetov and Yuriy Boyko. They say that



Still kings. The Moscow-controlled leaders of separatist republics remain in their positions. The threat now is that their possible successors could be oligarchs Yuriy Boyko and Rinat Akhmetov

the president liked the candidates," Rakhmanin wrote in his article.

It is too early to say whether such plan has been approved in principle and would be implemented consistently. In practice, this seems rather utopian. After all, the destructive processes in Donbas have gone too far. Most probably, this is one of the options under discussion, which might well exist, but could hardly be the main one. It is also quite possible that it was "leaked" to the media deliberately, to test the public reaction.

Even though such plan would probably suit Russia in general, it is not yet quite clear how it could be implemented. After all, the public opinion of both warring countries would never accept such turn of events, seeing it as nothing else but "surrender." The return of the Ukrainian oligarchs to Donbas would deal a huge blow to the rankings of both Putin and Poroshenko.

The plan of the conflict resolution described by Rakhmanin would undoubtedly allow the pro-Russian forces in Ukraine to significantly consolidate their positions in Parliament and to seriously prepare for revenge. The 2014 elections have shown that without the support of their base regions – primarily in Crimea and Eastern Ukraine, pro-Russian parties would inevitably fail and be marginalized, and Russia would lose its leverage in Ukraine.

To prevent Ukraine's final split-off, Moscow badly needs to secure the votes of the pro-Russian minority for the parliamentary and presidential elections, as before. In this connection, Donbas taken under the wing of the old Ukrainian allies of the Kremlin, the members of the Party of Regions, united today under the brand of the "Opposition Bloc," would be a desirable option for Russia. However, this turn of events will not make everyone in Russia happy.

The most radical part of the Russian society will not accept the surrender of Donbas to Ukraine in any form. For two years, propaganda vividly described the "horrors of the Kyiv junta," trumpeted the crucified children and cluster bombs, and urged Russians to leave everything behind and go to the war to defend the "Russian World." At the same time, the propaganda machine of the Donetsk militants keeps repeating that at the long last, a true "people's republic" has been established in Donbas, without oligarchs. It is easy to imagine the reaction of the Russian nationalistic public and the armed groups in the region when they realize that the war was in vain, that all the rant about fighting fascism was fake, and that the territory would be surrendered under the management of the Ukrainian tycoons.

Although both "people's republics" of Donbas are entirely puppet structures that could not exist without the support from Russia, the factor of the Donetsk and Luhansk militants should not be ignored completely. Thousands of well-armed men are a serious force. It is unlikely that they would be prepared to surrender their weapons for the sake of Akhmetov's interests and to obey him. The militants' attitude towards Ukraine is extremely hostile, most of them fight for ideological reasons,

and stopping the flywheel of violence with a wave of the hand would not be an easy task for the Russians. At some point, the armed folks could just go out of control, break into small groups and units and continue resistance on their own, not relying on the support of the Kremlin. After all, Russia has saturated Donbas with weapons to a degree when the war can last for quite a long time autonomously.

Let's not forget that at the beginning of the conflict, the region was already immersed in the guerrilla warfare, which was not easy to curb. Even today, it is too early to say that it has been entirely suppressed. A political U turn is likely to push Donbas back into the chaos of insurgency and gangsterism. It is hard to imagine that so many fighters who have tasted power and impunity would simply surrender weapons and return to their previous lifestyles as security guards at Akhmetov's supermarkets or coal miners at the mines of DTEK, his holding.



THE PLAN TO RETURN AKHMETOV AND BOYKO TO DONBAS TO REPLACE CURRENT MOSCOW-CONTROLLED LEADERS OF "LPR" AND "DPR" COULD RESULT IN NOTHING ELSE BUT MASSIVE RESENTMENT

For Ukraine, the implementation of the "Medvedchuk plan" would definitely be a step backwards, to the times of Yanukovich. However, recalling public outcry over earlier attempts to amend the Constitution upon the demand of Moscow and separatists, one can be sure that the opposition to Poroshenko would block the "Medvedchuk plan" in the early stages of implementation, should the president nevertheless decide to risk this scheme.

It is also unlikely that Poroshenko himself is interested in giving Akhmetov and Boyko a free pass to the politics again. After all, the transfer of Donbas under control of the oligarchs, followed by its reintegration into the legal playfield of Ukraine, would mean the immediate growth of competition. Besides, this step would destroy Poroshenko's popularity for good, and could also push the country into the chaos. Does the president need this? Hardly so.

In the meantime, nothing in Donbas forebodes a rapid return of the occupied territories to Ukraine. Russian textbooks are being imported to the schools in the occupied territories, "tax legislation" of "LPR" and "DPR" is being harmonized with the Russian one, while practically all "ministries" of the quasi-republics today have curators and managers from Russia, who are gradually reorganizing the work of the local bodies and structures to meet the new Russian standards. All of this somehow does not match the rhetoric of the imminent return of Donbas. Quite the opposite, this gives the evidence to the contrary. Therefore, it is not worth expecting Akhmetov's second coming any time soon. ■



PHOTO: ANDRIY LOIMAKIN

“For the reason that we report objectively, we do not draw conclusions in our findings”

Interviewed by
Anna Korbut

Principal Deputy Chief Monitor of the OSCE Special Monitoring Mission to Ukraine spoke to *The Ukrainian Week* about the rules the monitors follow when compiling reports on what they see in the Donbas, where the SMM has no access, mechanisms to deescalate tensions and the life of civilians along the contact line in Eastern Ukraine.

Your recent reports show intensification of fighting in Eastern Ukraine. Is this a steady pattern or temporary episodes?

– First of all, it is a fact that both sides do not adhere to the ceasefire. We document that on a regular basis. Since mid-January, we see an increase in ceasefire violations. End of February and March was one of the worst periods in terms of ceasefire violations since September.

Interestingly, the activities are completely different between the Donetsk and Luhansk. In the latter, we registered almost no fighting activities, and those we do register relate to training along the contact line in 90% of cases. Any shot fired in the eastern part of the country qualifies as a violation of ceasefire, and all the more in the area of the security zone. And, as you know, the sides have agreed to create such a zone, meaning a zone without danger, a 30-km wide area from which certain weapons, including tanks, mortars of 82, 120, 152 mm, must be out. The remaining armed formations should not be firing or moving forward in this area. What we see at the moment, however, especially in these locations in Donetsk that the opposite is happening: the sides are coming closer and closer to each other. What’s important, behind all the words “security zone”, “heavy artillery”,

and “checkpoints” are civilians. And in all these places civilians still live and suffer: they can’t take their normal routes to go to work, visit cemeteries, go to friends, take their children to school. Their houses are also destroyed, as well as essential infrastructure. Gas, water and electricity are difficult to come by in this security zone. Our mandate is to the sides to bring normalization to those places. The fighting doesn’t take place in an open field. Instead, it takes place in built-up areas, and that always involves civilian population.

The problem is that military positions are located in, for instance, Donetsk city, or close to Toretsk (formerly Dzerzhynsk – Ed.) or Zhovanka, or school n 15 in Zaitseve – that’s a “DPR” military position. The fighting is bad in itself, but it’s worse in the context that when one side fires from these positions and it can draw counterfire.

How do the sides react to the pressure to stop these practices?

– First of all, on the positive note: if you see the amount of damage and civilian casualties now compared with a year ago, there is much less of that now than then. A lot of it is linked to the fact that many of the heavier weapons, such as multiple launch rocket systems, are no longer in use as often. A lot of that has actually been pulled back. We have to acknowledge what the sides have been doing. Unfortunately, there is also a reverse trend. We have been seeing percentage high number of weapons missing from permanent storage sites – We see weapons close to the line of contact. Out of the military perspective, that makes sense for the purpose of counterbalance. But it’s

opposite to what has been agreed to. We have a good cooperation with the Ukrainian Armed Forces and the Ministry of Defence here in Kyiv, as well as good access on the Ukrainian side to check their commitment. We continue to face restrictions in our activities, and we encounter most of them in areas not controlled by the Government.

Are you able to document the specific time when the shooting takes place? That can help determine which side initiates the violation of ceasefire.

– We do identify the timeframe in our reporting. If our patrol arrives at a certain observation point and then fighting starts, we know the beginning of it and the end point of it. So, there is time indication in our reports – you can see the timing in the annex at the end of our reports in a table format. We try to be as detailed as possible in our findings. Often though it is very difficult to determine certain details, due to weather, distance, or security considerations. Of course, if we don't observe a certain event, then we don't report it. Our monitors go to see the damage, to speak to those affected, to go to the hospital, and see the damage for themselves directly.

When monitors go to verify the information, do they collect evidence from civilians or the military predominantly?

– The starting point can be a report by the MoD in Kyiv, for instance. Or a call from the Joint Centre for Control and Co-ordination as it happened recently when the fighting in Avdiyivka and Yasynuvata intensified. I spoke to both generals – Ukrainian Gen. Taran and Russian Gen. Muradov. I will tell them: yes, I listen to you and note your reports. Then I tell my team to dispatch to the respective area and report back what they see. That is the way we operate. The source of indication can also be a newspaper article, or civilians calling in. We take that information and dispatch patrols where possible.

We also have technology available. When, for instance, the fighting dragged out into very dangerous area and into the night – we dispatched our UAVs to document what was happening at this juncture near Yasynuvata. The UAV saw houses on fire, armed formations, and documented what happened. This was reported in our daily report the following day.

How do you assess the progress in the withdrawal of heavy weapons?

– I have alluded to some degree to this already. We see that the sides have actually moved some of the weapons away from the line of contact. The immediate result of this is less use of these weapons, and as a result, less civilian casualties and damage. These weapons should have been kept in permanent storage sites and be verified by us whether they are still there. The process is as follows: the sides are obliged bring us the list indicating weapon type, serial number and the location to which they will withdraw them. We will go to that location repeatedly and verify whether the weapons are there. As I told you before, in an unfortunate change of the trend with weapons, we see now that high numbers missing from permanent storage sites, and we see weapons popping up again in the security zone. That is happening on both sides of the security line. Our observation of weapons and ceasefire violations also indicate that the inventories declared to the SMM do not constitute all the arsenal available to the sides.

Alexander Hug is a trained lawyer, formerly an officer in the Swiss Army, regional commander of the Swiss Headquarters Support Unit for the OSCE in Northern Bosnia and Herzegovina. He worked for the OSCE Mission in Kosovo, the Temporary International Presence in Hebron, and the EU Rule of Law Mission in Kosovo. Prior to his appointment to the OSCE SMM to Ukraine, Mr. Hug was a Section Head and a Senior Adviser to the OSCE High Commissioner on National Minorities.

How much access do you have to the storage sites on both sides?

– On the Ukrainian side now, these months, we have had very good access. If once we have none, this is because of individual decision on the ground. It is normally then dealt with swiftly by the chain of command. We do have problems in the area not controlled by the Government. However, there is no area where we have no access systematically. It can be that we can enter one facility today, and next day not, or with some delay.

Where we face access problems in the area not controlled by the Government, it doesn't just happen in the open field. It happens where we suspect that weapons are either hidden or firing is ongoing. When we say in our reports that a team had no access in a certain area, it's a fact. But you should read, among other things, that these are often the areas where there is fighting ongoing. So the denial of access to us is a result in itself because it shows the unwillingness of those who control the area to let us see a certain location, and there is just one reason for that – they don't want us to see what's going on. Not to mention that prevention of access for us is a violation of our mandate and Minsk agreements.

Is the dynamics of access prevention coherent with the intensification of fighting?

– Normally, you can see in our reports that when we have more ceasefire violations, we face more restrictions in this regard. But, again, it's important to understand that for the reason that we report objectively, we do not draw conclusions in our findings. We say A, B, C, D, but it's up to decision-makers, media and political masters in the capitals to draw conclusions. The standard question we often get here is about the presence of Russian military in Ukraine for instance. We always report what we see. We have seen specific types of weapons, given very detailed account, individuals with insignia of the RF; we have interviewed individuals who claimed to have been part of a Russian unit operating in Ukraine. We have seen traces of tracked vehicles across the border. We have seen large amounts of weapons moving from the east to the west. All of that has been documented. But the conclusion is not for us to make. In a way, we are like a camera in a street that records what happens, the facts, and then the viewers – in our case the readers – can draw conclusions themselves on what it means. We also hear from both sides that we should document who has been firing first, who has been firing second. We will do that if we see it, and we don't if we don't see it. But since both sides ask us the same questions, it shows that we drive that middle way, an objective one, and it's not easy, especially when one sees how Ukrainians suffer from this conflict and from the fact that the sides do not learn from the information we provide to them. I remember a year ago, as we were working for stabilization in Shyrokyne, I knew almost all people there personally – I visited them ▶

in their homes and knew lots of their life stories. We were telling the sides: all you have to do is move slightly back, and this will stop. It was then very difficult to see that this was not taken into consideration. We continued to report more shelling of the town, that more people we knew left the village or were killed.

But, as I said in the beginning, we will never forget who stands behind this fighting, meaning Ukrainians on both sides of the equation who suffer from this conflict. And that's not easy for us because my colleagues in the field are people, civilians, just like they are. But it's at the same time a motivation for us to give all we have to make sure that this situation changes: that the military logic that has been there for far too long, and civilian logic returns. All civilians I speak to – not those with weapons – on both sides of the contact line tell me three things. First, this has to end. They don't want a new house, the cars replaced, but to sleep quietly with no more shooting. The youngest kids tell me that and the eldest people tell me that. The second thing they tell me which is equally important, and particularly in the area not controlled by the Government: we are Ukrainians, we are not separatists, and we want this conflict to stop. I think that this is promising, because the civilians clearly long for an end to this. One who spends time there realizes the domination of military logic there, with uniforms, military hardware. But civilians live everywhere there at the same time. This unnatural circumstance has to change. The SMM will do everything within its mandate to help Ukraine achieve that – bring about normalization to the whole country. We stand by the people of Ukraine. The Ukrainian Government which has invited us to conduct this mission with the consensus of the other 56 states. We will continue to do so: we have just been given an extension of our mandate till March 2017.

One of the aspects that would contribute to this stabilization would be the stopping of influx of Russian weapons, ammunition and military through the Ukrainian-Russian border. The OSCE now has access to monitor only two crossing points on the border. Does that mean that major part of the borderline is unmonitored? If so, do your monitors see a change in the amount and composition of heavy weaponry on the side of the "DPR" and "LPR"?

– First, a point for clarification: this is the OSCE Observer Mission at the Russian Checkpoints Gukovo and Donetsk. It's a different mission, but not our SMM, so it's a different structure, mandate and decision. We are ready to monitor and establish continuous presences in locations closer to the border – Krasnodon, Antratsyt, Amvrosiyivka, Novoazovsk. I have been in the hotels where we would establish these locations. But we don't have support of the so-called LPR and DPR to do that.

In the absence of this presence, we patrol the border from Luhansk, Mariupol, Donetsk or Horlivka. It's a long distance, it takes a lot of time to get there, and it's risky because you have to go through many checkpoints, there are all kinds of armed groups in the area. But we do manage to get on the Donetsk side to the border, and less so on the Luhansk side. I was myself in the south of Antratsyt, in Diakove, we were driving towards the border. After the end of the village, some armed men with "LPR" patches on their sleeves stopped us and said "go no farther". While all civilian cars and other traffic would go through. So, there was no risk of fighting there and they couldn't say that they were doing it for our protection. So,

there could only be one reason: there is something in the area that they don't want us to see.

And just to be clear: we don't need any permission from anyone to go anywhere in Ukraine. It's in our mandate, and it's in the Minsk agreements. So, these armed men not only violate our mandate, but they also violate Minsk.

For example, we are in places such as Torez, where we notice a lot of weapons behind the withdrawal line. That gives an understanding of how much weapons there are out there. It's all in our reports. As stated earlier, this information is available in English, Ukrainian and Russian on our websites.

What complaints from civilians do you face most often that the Ukrainian authorities could respond to?

– The civilians who live in what's supposed to be the security zone complain that, apart from obvious security risks, they can't properly travel. If you want to go in a car from Luhansk city to your dacha in Stanytsia Luhanska, you can do that on foot only across the damaged bridge. Or you can drive all the way down to one of the crossings like Marinka, wait one or two days, and then travel all the way back to Stanytsia Luhanska.

We fully understand that there is, from the Ukrainian military and security perspective, a need to control that area. These controls should be arranged in a way that the flow of civilians is smooth, so that people don't have to wait for days in the queue, and do so safely. Also, much of this area is polluted with mines, and that poses deadly danger. We've seen a gradual improvement at these checkpoints – the number of computers to check people, , toilets and other improvements set up.

What is still not the case is that many of these checkpoints are still heavily militarized on both sides. And because there are military positions near civilian crossings, they themselves become targets and come under fire. That we've seen in Maiorsk, or in Marinka.

The Ukrainian army has had to close them down when the fighting has started to protect civilians. But in the long run the logic should be not to close down, but to disengage and withdraw for both sides from these areas. Otherwise, the civilians will always be at risk.

Do you see readiness to take these steps on both sides? And what if one side makes progress, but the other doesn't?

– If I lose hope, I should go home. I have hope that the sides will eventually be gaining at least some trust in each other, and will start disengaging, moving to a larger distance between each other. When you stand in Kominternove, at the last Ukrainian checkpoint, you can see the next so-called DPR checkpoint. Of course you have tension. If they go a bit farther between each other, that will be reduced.

It has been proven in other conflicts that disengagement is an effective tool to ensure ceasefire – and that is the basis for everything else. It will not be easy. Trust isn't there. Every shot fired reduces the trust. But again, the people of Ukraine – has our assurance that we will not give up hope and will be working with the sides and will be proposing them ideas.

On March 10, I went to Soledar and saw the two generals from the Joint Center, and we made such proposals to them to encourage take the steps. We can't move the troops. We can only document their movement. They can move the troops. ■



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A marathon of reform

Yaroslav Tynchenko

How close is Ukrainian army to NATO standards?

On March 8, 2016, Ukrainian Defense Minister announced a package of reforms developed by his Ministry jointly with NATO advisers. It is aimed at reforming the Ministry of Defense of Ukraine by the end of 2018, and Ukraine's Armed Forces by the end of 2020. Reforming the General Staff, according to Minister Poltorak, would take much longer.

If we open any of the White Books published by the Ukrainian MoD since 2005 and dedicated to Ukraine's defense policy, we will find pompous reform messages almost on every page. Most of them focus on the reform of bureaucracy in the military. In fact, the number of military bureaucrats has remained the same (and sometimes increased) all this time, with changes affecting only door plaque so far.

Lately, to add weight to their words, Ukrainian politicians have learned to use such language as "NATO standards," "reform road map," etc. As a result, many people in the country believe that if Ukraine's Army were reformed to comply with "NATO standards", the current war would have been won quickly.

In fact, NATO standards are mostly technical documents, designed to achieve uniformity of military equipment and management of member-state armies. As of today, there are about 1,300 such standards. They include regulations on the use of electric power systems in military ships, training of chaplains, soldiers' food, common standards of meteorology, ammunition classification, use of railroad equipment, etc. Combat capabilities of armies are internal matters of each member country. NATO standards only affect them indirectly.

But even if all 1,300 standards were implemented in the Armed Forces of Ukraine, this would have had almost no effect on the decision of NATO executives on Ukraine's admission to the Alliance. In order to get into NATO, Ukraine has to be useful to it.

According to NATO's New Strategic Concept, the Alliance sees its priorities as ensuring security in space and cyberspace, developing missile shields (ABM defense), and fighting drug trafficking. The emphasis is also made on opposing Islamic extremism and promoting nuclear nonproliferation. The Alliance sees Iran and North Korea, as well as the countries with massive support for radical Islam (Syria, Afghanistan), as its main opponents. In the recent years, NATO has called China and Russia its strategic partners in the struggle against these opponents.

There are also other objectives that are gradually being brought to the fore by the government of the US, which is the leader of the block. US academics predict that the world's population will increase by 1 billion people, reaching 8 billion, by 2025. Under such conditions, the countries of Central Asia and Africa will be confronted with the issues related to resettlement,

lack of drinking water and food, and pollution. NATO members should be economically and technically prepared for these challenges in order to have leverage over the situation of the poor nations through new technologies, alternative energy, and finance. Accomplishing these missions will require large expenditures to promote technological progress and R&D work.

From NATO's standpoint, Ukraine is not seen as the best potential partner:

- we have no ambitions related to space exploration;
- financing of science is meager in Ukraine;
- we use outdated Soviet era technologies;
- our economy does not allow us to participate in joint financing of international projects;
- we have no unique know-how in the areas of alternative energy, nuclear nonproliferation or prevention of the Islamic threat.

Besides, the territory of Ukraine is not suitable for the deployment of NATO bases, since it is surrounded on all sides by Russian troops or their allies (Crimea, Transnistria, Armed Forces of Belarus, and the self-proclaimed "Donbas republics"). Such landscape is at odds with the US and NATO criteria for selecting possible military base locations: they need to be safe.

In this way, the main problem of NATO-Ukraine relations is not the implementation of technical standards, but the country's unattractiveness as a potential partner. However, when discussing NATO standards, we should bear in mind our main goal: to reform the Armed Forces of Ukraine so that we are able to withstand external threats. For that end, it is not necessary to join the Alliance or to comply with all of its standards. What we should do is compare NATO principles of army organization, staffing, arming and training to the local standards.

For the purpose of comparative analysis, let's take as an example the war in Iraq in 2003, when it took NATO (primarily US) forces 25 days to completely destroy the Iraqi army. The latter may be considered to be a "clone" of the Armed Forces of Ukraine, since it was also created after the Soviet model and armed with the military equipment manufactured in the USSR.

The offensive of NATO troops in Iraq in 2003 was an air-ground operation was controlled via satellite. The major role in attacking the Iraqi army was played by:

- electronic warfare devices that disabled most of Iraq's air defense systems;
- aerospace intelligence that identified the enemy's key targets;
- air strikes and guided missile attacks from warships;
- massive helicopter-borne infantry attacks.

68% of bombs and missiles launched by NATO troops were precision weapons, i.e. "smart weapons"

(see Iraq vs NATO forces and facilities in the Shock and Awe operation).

Even though Iraq had preponderant forces, especially in terms of armored vehicles and artillery, its army was defeated due to its inefficient organization, extremely weak airpower, and outdated weapons. The ideological factor also played an important role in the defeat: Saddam Hussein's propaganda campaign was waged after the best Soviet recipes and had no effect on soldiers' morale.

The war in Libya in 2011 is an even better example: the country's armed forces also largely resembled the Soviet army and were technically obsolete. Massive missile and air strikes controlled via a satellite constellation were launched against Muammar Gaddafi's troops.

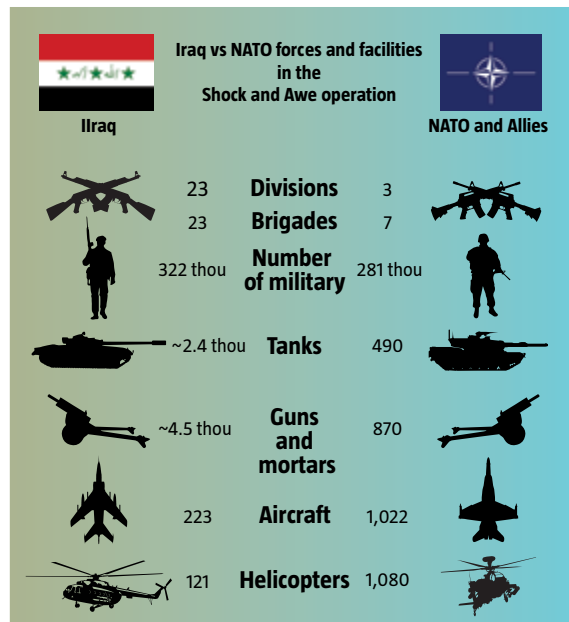
After the operation in Libya, armies around the world started widely using two more types of weapons: unmanned aerial vehicles (drones) and antimine robots. For example, according to estimates, US forces used simultaneously up to 1,000 various types of UAVs, primarily battlefield surveillance and armed drones, in Afghanistan and Iraq.

The Armed Forces of Ukraine today in many ways resemble the Iraqi army of 13 years ago. We still have a rather low level of competence of the command and staff personnel. The National Ivan Chernyakhovsky Defense University that trains intermediate and top level officers does not meet modern international standards. Ukrainian officers should be sent to study abroad. In this respect, NATO countries traditionally accommodate requests and even train students at their own expense (by providing study grants).

The equipment used by the Ukrainian army is mostly the outdated Soviet stuff, no matter how hard they try to modify it. NATO experts believe that any military equipment should be updated every five to six years. Otherwise, it is doomed to be lost in battle. While Ukraine, similar to Iraq, has lots of tanks, combat vehicles and guns, all of them were manufactured in the 1980s at the latest. Meanwhile, we have practically no combat aircraft or helicopters that are the main striking force used by the NATO member states. Modern electronic warfare systems are almost entirely beyond our reach.

Modern weapons, their improvement and ongoing cooperation are the keystones of NATO force. Ukrainian defense industry has nothing yet to offer to NATO colleagues. Moreover, according to experts, Ukrainian industry can manufacture only 5–10% of the weapons that the country's army needs domestically. The rest of the weapons were produced in cooperation with Russia. To change the situation, the state needs to invest in new technologies. But this is not happening. As a result, the greatest achievement of our defense industry is the modernization of the Soviet-era heavy weapons. The production of our own novel models is not yet on the agenda, even though Ukrainian industry, with some investment, could easily develop and manufacture its own combat helicopters and even planes.

Some Ukrainian politicians expect that Ukraine would get military equipment, including helicopters, from NATO either free of charge or with a discount. They will be disappointed. Even if this happened, the



operation and maintenance of "foreign" weapons would cost much more than the development of the domestic ones.

The availability of modern weapons is only half the battle. Military theorists are unanimous that conducting warfare requires:

- sustainable military units with experienced commanders at the helm;
- well trained troops;
- high level of training of command and staff officers;
- own communication system invulnerable to enemy's electronic countermeasures;
- transportation vehicles for the uninterrupted ammunition supply and casualty evacuation.

Only under such conditions can warfare be instantaneous and effective, as was in the case of NATO operations in Iraq and Libya.

NATO today has new requirements to its command personnel. Brutal force gradually gives way to intelligence. Every officer in the near future will have a real advantage over the enemy in terms of intelligence and innovative approaches, i.e., the ability to take initiative and act outside the box. By the way, the Japanese army is considered to be the most intellectual in the world, with most of its noncommissioned officers having higher education.

NATO soldiers must be high school graduates able to push up, chin up and run for as long as it takes to comply with the age standards. For example, soldiers aged 27 to 31 have to run 3 km in 17 min 54 sec. Not all Ukrainian conscripts are capable of covering at least half of that distance.

This means that the Ministry of Defense of Ukraine can keep changing door plaques and renaming its directorates and departments to comply with the "NATO standards" for as long as it wishes. However, the announced "reforms according to NATO standards" can have no effect on the combat capability of the Armed Forces of Ukraine until it has new command officers and its own modern weapons. ■



PHOTO: AP

“Ukraine has to keep on pressing on its case”

Interviewed by
Anna Korbut

In mid-March, Ian Brzezinski, a Senior Fellow at the Brent Scowcroft Center on International Security in Washington DC and Ambassador John Herbst from the Atlantic Council, who also served as Ambassador to Ukraine, testified before the US Senate Committee on Foreign Relations, at a hearing focused on Ukraine two years after the Russian invasion. In his testimony, Ian Brzezinski focused on the US’ strategy regarding Ukraine and Russia, and called for an increase of economic sanctions against Russia, an expansion of NATO’s presence in Central and Eastern Europe, military assistance to Ukraine, more proactive public diplomacy and counteraction to Russia’s information campaigns, as well as Euro-Atlantic integration of Ukraine. *The Ukrainian Week* spoke to him about the way American political establishment sees Ukraine today, the stance of the Obama Administration on Russia and Mr. Brzezinski’s expectations of the NATO Summit in Warsaw.

How would you describe the perception of Ukraine in the US Senate today?

– I think that the US Congress has a pretty realistic assessment of how much progress Ukraine has made and what challenges that remain. They are demanding more aggressive political and economic reform in Ukraine, particularly in realm of combating the country’s still pervasive corruption. With that said, most members of Congress remain fundamentally optimistic about Ukraine and strongly believe that the West should be doing more to support Ukraine’s aspirations to not only reform itself, but to institutionalize itself in the Trans-Atlantic community of democracies.

You spoke about specific assistance for Ukraine at the Senate Foreign Relations Committee hearing. What did you argue for specifically?

– On the economic front, the international community and the West, including the EU and US, have been pretty generous in terms of providing financial assistance to Ukraine. Where I think our assistance is most lacking is in the military and security domains. The United States and some of its allies have provided useful training and mentorship at the tactical level and needed advice on how to reform Ukraine’s defense establishment at the institutional level. But what the West has not done – and I think it’s urgent – is to provide the lethal military equipment that the Ukrainian Armed Forces needs to better defend its country and more effectively deter further Russian aggression. This would include anti-tank weapons, air defense capabilities, systems to help increase the accuracy of the Ukrainian artillery among others. The provision of such equipment would make it a more expensive undertaking to invade further into Ukraine.

Is there political will to do that in the US?

– What strikes me about Washington is that there is strong bipartisan consensus calling for exactly that. It’s been reflected in statements by Republican and Democrat members the House and Senate; in legislation passed with universal consent in both the House of Representatives and Senate. The problem is that bipartisan consensus has yet to include the executive branch.

Is there anything Ukraine can do to convince the executive branch, or is that impossible?

– It just has to keep on pressing on its case. There has been some progress. We have seen a steady hardening of the Administration's position on Russia. Over the last two years, President Obama has steadily increased the rigor of the economic penalties he has imposed on Russia, the scale and quality of US security assistance to Ukraine, and vigor of US and NATO exercises and presence in Central Europe. The problem is that these increases still far short of what is needed to cause Russia to reverse its course.

Meanwhile, a divide looms between Baltic States, Poland on the one hand, and Western European NATO allies on the other. The former keep talking about the urgency of the Russian threat, while the latter seem to grow weary of this – especially as the refugee crisis unfolds. Do you see a similar reaction in the US?

– I have my differences with the Obama Administration: they could be doing more to help buttress security in Ukraine, Poland and Baltic States. But I haven't seen evidence of it becoming softer on Russia. It was deeply committed to its reset policy and but after seven years it appears to recognize that it was a failed policy. The issue now is whether they will sufficiently ratchet up assistance to Ukraine, the sanctions on Russia and the military actions to levels necessary to really deter Russia over the remainder of the year and beyond.

What are your expectations of NATO Summit in Warsaw?

– This Summit will be taking place in a context where the alliance is facing significant challenges on four fronts.

The first one is the eastern front with the invasion of Ukraine, continued occupation of Georgian territory, political and economic pressure on those countries, provocative military actions against NATO allies and partners, airspace and sea space violations of allied and partner territories, provocative snap exercises, and a steady buildup of Russia's military capabilities on its western frontier. You also have the northern front driven by Russia. That features Moscow's militarization of the Arctic which is rich in resources but also in contested domains. If this issue is not addressed at the Warsaw summit, it will come up on NATO's agenda sooner or later. To the south, we have chaos and violence in the Middle East and Northern Africa. A tragic manifestation of this is the migration of refugees who are fleeing those regions and flooding European territory. And then NATO has to be global alliance, because in an age of globalization it can not be sole a regionally focused alliance. Warsaw will probably focus on the eastern front and migration. It will be a challenge for the Alliance to balance those two because they have a centrifugal dynamic on it. The key challenge will be to ensure that all allies contribute to the actions approved at the Summit to address each of those fronts. Second, the success of the Summit will be measured more than that of any other summit in the post-cold war era by how it marshals the assets it has on hand to address issues on both the eastern and southern front.

What I hope will come out of this is a decision to increase NATO's military operations in Central Europe, along its eastern frontier. I personally would like to see battalions with special force capabilities deployed to each of Baltic States, and one or two brigades with necessary enablers to Poland, some NATO reinforcement to US bases in Romania and Bulgaria. I cannot emphasize enough the need for European to match if not exceed US

contribution to these undertakings. In this regard, Warsaw promises to be an important test of transatlantic burden-sharing. It's striking to me that the USG plans to invest USD 3.4bn in the defense of Eastern Europe, but we have not seen any of that caliber coming from Germany, UK, Italy, Spain, France and others in Western Europe.

Equally important is what exercises NATO will undertake following or before NATO Summit, to demonstrate its ability to reinforce deployments in Central Europe in a way that's rapid and decisive. Even a brigade is not that significant of military capability if you are trying to push back the Russians which have divisions in its Western Military District. There has to be demonstrated readiness to reinforce those based assets in the Baltics, Poland, and Romania.

The third step that should be taken by NATO is to give more authority to its military commanders. They need greater freedom of action so that they can respond in real time to Russia's provocative military actions. I don't think we'll see much progress, in realm but I see it as a very real need. Right now, NATO commanders cannot move Allied forces in response to provocative Russian actions with getting permission first from NATO political authorities in Brussels. That's not an effective way for the Alliance to operate in the current environment. In the days of Cold War, when the Soviet Union lined up against NATO, commanders didn't have to ask the North Atlantic Council permission to respond to provocations. They had guidance and operated decisively based on that guidance. The political authorities trusted the judgment of their military commanders. We need to delegate that authority and trust back to the commanders if we want the Alliance to really effectively stand against Russian provocations and aggression.

Back to Ukraine's security – how are Minsk Accords perceived in the US today?

– I'm very uncomfortable with a group of nations basically forcing a solution on Ukraine, particularly when it has done nothing wrong to warrant the occupation and seizure of its territory. To date the Minsk Agreement is a failed agreement. If it was being effectively enforced, today, all Russian forces would have withdrawn from eastern Ukraine and Kiev would be controlling all its borders along its eastern frontier. And that today is not the case. Instead, Russia still occupies part of Eastern Ukraine, reinforces its presence there more and more equipment, including heavy, arms and ammunition, and continues to coordinate the operation of those forces in Eastern Ukraine.

As to your question, it depends on who you talk to. When you talk to German and French diplomats, they believe it's as the only path to peace. Clearly, the Obama Administration believes it's a satisfactory one. A widespread sentiment found beyond the administration in Washington is disappointment is the failure of the west to enforce Russia's compliance with Minsk. If we were really serious about enforcing Minsk, even if it is an imperfect document, we would be increasing our sanctions against Russia for non-compliance. Moscow has yet to adhere to a single element of that agreement, and our failure has been to not escalate our sanctions in response to such non-compliance. You would think that would be a obvious step to take after two years of occupation of Ukrainian territory by Russian forces. ■

*Barack Obama announced the European Reassurance Initiative in 2014. It was launched in 2015 as a \$1bn-worth one-year plan for urgent response to the Russian aggression. The funding requested by the Administration in the 2017 budget is \$3.4bn, compared to \$789mn for 2016.

Taxes vs presidents

Michael Binyon

How the Panama leaks will affect top politicians and offshore dealings



Dear friends. Musician Sergei Roldugin (left), a friend of Vladimir Putin and godfather of his daughter, is listed as owner of offshore firms that controlled stakes in some of Russia's largest companies

The massive and co-ordinated leak of millions of documents showing where hundreds of the world's tax cheats have hidden their money overseas has stirred up a storm of protest across Europe and America, exposed political leaders trying to hide their wealth and led to demands to close down the world's main offshore tax havens.

The Panama papers, as the documents are called, have revealed that 12 national leaders, including Petro Poroshenko, the Ukrainian President, are among 143 politicians, their families and close associates who have been using tax havens to hide their money and avoid paying their fair share of tax on their wealth. The families of at least eight current and former members of China's ruling politburo have been found to have hidden their wealth abroad.

Among the most prominent is the Russian president, Vladimir Putin, who has used close friends and shadowy intermediaries to send abroad millions of dollars. The revelation, following recent assertions

by top American officials that Putin has hidden a vast fortune overseas, will come as a serious blow to the Kremlin, and will lend weight to the charges by Russian anti-corruption activists that the Putin government is mired in corruption.

The leaks, totalling 11.5 million files, all come from the database of a single law firm, Mossack Fonseca, the world's fourth biggest offshore law firm. They were obtained from an anonymous source by the respected German newspaper *Süddeutsche Zeitung*, and were immediately made available to the International Consortium of Investigative Journalists. The explosive documents have been shared with leading Western media organisations, including the Guardian newspaper in London and the BBC, and have dominated the headlines for the past three days.

The revelations have been especially damaging in Scandinavia and other Nordic countries, where high tax regimes have prompted many rich people to avoid tax by hiding their money in banks in Panama and in

tiny Caribbean islands, including three British overseas territories – the Cayman Islands, the British Virgin Islands and Bermuda. Among those named by the documents is the Prime Minister of Iceland, Sigmundur David Gunnlaugsson, and a leading Danish bank is accused to helping thousands of its richest customers to transfer their wealth abroad. Others named include Nawaz Sharif, the Prime Minister of Pakistan, Ayad Allawi, the former prime minister of Iraq, and Alaa Mubarak, the son of the disgraced former Egyptian president.

But it is the documentary evidence that Putin has been the biggest tax avoider that will cause the greatest row. A network of secret deals and loans worth \$2 billion has laid a trail leading directly to the Kremlin, and shows that many top friends and associates of the Russian president have become fabulously wealthy. The documents do not name Putin himself, but make it clear that he has directly benefited from dealings by his closest friends who have moved money out of Russia through a complicated system of loans and bank transfers involving banks in Cyprus and Switzerland. They include a ski resort where his younger daughter, Katerina, got married in 2013.

The leaks have clearly been carefully planned and made public in a way calculated to cause maximum embarrassment. Those who have seen some of the documents have little doubt that they are genuine. The files have been available to some 370 reporters from 100 media organisations, which have been studying them for a year. The fact that the journalists all agreed to make public the Panama papers on the same day suggests that the source insisted on total secrecy about the leaks until all the media outlets were ready to break the news at the same time.

Western politicians are already comparing the impact of the leaks to Wikileaks scandal or the release by Edward Snowden, the former American intelligence official, of records showing that America's top intelligence officials kept files on thousands of leaders and ordinary citizens in other allied countries.

Sending money abroad to countries that do not levy tax is not a criminal offence in many countries. It is not illegal to be a director, shareholder or beneficial owner (who may not be named on the share certificates) of companies that are registered offshore. But European leaders have in recent years campaigned strongly to end bank secrecy and stop the transfer of wealth to countries where it cannot be taxed at home. The law firm Mossack Fonseca, which is based in Panama, insists it has not broken any law, and says that it has been acting correctly for the past 40 years, observing all the international agreements to prevent money laundering. But one leaked memorandum from a partner in the company stated: "Ninety-five per cent of work consists in selling vehicles to avoid tax". The word "vehicles" appears to refer to complicated transactions to move money to tax havens.

Pressure from Western governments is mounting on the firm, especially as one of those who has sent money abroad is a key figure of FIFA, the world football organisation whose top members have been arrested by American investigators on charges of bribery and corruption. The figure is believed to be a senior member of FIFA's ethics committee, who acted as a lawyer on behalf of individuals and com-

panies charged with corruption. Among those using these tax havens are some 23 individuals who have had sanctions imposed on them for supporting the governments in Russia, North Korea, Zimbabwe, Iran and Syria – all governments that have been subject to international sanctions.

The British government has been severely embarrassed by the leaks, as many of the tax havens are in the tiny British-owned islands that are among Britain's 14 overseas territories. They have long profited from the vast inflow of money and company registrations by wealthy individuals and companies looking to hide their wealth or conceal who has the ultimate control of bank accounts overseas. Both the present Conservative government in Britain and its Labour predecessor have come under sustained pressure, especially from the United States, to rein in the banks in these overseas territories that are making vast profits as tax havens. Britain recently passed legislation to ensure that none of its overseas territories were engaged in the laundering of criminal money, but London has not stopped these territories from operating low-tax regimes to attract income from overseas.



THE LEAKS HAVE CLEARLY BEEN CAREFULLY PLANNED AND MADE PUBLIC IN A WAY CALCULATED TO CAUSE MAXIMUM EMBARRASSMENT

So far there have not been further details of how much money has been banked in these offshore accounts by President Poroshenko or any other Ukrainian millionaires. But at a time when there is huge pressure on the Ukrainian government to clean up corruption, push through economic reform and reduce the power and wealth of oligarchs, the documents will cause fury among Western governments and international financial organisations that are being asked to bail out the Ukrainian government to the tune of billions of dollars.

The same is true of Pakistan, where the government of Nawaz Sharif is fighting a desperate battle against Islamist extremism. Islamists have long accused the government of corruption, and will use these documents as evidence that the president and other leading officials are exploiting the population and enriching themselves despite the widespread poverty in Pakistan.

The Kremlin is likely to dismiss these leaks as an attempt to smear Russia's leadership, and a Western-inspired plot to discredit President Putin. But Western journalists investigating the trail leading to the Kremlin have found that millions of dollars were channeled abroad through Sergei Roldugin, a close friend of Putin who introduced him to his former wife Ludmila and who has known him since he was a member of the KGB. They found that some of Russia's biggest banks have been making huge loans, at very low interest, to offshore companies controlled by Roldugin. Few Russians will be surprised by the revelations, however. Russia has won a dubious reputation as being one of the most corrupt nations in the world in which to do business. ■

Bits and ballots

Social media have made the world more democratic—for now

The world's first tweet was as dull as they come. “Just setting up my twttr,” wrote Jack Dorsey, now Twitter’s chief executive, on March 21st 2006. Ten years after that inauspicious start, Twitter’s 320m monthly users send hundreds of millions of tweets a day. However cloudy the firm’s current prospects, and however trivial many of those tweets may be, Twitter is part of a wider communications revolution. As this week’s special report shows, the internet has distributed more political power to citizens. But new technologies also carry risks.

Initial scepticism about the political impact of social media has faded. With the advent of the smartphone, messaging apps and video-streaming services, Twitter and other social platforms have become central to all kinds of collective action. They let like-minded people quickly find one another. They make it easy to get the message out and to mobilise the masses. And they allow nascent protest movements to



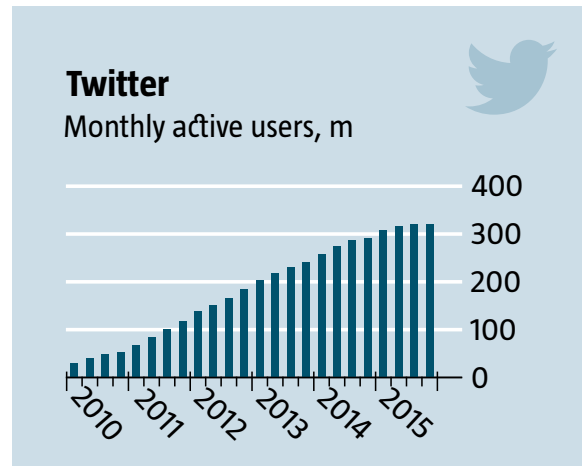
THOSE WITH ACCESS TO MILLIONS OF TWEETS CAN MAP NETWORKS OF ACTIVISTS, ANALYSE WHAT THEY ARE TALKING ABOUT AND IDENTIFY THE MOST INFLUENTIAL

function without leaders or formal organisations, to begin with at least.

All this is to be welcomed. Twitter and other social media have made the world a more democratic place. They give voice and power to people who have neither—and not just in autocratic countries. Social media turbo-charged anti-austerity movements such as the indignados in Spain. More recently, they helped get Black Lives Matter, a movement fighting violence against African-Americans, off the ground.

But technology is never purely good or bad—it always cuts both ways. Social media also facilitate more troubling kinds of activism: xenophobic groups in Germany and Islamic State both make extensive use of such platforms, for example. And even as social-media services democratise political movements, the data they carry can also concentrate power in pernicious ways.

Online campaigns leave a big digital footprint that can be analysed, often in real time. Again, Twitter is a good example: those with ac-



cess to its millions of tweets can map networks of activists, analyse what they are talking about and identify the most influential. This flood of digital information is a bonanza for intelligence agencies and, especially, for autocratic regimes. Both can use social media as a tool for surveillance. True, citizens can use encryption to protect themselves from the eye of the state. But greater secrecy also makes media less social, and political campaigns harder to organise.

POWER TO THE ALGORITHM

Access to data can concentrate power in the hands of private entities, too. Political campaigns, particularly in America, have long harnessed electoral data to identify supporters who need a nudge to get out to vote or who may be convinced to change their mind. Thanks to social media, voters can now be targeted with ever more precision. Facebook, for instance, allows political organisations to upload lists of voters and inject tailored ads into their newsfeeds. That might exacerbate political polarisation, by further walling off voters from different views. And such digital campaigns do not come cheap, handing an advantage both to those firms that sit on most data and to those candidates with most financial resources.

The original vision of the internet, as a self-governing cyber-Utopia, has long since been consigned to history. But it remains a public good. The danger is that the centralisation of data may undo many of the democratic gains that social media and other technologies have brought. ■



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Yuriy Terentyev:

“Money is moving from competitive sectors into monopolized ones”

Anti-Monopoly Committee Chair Yuriy Terentyev told *The Ukrainian Week* about the positions of the country’s oligarchs on the electricity market and the economic impact of the AMC’s activities.

How monopolized is the Ukrainian market right now, according to the AMC, and how have these indicators changed in the last five years? Which areas of the economy are the most controlled by monopolies and the oligopoly?

— The AMC starts to investigate either on its own initiative or in response to a complaint about specific violations. In both cases, we run an investigation and collect information about the specific market. But there is the complicated problem of developing competition on markets of goods and this can only be resolved through proper horizontal coordination with other state agencies, such as the Ministry of Economy and the branch ministries.

In Ukraine, the most monopolized markets are the fuel and energy complex or FEC, transport, and residential services and utilities. If we nominally divide the domestic economy into monopolized, oligopolized and competitive, in the last two or three years you can see that the negative impact of the crisis has meant that money is moving from competitive sectors into monopolized ones. This means businesses are leaving the competitive markets, leading to greater concentration and the risk of monopolization. For instance, in 2012, the turnover of goods on those markets was nearly 47%, while in 2015 it was down to 42%. That means that 5% of the money in the competitive sectors has moved to the monopolized ones, partly as a result of rate increases.

What is the AMC doing to demonopolize the energy market?

— The demonopolization process has to take place as a coordinated effort among all state agencies. The AMC’s primary goal is to protect competition. Developing competition, engaging new players on markets, and real-time management of the situation on these markets is the job of the branch ministries and regulators, including the one governing the energy industry, NCREU. This commission can monitor and penalize companies who are in violation of their licensing agreements. The AMC systematically oversees the activities of the regulator to ensure that there is no favoritism or discriminatory action regarding specific players. We respond to complaints from companies on the energy market about the abuse of monopoly position and other violations. There’s no question that this area is politicized, but the AMC is not a

Interviewed by
**Tetiana
Omelchenko**

political investigation agency or a tool for one entity to fight another. Our objective is to provide a rational, objective assessment of the situation on the market and to prevent political meddling.

For the market to change qualitatively, new rules have to be established. Three weeks ago, the Cabinet of Ministers submitted a bill establishing the basis for the electricity market to functions. It includes a whole series of pro-competition reforms and brings Ukraine more in line with the Third Energy Package of the European Union. It also defines a more effective role for the regulator and better oversight on the part of our Committee.

What is Rinat Akhmetov’s DTEK’s share of the cogeneration market in Ukraine and how likely is this company to increase its monopoly?

— Last year, the issue of whether or not the electricity market was monopolized came to the fore. The AMC began a comprehensive study of the market in June 2015 and concluded initially that there are structural indications of a “collective monopoly” among three entities: EnergoAtom, the AES operator; the DTEK group of companies, which operate many regional power utilities and have direct access to the coal and steel industries; and UkrHydroEnergo, the HES operator. The options for players to directly affect the market are seriously restricted by state regulation at all stages of the distribution of power. The structure of Ukraine’s electricity market is the way it is because of overregulation, but in reality, different players are able to compete. In short, the power generation market is consolidated by nature, and players who show signs that they are dominating are these three: EnergoAtom, DTEK and UkrHydroEnergo. The three were given a time-frame within which to respond to our conclusions. If we look at cogeneration, DTEK companies control 70% of this segment. But we’re not considering sanctions at this time, just establishing whether these companies constitute a monopoly.

At the same time, I want to emphasize that this investigation is taking place openly and publicly. In half a year, we’ve brought together market participants and experts on several occasions and they were able to bring to bear whatever arguments they needed regarding the position of players in this market. We published the preliminary results of this research and now we are analyzing the information provided by the DTEK group, EnergoAtom, expert conclusions, and so on. In April, there will be a meeting



Yuriy Terentyev was born in 1976 in Dnipropetrovsk. He completed a Masters in international law and is qualified as an economist. He began his career at the DML Law Consulting Firm. He later managed legal departments at Bristol-Myers-Squibb International Ltd., a US biopharmaceutical company; JT International Company Ukraine, a division of Japan Tobacco; Metro Cash and Carry Ukraine, a German supermarket chain; and ArcelorMittal Kryvyi Rih, Ukraine's largest steelworks. Terentyev was appointed to head the AMC on May 25, 2015.

at which the Committee will discuss the situation on the market and the positions of these companies in it.

As of this past January, the AMC has reviewed the operators on the petroleum products market, such as WOG, OKKO, Shell, SOCAR, Alians Holding, and Parellel-M Ltd., because of accusations that they colluding on pricing policies to reduce competition. How did that go? What kinds of measures will be applied against those in violation of competition laws?

— At this time, these companies have not been declared in violation. We are investigating several cases that the Committee started back in mid-2014, including about the steep rise in prices among certain operators when the hryvnia was sharply devalued. For the last 18 months, there's been a steady decline in the price of oil:

THERE IS THE COMPLICATED PROBLEM OF DEVELOPING COMPETITION ON MARKETS OF GOODS AND THIS CAN ONLY BE RESOLVED THROUGH PROPER HORIZONTAL COORDINATION WITH OTHER STATE AGENCIES, SUCH AS THE MINISTRY OF ECONOMY AND THE BRANCH MINISTRIES

on world markets, the trend towards cheaper oil has been both significant and dynamic. Meanwhile, the main domestic operators have maintained the same prices, showing no relationship to global price dynamics. This was enough of a reason for the AMC to start investigating. In order to establish violations, we need to understand whether identical actions were motivated by the same reasons or not. So we sent out surveys to the companies. Two weeks ago, we got our answers and we're analyzing them now. By the end of April, we will have an answer. As to liability for violations, on the one hand, the company has to cease and desist and to avoid specific uncompetitive actions in the future. On the other, there are very high penalties—here, Ukrainian legislation is in line with European Union rules. The maximum penalty is 10% of the previous year's income. But it won't get to that in the current situation.

How much is the minimum fine?

— There is no "minimum fine" in the competition law. According to accepted methodology, the sum is calculated in two parts: first, the base amount is established and then it is adjusted depending on circumstances that might increase or reduce fault in the specific instance. Just like the EU, our fine could be minimal if the violation is curtailed and there is no negative impact on competitiveness. The main purpose of these fines is not to top up the budget but to provide incentive not to violate again in the future. In 2015, the AMC placed fines of various sizes: one, for UAH 800,000, was due to a delay in

the delivery of cars of one grain trader. Lukoil Aviation paid UAH 18.7mn for abusing its monopoly position on the aircraft fuel market in the Kharkiv and Odesa Airports. Zeonbud was fined UAH 44mn.

One proven way to resolve a problem quickly is to provide recommendations, as companies are obligated to review them. This gives us the opportunity to respond in real time to certain problems that come up on the goods markets. Should the company reject our recommendations, we launch a formal investigation, approve a decision to declare it in violation, slap a fine, and issue a warning not to engage in such practices any further.

The AMC claims that the activities of oil firms UkrTatNafta and Halychyna, both of them owned by Ihor Kolomoyskiy, are restricting the production of petroleum products, having a negative impact on the competitiveness of the fuel market, and are in violation of competition legislation. What kinds of penalties might these companies be facing?

— Last year, there was a huge dispute between UkrTransNafta and UkrTatNafta, Halychyna and NaftoKhimik Prykarpattia, regarding excessive prices for using its storage facilities for technical petroleum. We are now in the process of investigating after we received a statement from UkrTransNafta (oil storage and transportation – Ed.) regarding abuse of monopoly position by the three oil refineries. At the moment, we have recommended that they try to resolve the situation amongst themselves.

How soon will the results be known?

— The problem is that the contracts signed by the former management of UkrTransNafta with these three oil refineries were not transparent and were concluded on terms that were not to UkrTransNafta's benefit at all. Right now, though, we don't have enough information to clearly state that there has been a violation: is there evidence of official corruption or violations of competition legislation? As far as we know, the case is now being considered in courts of different levels, so it's too soon to talk about sanctions.

In the past, the economic results of the AMC's activities, such as fines and compensation for damages, were never greater than the budget allocated to operate the Committee. What are the figures like today or is the AMC's work still a net loss for the state budget?

— In 2015, the budget allocated UAH 63mn to our Committee, whereas we collected nearly UAH 339mn in fines. But the intensity of the work of the AMC and the number of fines we charge are not correlated, because our agency is not a fiscal organ and we don't collect the fines. Other indicators are more significant for us: the impact on the economy thanks to AMC interventions. For 2015, that added up to UAH 1 billion or nearly US \$35mn. So you can't really say that our agency is a drain on Ukraine's budget. I think the indicators for economic impact should be the main indicators of how effectively our Committee works and the potential for increasing it is enormous. For instance, the impact of our counterparts in Hungary on their economy was €150mn last year.

Incidentally, we get support from international partners: the OECD, UNCTAD, and competition agencies from whom we borrow best practice. Building a proper competition agency in Ukraine is a process that will take a few years. I'm expecting the first results to be evident by early 2017. ■

Aircraft: Survival instinct

Oleksiy Kramar

Ukraine's aircraft manufacturers are finding their niches on world markets

Lately, Ukraine's aircraft industry has provided good reasons to take a closer look at how its manufacturing plants are doing today. The Antonov concern's enterprises were merged with UkrOboronProm, the state-owned defense giant, and the famed company officially folded; military and technical cooperation with Russia has been stopped; announcements of new projects with western companies have begun coming in; corruption scandals have hit the heavy cargo business; and demand for Ukraine's military aircraft production to expand has been growing. All this has created fertile soil to give rise to speculation about the "liquidation of Ukraine's aircraft manufacturing industry to satisfy western monopolists."

In fact, recent events could, on the contrary, be a catalyst for a complete break with the past for the Ukrainian chunks of the soviet aircraft industry that have spent that last quarter-century looking for their place in the new market environment. The phantom of "mutually beneficial cooperation" with Russia, under cover of which Moscow actively developed projects to compete with Ukrainian ones and kept substituting imports, has finally and completely disappeared into the past. For Ukraine's aircraft industry to survive, it must be capable of finding its own competitive niches and survive the struggle in an extremely toxic environment—an environment that has already forced a slew of once-mighty western manufacturers of aircraft equipment and parts from the market in the last few decades.

Despite the widespread impression that Ukraine's aircraft industry is represented solely by the Antonov group, there are dozens of other companies who also build aircraft today: the Zaporizhzhia-based aircraft engine manufacturer Motor Sich, the Kharkiv-based aviation production enterprise called KAVB, Konotop's Aviakon, Kyiv's Aircraft Repair Plant #410, the Ivchenko-Progress Design Office, Khmelnytsk-based Novator, Odessa's Aircraft Repair Plant, and Lutsk's Motor, just to name the biggest. For many years now, the lion's share of gross income in the aircraft industry in Ukraine comes from repairing and upgrading aviation technology, manufacturing parts and instruments, not from the sale of new aircraft.

THE MODERN FACE OF ANTONOV

Antonov itself consists of three main divisions: the design bureau, the mass production facility that used to be called Aviant, and Antonov Airlines. The Antonov R&D office is engaged primarily in designing, experimental research, certification, and supporting the mass production and use of aircraft. Its

"mass production facility" in actual fact has been producing experimental models of new designs from the R&D team. In short, manufacturing aircraft is a secondary activity for Antonov. The company has specialized in designing and, eventually, getting profits from making aircraft for foreign buyers. In recent years, the Russian Federation was hardly the only country with which Antonov cooperated in the manufacture of aircraft.

More recently, it became clear that the Antonov Design Bureau's main business was not even just designing aircraft but the air transport handled by Antonov Airlines. The airline's fleet includes the largest cargo airplane in the world, the AN-225 Mriya, seven somewhat smaller AN-124 Russians,¹ one AN-22 Antei, and several other craft. Indeed, cargo planes are Antonov's calling card. This class of flying machines is where the company once achieved its greatest successes.

OVER THE LAST 10 YEARS, FINISHED AIRCRAFT FROM UKRAINE WERE DELIVERED TO WORLD MARKETS MAINLY THROUGH THE SALE OF MILITARY ASSETS

Its capacity to take on enormous loads in size and in weight distinguishes Antonov from others and provided it with a niche in the global transport system. The AN-124-100 Ruslan and the AN-225 Mriya have carried out hundreds of impressive transport operations, such as moving industrial equipment blocks that weighed up to 180 tonnes, or the huge sections of space launch vehicles that would not have fit inside any other airplane in the world. Through its airline, Antonov controls nearly a third of the world's air freight business for transporting extra-large and extra-heavy cargo. Of course, this specialized area of transport represents only a very small part of the aviation market, especially if compared to the rest of air freight transport, not to mention passenger carriage. But it is highly profitable, with margins up to 240%.

The corruption scandal that erupted recently over a shortfall in tax contributions from this particular activity drew attention to the fact that, according to top management, freight transport was providing Antonov from 50% to 75% of its total income lately. Moreover, the transport itself is in cooperation with two intermediaries, German-registered Ruslan SALIS GmbH and UK-registered Ruslan International Limited, both of which are JVs with Russia's Volga-Dniepr.

¹The Mriya and Ruslan are two of the Top 5 largest cargo planes in the world.

AN ILLUSION OF COOPERATION

The notion of “mutually beneficial cooperation” with Russia in the aircraft industry has long been no more than an illusion. Aircraft ready-made in Ukraine have not been sold in the Russian Federation for some time now. For instance, Ukraine’s export of aircraft was worth US \$72.22mn in 2011, but only US \$800,000 of that went to the RF. Aircraft produced by the Antonov Design Bureau and bought by Russian companies and government agencies were actually assembled at Russian plants under license using a relatively small share of Ukrainian-made parts and components.

What’s more, even in components, the RF market has virtually collapsed: in 2011, the export of aircraft parts and components to Russia was worth US \$30.54mn of a total of US \$54.94mn exported from Ukraine, rising in 2013 to US \$32.94mn out of US \$61.16mn, by 2015 it had plunged to US \$3.4mn out of US \$26mn. Meanwhile, Russia was busy developing competing aircraft of its own, such as the Sukhoi Superjet. From the point of view of promoting Ukrainian aircraft globally, cooperation with the RF netted Antonov nothing. The two countries are, in fact, competitors. Still, Russia’s positions on world markets are barely better than Ukraine’s: in some years, export volumes from the two manufacturing countries have been almost the same, and lately Russian exports have focused more on military aircraft.

After the start of Russia’s aggression, Ukraine stopped supplying the RF with most aircraft components, including weaponry, engines and avionics such as electronic communication, navigation, imaging and instrument control components. Instead, Ukrainian suppliers were forced to find alternate markets, which they did. For instance, last year, Ukraine’s main customer for aircraft components was India, which bought US \$13.46mn worth.

Meanwhile, Ukraine was still buying considerable volumes of Russian parts for aircraft: in 2015 alone, of US \$24.5mn in imports, US \$13.2mn came from the RF, and only US \$9.4mn from the US and EU together. However, compared to just a few years earlier, Russian imports are down by nearly a third compared to 2011, when US \$18.7mn came from Russia, while NATO countries were shipping about the same amount as now: US \$9.2mn.

The significantly more important sector all this time was and remains cooperation in the production of engines for planes and helicopters. Imports to the RF from Ukraine, as well as components from Russia are severalfold higher than bilateral trade in the rest of the industry. So, in 2013, of the US \$1.06 billion’s worth of Ukrainian aircraft engines exported in 2013, US \$648.0mn went to the RF. In 2015, despite the fact that deliveries of dual-purpose goods was stopped and even banned, Russia still managed to import US \$398.4mn worth of dual purpose goods, or more than 59% of all Ukrainian exports of aviation engines at that time.

THE GLOBAL MARKET TODAY

Over the last 10 years, finished aircraft from Ukraine were delivered to world markets mainly through the sale of military assets. In the best case, these were upgraded prior to sale using contempo-



Reformatting. A major share of Antonov’s revenues comes from heavy cargo transportation by Antonov Airlines, rather than from designing or manufacturing of aircraft

rary Ukrainian-made components. The share of newly-produced aircraft in aviation exports amounted to only a few percentage points. Meanwhile Ukraine’s aircraft industry was represented on world markets by Ukrainian components for new planes being produced at the clients’ plants or for upgrading an old soviet fleet of airplanes and helicopters. In soviet times, thousands of such aircraft had been sold to Asia, Africa and Latin America, as well as countries in the soviet camp starting in the 1960s.

For a certain amount of time, a given market can provide some orders and volumes for the manufacture of components at Ukrainian enterprises. However, prospects depend on the capacity of domestic manufacturers to either reorient themselves to repair and modernize the fleets of aircraft made by other global manufacturers, or to seriously increase their output of at least finished craft of Ukrainian design in the world, regardless of where they are actually assembled. Otherwise, the domestic aircraft industry is doomed to a natural death, even in its current state, as the number of orders to upgrade inexorably falls to nothing and real demand for components for the craft of other makers fails to materialize.

The world aviation technology market continues to grow despite cutthroat competition that only grew worse after a series of mergers of European aircraft manufacturers with Airbus and acquisitions of American ones by Boeing. These two behemoths control the lion’s share of the world market for aviation products and have been engaged in a grueling dogfight, including open dumping—especially Airbus—and hidden subsidies from both the EU and the US. Both corporations sell hundreds of aircraft ▶

every year worth tens of billions and spend billions of euros and dollars on research and capital investment.

Fortunately, Antonov's designs for passenger carriage are not in the same league as the craft produced by these two "monsters," so their focus is on niche budget regional airlines looking to carry no more than 90 passengers, not on the majors looking for intercontinental liners. The situation with Antonov's transporters and military transporters is very different, where ANs are serious competitors to both world leaders in aircraft manufacturing and smaller national companies. These include Canada's Bombardier, Brazil's Embraer, Italy's ATR—in which Airbus had a stake—, and Russia's Sukhoi, which developed the Sukhoi Superjet 100 jointly with Boeing, a craft in the 75-95 passenger category. The manufacturing of aircraft is growing, including models from these corporations being produced under license in China and India.

All these foreign makers have significant advantages over Ukraine's aircraft industry, starting with a solid domestic market, access to much cheaper capital, leasing programs, and, last but not least, government subsidies that are hidden to greater and lesser extents and are several times larger than what Ukraine can afford.

SURVIVAL STRATEGIES

Under the circumstances, Ukrainian manufacturers were forced to resort to the only realistic strategy to sell their competitive advantage in the battle for market share: to agree to allow client countries to produce the planes themselves, because they have both the capital and the sizeable markets. As a result, Ukraine only gets paid for its intellectual property, for ancillary services from designers and specialists, and for the opportunity to supply parts and components for assembling these planes. Ukraine's share of parts and components is, unfortunately, shrinking with every passing year. Still, thanks to this, Ukraine has been able to promote its own products on foreign markets without having any serious competitive advantage compared to suppliers from other countries.

Not long ago, Taqnia Aeronautics, a Saudi Arabian company, came to an agreement to produce a series of Antonovs with the latest upgrades: AN-132s, AN-148s and AN-178s. In 2014, UkrOboronProm finished upgrading a slew of AN-32RE military transporters for India. This order meant US \$400mn over five years to modernize hundreds of aging planes. However, as in the case of the Saudis, the Indians insisted that more than half the work be done at their own plants.

Another strategy for Ukraine's aircraft industry to survive under current circumstances is expanding cooperation with western companies, both through buying from them and through supplying them with a wide range of components. This should increase export opportunities for Ukraine and compensate for the break in economic ties with Russia.

For instance, in October 2015, Antonov ordered PW150A engines from the Canadian subsidiary of Pratt Whitney, one of the world leaders in manufacturing aircraft engines. These will be installed in

the new AN-132D. Meanwhile, Warsaw's Air Force Institute of Technology (ITWL) has been developing a lightweight multi-purpose jet called Grot-2, which will be equipped with a Ukrainian motor from Motor Sich. In addition, western media has been publishing rumors recently that the US is looking at the possibility of setting up a holding based on Motor Sich that will work with American companies on MIC projects, including the modernization of Ukrainian Armed Forces equipment.

LOOKING INTO THE FUTURE

The trouble with trying to enter foreign markets with finished products, especially in developing countries, is that, in addition to the limited niche for Ukrainian manufacturers—mid-range passenger and transport planes, military transporters, and other specialized aircraft—, Ukraine is simply unprepared to promote its planes offering its own leasing programs and providing credits for export deliveries. In fact, Antonov is now planning to set up authorized service centers in Latin America, Asia and Africa, which should increase both the marketing appeal of and demand for Antonovs for the companies and governments of these countries.

Ukraine's aircraft industry cannot develop completely apart from the problems facing the entire country. If these aren't resolved, countries with deep pockets but little technology will buy only samples of finished products if the right to manufacture them on the country's own territory is part of the deal and, at most, an agreement to use a larger or smaller pro-



THE TROUBLE WITH TRYING TO ENTER FOREIGN MARKETS WITH FINISHED PRODUCTS, ESPECIALLY IN DEVELOPING COUNTRIES, IS THAT UKRAINE IS UNPREPARED TO PROMOTE ITS PLANES OFFERING ITS OWN LEASING PROGRAMS AND CREDITS FOR EXPORT DELIVERIES

portion of Ukrainian-made parts and components, plus royalties to the designer. Developing countries that are unable to pay independently for planes need lines of credit and leasing programs, which Ukraine is not in a position to offer today.

The one thing that might improve this situation quickly would be increasing military orders from the government, including orders to upgrade, repair or design new aircraft for the Ministry of Defense, the State Police Service and the National Guard, and increasing procurements for healthcare and the Emergencies Ministry. Ukraine's aircraft industry could find its place in the world by providing certain parts and components to EU and NATO countries, and, what's more likely, to use better quality components from them to produce new aviation products for domestic use and, eventually, partly for export. Specifically, UkrOboronProm has been talking about the need to set up domestic production of fighter jets.

An alternative source of capital for passenger plane and transporter production could be sufficient domestic orders, under which exports would only constitute additional sales volumes. ■

Andy Hunder:

"In the past, the church was responsible for society. Now business is taking on this responsibility"

The *Ukrainian Week* spoke to Andy Hunder, President of the American Chamber of Commerce in Ukraine, about reforms and what exactly is hindering the development of business.

Interviewed
by **Lubomyr
Shavalyuk**

How do you evaluate the reforms that Ukraine has gone through over the past two years?

– Let's look at where we were two years ago and which state the country was in. When Yanukovich was president, there were huge threats for businesses. They could just take away any company. I was told how the president's son went to specific firms and basically said that he wanted some of their shares. That doesn't happen anymore. The changes here are obvious.

Analysing what has been done to reform the country, we can mention positive and negative aspects. The problem is that the expectations of reform that were formed in society as a result of the Euromaidan were very high. Many wanted everything to change overnight. That's why Ukrainians are disappointed to some extent and believe that the transformation is happening too slowly. But judging by concrete facts, we can see a lot of changes in some areas. The American Chamber of Commerce has singled out at least 19 strategic developments over the past year that will improve the country's investment climate. These are examples of real change.

Several specific innovations have had a positive impact on business. Firstly, the single social contribution rate has been reduced. Until this year, we had 40+ percent, now it's 22%. This is quite a noticeable and important change for employers that pay wages legally. Secondly, the electronic VAT administration has been improved. Thirdly, deregulation in various sectors ranging from energy to agriculture and the food industry. Fourthly, the adoption of several laws on the public procurement of medicines. I once worked in pharmaceuticals, so I have a good idea of the public procurement conditions that existed previously and what they are now. The changes are obvious and very real. Fifthly, the transparency of the Antimonopoly Committee of Ukraine has increased. This list of positive things could be continued.

Would we like to have more changes? Yes, definitely. Do we want to speed up the reform process? Undoubtedly. The American Chamber of Commerce is working to solve a whole range of

problems to improve investment climate in Ukraine and set clear, predictable rules for doing business here..

What are the priorities that need to be resolved in the near future?

– Business is facing a number of glaring problems in Ukraine. The American Chamber of Commerce regularly asks its members about their vision of the situation. The number one issue for them is corruption. 98% of companies surveyed believe it is widespread in Ukraine.

How can we overcome corruption in Ukrainian realities?

– There is the "three P" rule – prevent, publicise and punish. Above all, this means that it is necessary to prevent corruption by reducing the space for it to operate in through deregulation and the introduction of as many electronic services as possible. Public servants must receive decent wages – this is one of the most effective safeguards against bribery. It is impossible for state officials to have low salaries and great responsibility at the same time; otherwise, they will be faced with incredible temptation. Furthermore, the evidence of corruption should be publicized and distributed as widely as possible, which is mainly your work – the duty of journalists. Today, the country doesn't perform this function ideally, though it should be noted that the number of media investigations in Ukraine has increased significantly in recent years. Finally, the corrupt should be punished.



PHOTO: ANDRIY LOMAKH

If there is no penalty, bribe takers do not have a sense of risk.

Potential investors considering entrance into the Ukrainian market often contact us for accurate information. An interesting thing is that most of them are deterred not by the risk that Russian tanks will roll down Khreshchatyk. The main fear for them is that the director of their local office will be taken away in handcuffs and photographs of this moment will be printed in the Western press with the company logo. That is to say, corruption is not only eating away the economy, but also kills off unborn, potential investments.

For business, it is very important to see that change is happening. Despite the continuing number of positive reforms, there are certain things in the country that remain the same. Corruption is one of them. 2016 will probably be the decisive year and show whether Ukraine is really fighting this plague or not. If the fight does not become more noticeable, then it will be impossible to explain why nothing has changed three years after the Revolution of Dignity (two have passed already).

Besides combatting corruption, we see a few more priorities for reform in 2016. Among them are judicial reform (which is partly required for the first thing too), further deregulation, protection of intellectual property rights, the harmonisation of Ukrainian legislation with European laws as part of the implementation of the Association Agreement with the EU, further steps to improve fiscal policy and the introduction of electronic services in public administration.

The Chamber has a number of priorities for each sector. For example, in the financial industry it is important to ensure adequate protection of creditor rights and further development of cashless payments in Ukraine. It is necessary to improve land legislation for the energy sector to be successful – in order to effectively develop oil and gas fields. In addition, Ukraine still lacks a coherent national strategy for waste management. The violation of intellectual property rights inhibits the development of the pharmaceuticals, healthcare and seed production. The problem of illegal import is overarching.

How have the scale and penetration of corruption, the size of bribes and other characteristics changed over the past two years?

– We conduct regular surveys among the Chamber members on this subject, and the results are interesting. For example, 73% of respondents answered "no" to the question "Do you think that corruption has decreased in the period from March 2014 to present?"

However, 65% of respondents also said "no" to the question "Do you think that companies in Ukraine should be involved in corrupt practices to increase their chances for success?" This indicates that it is possible to be successful without engaging in corruption.

According to 87% of respondents, the most corrupt government agencies are the courts (second is the prosecutor's office: 61% of respondents). There was no trust in them before and there isn't now. What is there to talk about when even Ukrainian oligarchs solve major disputes among themselves in the courts of Stockholm or London.

Andy Hunder was born in 1971 in London. In 1988-1994, he studied philosophy and theology at the Pontifical University of St. Thomas Aquinas in Rome. Has worked at UMC (now Vodafone Ukraine), GlaxoSmithKline, PLEON Talan, Magisters, Sayenko Kharenko. Served as director of the Ukrainian Institute in London from 2010 to 2014. On April 15th 2015 Andy Hunder was appointed president of the American Chamber of Commerce in Ukraine.

How much does the fight against corruption depend on individual people in the government and the presence of technocrat ministers?

– It's always easier with technocrats, because they are people who have no political or personal obligations. We have repeatedly said that it would be a good scenario for technocrats and professionals to hold office in the Cabinet. However, there are some strong candidates from the political scene who can also be trusted and granted ministerial positions. There are certainly professionals who are capable of conducting reforms in specific sectors for the good of Ukraine. The most important thing is to give these people an opportunity to work.

What are the criteria for ministers' success today? We can see that there are people among the current members of the government who have shown that they are capable of working in the interests of the country and achieving results in reforms. Will this positive result help them to stay in the Cabinet? We'll see.

History is being written as we speak. The Financial Times recently published an article on Ukraine. The authors aptly said that these days will decide its fate: whether Kyiv will continue to move towards Europe or return to the past.

BUSINESSES, PRIMARILY FOREIGN ONES, SHOULD BECOME A FLAGSHIP AND GIVE AN EXAMPLE TO OTHER SECTORS THAT IT IS POSSIBLE TO BE SUCCESSFUL WITHOUT CORRUPTION

So the decisions being made now could be momentous and the people responsible for them could go down in history. It's a crucial moment. You know, names are written into the history books for the right reasons and the wrong reasons. We will soon find out which of these options politicians will choose.

In Ukraine, the majority of the population have given a bribe at least once in their lives. Businessmen grew up in this environment, so they are comfortable with corruption. Is it possible to beat it in business and the state without getting rid of it at a social level?

– In my opinion, businesses, primarily foreign ones, should become a flagship and give an example to other sectors that it is possible to be successful without corruption.

The tallest buildings in the panorama of any city today are business centres. There is a number of residential skyscrapers in Kyiv too, but in, say, London or New York, they clearly surpass the rest. If we were to look at the panorama of the Ukrainian capital 100 years ago, the highest building would probably have been Saint Sophia's Cathedral or another church. The same applies to other

cities. What does this mean? In the past, the church was responsible for society, but now business has taken over that role. So companies should take on responsibility: corporate, social and so on. And the fight against corruption is no exception.

If the state has the political will to fight corruption and unites its efforts with business, there is no doubt that a result will come. The American Chamber of Commerce is also actively involved in this process. In particular, we contributed to the development of the law "On Prevention of Corruption" with regard to the anti-corruption programmes of legal entities. And we are prepared to continue working on this in accordance with our resources.

You mentioned potential investors who contact the Chamber for information. Are there more or less of them today than a year or two ago?

– There is definitely interest in Ukraine from potential investors. But now they are waiting to see what will happen next. Last year, economy performance dropped rapidly, but now the situation is gradually changing. If this year's macroeconomic indicators show at least some humble signs of growth that will be a turning point. So we are sending our partners the corresponding message: come now, because you have the opportunity to grow along with the economy that is going to bounce back from its low point. This is one of the main reasons for investors' interest in Ukraine.

For now, we cannot talk about any systemic activity from non-resident investors or a tangible inflow of capital, but there are nevertheless a number of positive examples. For example, Cargill signed a \$100m investment into a deep-sea terminal a few weeks ago. We are expecting something similar from some other companies. Infrastructure investments are starting to show up and actors such as Uber are entering the market. So there are real examples of non-resident investment activity at the moment.

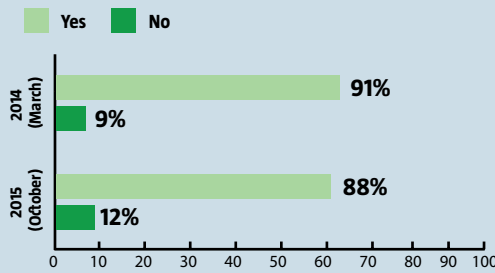
Another thing is companies that are already operating in the country. It is necessary to create the right conditions so that they stay here. After all, when companies that have worked here for years close their offices that is a much worse signal to potential investors than any lack of new investment. Therefore, it is critically necessary to focus on firms who already have a presence here, pay taxes and create jobs.

Privatisation offers certain hope too. It is important for it to be organised in a transparent manner, according to Western standards, with competitive tenders to create confidence in the authorities both within the country and abroad. If privatisation is successful, it could attract tens of billions of dollars in new investment over the next, say, three years. That's realistic.

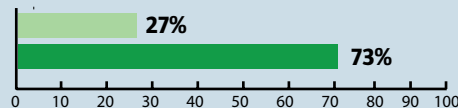
It was talked about in 2014 and 2015, but the process has still not started. Is it possible that in 2016 we will see a big privatization?

– The American Chamber of Commerce hopes that it will happen after all. So does the group of investors directly interested in the relevant state assets. It is important that the first, the second and the third privatization tenders be conducted at a high enough level to win back investor confidence. I would also like to note that several foreign companies interested in taking part in such tenders have already contacted the Chamber. ■

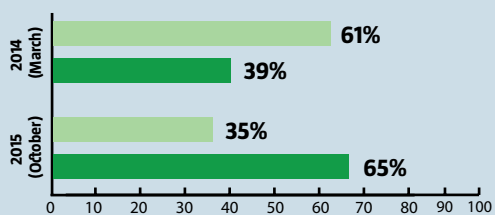
Have you encountered corruption in the course of doing business in Ukraine?



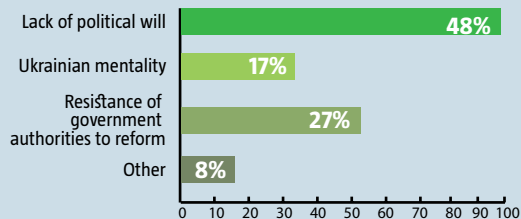
Do you think that corruption has decreased in the period from March 2014 to present?



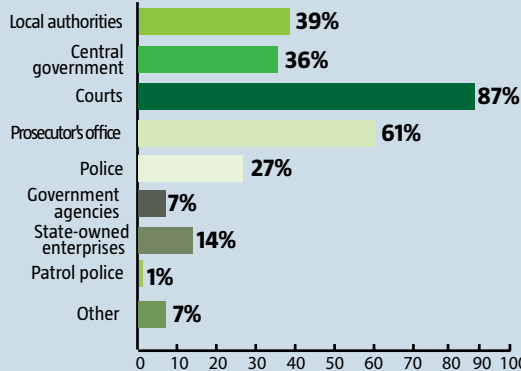
Do you think that companies in Ukraine should be involved in corrupt practices to have more chances for success?



What do you think is the biggest obstacle to beating corruption in Ukraine?



Which authorities are, in your opinion, the most corrupt?



Results of a survey conducted by the American Chamber of Commerce among 99 member companies in October 2015

The great persecution

Stanislav Kozliuk

25 Ukrainians are held in captivity by the Russians, accused of committing serious crimes. Yet international rights organizations still have not recognized them as political prisoners

Initially, Russia needed to show “banderites” from Crimea, and so we saw the cases of Mykola Karpiuk and Oleh Sentsov. As one of the leaders of both UNA-UNSO and Praviy Sektor, Karpiuk was the personification of Russian propaganda. And when the conflict started in Eastern Ukraine, Russian propaganda needed someone to portray as *karatelі* – the military punishers, a Russian propaganda name Ukrainian military or volunteers. So the Nadiya Savchenko case emerged. The persecution of Ukrainians rolled out in various areas simultaneously, including espionage. One such case was the story of Yuriy Soloshenko. He is currently the oldest of all the Ukrainians being held for political reasons in Russia: his 73rd birthday took place in a jail. He had been arrested at the Kyiv Vokzal in Moscow in 2014 while he was on a business trip.

The Crimean Tatars are another component in this picture. In 2015, the self-proclaimed Sergei Aksionov government decided to start persecuting activists for their religious views. For instance, in January, they arrested three men who were supposed members of a pan-Islamic organization called Hizb ut-Tahrir. Ruslan Zeitulayev, Nuri Primov and Rustem Vaitov were accused of founding this organization and participating in it. This organization is apparently banned in the Russian Federation for being “extremist,” although Western countries do not consider it as such. The defense lawyer noted that during a search of their homes, no evidence was found linking these men Hizb ut-Tahrir.

Earlier, *The Ukrainian Week* wrote about 11 Ukrainians held captive in the Russian Federation for political reasons, but that number has since grown to 25, according to the Center for Civil Liberties, a human rights NGO. In more than 18 months, only two have successfully been released. And the original two “big cases” against Ukrainians have expanded to many more.

DESIGNATED PUNISHERS

The first and most familiar “big Ukrainian case” includes Ukrainians who are accused of being part of the “punitive battalions,” mass killings and illegal methods of warfare. This “category” included pilot Nadiya Savchenko and Serhiy Lytvynov. Their histories and the way in which they were captured were radically different. Savchenko was taken captive near the village of Metalist in Luhansk Oblast on June 17, 2014, serving as a volunteer with the Aidar Battalion. Aged 33 at that point, she had the rank of senior lieutenant and served in the Ukrainian Army for 10 years. For seven days, she was held prisoner,

and then taken over the border into Russia illegally. From the very start, she was accused of being involved in the deaths of two Russian journalists, Igor Kornelyuk and Anton Voloshyn, who came under fire that same day outside the city of Luhansk. In the end, she was accused of being an accessory to murder and an accessory in attempted murder carried out through political hatred. She was also accused of illegally crossing the Russian border and recently sentenced to 22 years.

The story of Lytvynov is somewhat different. A resident of Stanychno-Luhansk County, he had only a grade 7 education and worked as a handy-man for a local company. According to others in his village, he was mentally underdeveloped, which had exempted him from military service. On August 12, 2014, he went to the hospital in Rostov Oblast, Russia, to a dentist, because armed conflict had rendered the



THE HIZB UT-TAHRIR CASE CAME UP NOT QUITE A YEAR AGO. ANY CRIMEAN TATARS WHO SERIOUSLY OBSERVE THEIR RELIGION AND TRADITIONS CAN BE TAKEN TO COURT UNDER THIS ONE

clinics on the Ukrainian side inoperable by then. On August 21, unknown individuals took him to the local anti-crime department and by August 29, he was being accused of “genocide against the Russian-speaking population of southeastern Ukraine.” According to investigators, the handy-man had killed 39 men and one girl, and had raped and killed 8 women. Supposedly he had committed all these crimes as a volunteer in the Dnipro-1 Battalion on orders from the commanders, directly from Ihor Kolomoyskiy.

Still, thanks to the efforts of his lawyer, Viktor Parshutkin, and the Ukrainian consul, this case collapsed. It turned out that the names of the supposed victims and their addresses were fictitious and Lytvynov himself offered very confused testimony. As a result, the detectives decided not to take the case to court. Instead, they launched a new case, according to which the resident of Luhansk Oblast was accused of robbing a Russian citizen. Supposedly he and his fellow Ukrainian soldiers attacked a resident of Rostov Oblast who had a house in Ukraine, beat him up, and stole two cars. For this, he was supposed to be sentenced to 12 years in prison. Once again, though, the plates on one of the “stolen” cars had been removed from circulation while the second



25 prisoners of the Kremlin

- 1**



Nadiya Savchenko
Age: 34
Place of detention: Novochoerkassk
Sentence: 22 years
- 2**



Stanislav Klych
Age: 41
Place of detention: Grozny
Possible sentence: 15 years to life
- 3**



Mykola Karpiuk
Age: 51
Place of detention: Grozny
Possible sentence: 15 years to life
- 4**



Oleksandr Kolchenko
Age: 26
Place of detention: Kopeysk (Chelyabinsk Oblast)
Sentence: 10 years
- 5**



Oleh Sentsov
Age: 39
Place of detention: Yakutsk (exact location unknown)
Sentence: 20 years
- 6**



Hennadiy Afanasyev
Age: 25
Place of detention: Mikun (Komi Republic)
Sentence: 7 years
- 7**



Oleksiy Chirniy
Age: 34
Place of detention: Ultar (Magadan Oblast)
Sentence: 7 years

- 9**



Kheiser Dzemilyev
Age: 34
Place of detention: Astrakhan
Sentence: 3 years and 6 months
- 10**



Yuriy Ilchenko
Age: 37
Place of detention: Simferopol
Possible sentence: 20 years
- 11**



Ahtem Chyihoz
Age: 52
Place of detention: Simferopol
Possible sentence: 15 years
- 12**



Ali Asanov
Age: 33
Place of detention: Simferopol
Possible sentence: 15 years
- 13**



Muštafa Dehermendzhy
Age: 26
Place of detention: Simferopol
Possible sentence: 8 years
- 14**



Ruslan Zeytulayev
Age: 31
Place of detention: Simferopol
Possible sentence: 15 years to life
- 15**



Nuri Primov
Age: 40
Place of detention: Simferopol
Possible sentence: 10 years

Oleksandr Koštenko
Age: 29
Place of detention: Kirovo-Chepetsk
Sentence: 3 years and 8 months



- 16**



Rusťem Vaitov
Age: 31
Place of detention: Simferopol
Possible sentence: 10 years
- 17**



Refat Sayfulayev
Age: 33
Place of detention: Simferopol
Possible sentence: 10 years
- 18**



Serhiy Lytvynov
Age: 32
Place of detention: Novochoerkassk
Possible sentence: 12 years
- 19**



Valentyn Vyhovskiy
Age: 33
Place of detention: Moscow
Sentence: 11 years
- 20**



Viktor Shchur
Age: 58
Place of detention: Tatarstan
Sentence: 12 years
- 21**



Yuriy Soloshenko
Age: 73
Place of detention: Nizhniy Novgorod
Sentence: 6 years
- 22**



Emir-Useyin Kuku
Age: 40
Place of detention: Simferopol
Possible sentence: 5 to 10 years
- 23**



Enver Bekyrov
Age: –
Place of detention: Simferopol
Possible sentence: 5 years to life
- 24**



Muslim Aliyev
Age: –
Place of detention: Simferopol
Possible sentence: 15 years to life
- 25**



Vadym Siruk
Age: –
Place of detention: Simferopol
Possible sentence: 5 to 10 years

Sources: EuroMaidan SOS, Center for Civil Liberties and Open Dialogue foundation within LetMyPeopleGo campaign

one was reported as stolen. Moreover, the supposed victim had last been seen in Ukraine at the end of 2013. Today, the court case continues.

Nevertheless, the story so far gives cause for cautious optimism, given that Lytvynov is possibly the only Ukrainian who has a real chance of going home because of obvious doubts about the evidence.

THE CHECHEN CONNECTION

The second and no less important “big Caucasus affair” is linked to Ukrainians who “participated” in the Chechen wars, in particular the First Chechen War. The most famous figures in this case are Stanislav Klykh and Mykola Karpiuk. They are accused of supposedly killing Russian soldiers and of being actively engaged in armed conflict on the territory of the presidential palace, Minutka Square and the train station in Grozny. Investigators are claiming that the Ukrainians, together with accomplices, managed to kill 30 soldiers and wound another 13. Karpiuk was arrested in March 2014 in Briansk Oblast, while Klykh was arrested in Orel in August 2014, when he was on a trip to see his girlfriend. Karpiuk was supposedly traveling to Moscow on behalf of Praviy Sektor to meet with “Russian leadership.” On March 20, Karpiuk was accused of participating in events in Chechnya.



OVER THE LAST TWO YEARS, ONLY TWO UKRAINIANS HAVE BEEN LUCKY ENOUGH TO COME BACK TO UKRAINE FROM RUSSIAN PRISONS: STUDENTS BOHDAN YARYCHEVSKIY AND YURIY YATSENKO

The entire case hinges on the testimony of just one person, Aleksandr Malofeyev, who, according to the investigation, was also involved in clashes with Russian forces in Chechnya. After returning to Ukraine, he allegedly committed a number of robberies and was incarcerated. Once released, he moved in with his mother in Novosibirsk Oblast. And once he got there, he was sentenced to another 23 years for new crimes.

Defense attorney Maryna Dubovina suspects that Malofeyev has been pressured because he’s also a drug addict. That’s quite likely why this “witness” stated that the former leader of Praviy Sektor Dmytro Yarosh, Oleh and Andriy Tiahnybok, the leaders of Svoboda, and even PM Arseniy Yatseniuk participated in the Chechen war. Human rights advocates say that transcripts of the interrogations involving Malofeyev began to appear in the case only in 2014, just around the time Klykh and Karpiuk were arrested. Prior to this, the surnames of the Ukrainian detainees had never come up, although the case had been under consideration since 1997. Another point that suggests that the evidence against them has been fabricated is that none of the members of UNA-UNSO recognized Malofeyev as a member of their movement. Klykh and Karpiuk themselves note that they could not have physically been in Chechnya in 1994-1995 because Stanislav was studying at Shevchenko University in Kyiv while Mykola was taking care of his ailing mother.

After independent lawyers joined the case, Klykh and Karpiuk reported that they had been tortured with water hoses, choked, beaten, deprived of sleep, water and food, and subjected to psychotropic substances. After one such session of abuse, Mykola tried to kill himself, but the guards stopped him. Both captives wrote statements about the torture and abuse to the ECHR. At the moment, the case continues in Grozny and the men could face between 15 years and life behind bars.

SPIES AND EXTREMISTS

The third category is a relatively new one: espionage. At least three Ukrainians are being held, the best-known of them being Yuriy Soloshenko. He worked for 20 years in the military and managed the Znamia, a special-purpose R&D factory in Poltava that had been a secret object in the Soviet times. After the USSR collapsed, this plant survived on Russian defense orders, but in 2010 the company closed down and Soloshenko retired. He continued to stay in contact with his former business partners.

After he’d been held for 10 months, the consul tried to get to see him, but his request was refused. During the investigation, Soloshenko insisted that he was innocent and even wrote letters to the Russian Prosecutor General Yuri Chaika and pleas for clemency to Vladimir Putin himself. Still, in court he pleaded guilty and announced that he would not appeal the verdict. He was sentenced to six years in prison.

The fourth and probably largest group of cases is the Crimeans. They, too, can be divided into sub-groups: political and religious cases. The first includes Sentsov, Kolchenko, Afanasiyev and Cherniy, who were all accused of terrorism and acts of terror, and have been sentenced to prison for 7 to 20 years. The second is the Hizb ut-Tahrir case, which came up relatively recently, not quite a year ago. The Center for Civil Liberties notes that any Crimean Tatars who seriously observe their religion and traditions can be taken to court, and human rights advocates suspect that this will become a standard procedure on the occupied peninsula in the future. Both Sevastopol and Simferopol law enforcers have become very interested in “religion.” For instance, a Simferopol court recently had four Crimean Tatars arrested after their homes were searched on February 12.

“Most likely that, while Crimea was still part of Ukraine, there were some lists of people to keep an eye on, and clearly these lists are now being used,” says Maria Tomak, a journalist from the Center for Civil Liberties. “As far as we can tell, the FSB have been setting up these cases against activists with whom they had dealt while they were still part of the SBU. But these religious cases are a general trend in Russia today. There, people have been getting arrested since the early 2000s. People are grabbed by the dozen, but we just haven’t seen that kind of thing in Ukraine. Right now, 20 Muslims have been detained in Ufa, and another 20 in Moscow. And this repressive Russian ‘conveyor’ has already begun to make itself felt in Crimea as well, partly because of the particular context here, the determination to squeeze the Crimean Tatars, to let them know who’s boss.”

THE LUCKY FEW UNLUCKY ONES

Over the last two years, only two Ukrainians have been lucky enough to come back to Ukraine from Russian prisons: students Bohdan Yarychevskiy and Yuriy Yatsenko. The boys were originally detained in Kursk Oblast, after which they were tortured and forced to confess that they were involved in espionage and sabotage. To get away from the FSB, in the end they both tried to slash their veins. After a few months, Yarychevskiy was finally released to go home, while Yatsenko was ultimately sentenced to two years in a high security prison for possession of 40 gm of hunting powder, which is considered a crime under Russian law. The decision of the lower court was successfully appealed and the term was reduced to 9 months, including the months spent in pre-trial detention.

Ukraine can expect a series of final decisions regarding other prisoners very soon. Hopefully, say advocates, a decision will be made in the more optimistic case of Lytvynov by mid-April. With Klykh and Karpiuk, possibly by the end of April, as all that is left there is the presentation for the defense, deliberation and sentencing. With the Crimean Tatars, the situation is much more complicated. One way or another, the “terrorists” detained in Crimea will have to be transferred to Russia, which is when the process will start. It’s not even clear when that might happen.

As to the chances of exchanging captive Ukrainians, rights advocates shrug their shoulders. Where the situation with Savchenko, Sentsov and Klykh is pretty obvious, it’s not clear what can be done with the Tatars. They want to return to their homes in the peninsula but that’s where they can get arrested again. “Crimean Tatar Ali Asanov has four children and a huge family, and they’re farmers,” says Tomak. “His elderly parents risked their lives to return to Crimea. And they say that the only way they will leave it now is feet first. Or else deported. So how can you exchange these people? Under what terms? The entire family needs to be taken away and settled in mainland Ukraine, but it’s unlikely that the government will take something like this on. Yet there’s no way to guarantee their safety in Crimea. Especially given the risk of mass repressions if they ban the Medjlis. This is a huge threat for Crimean Tatars.”

POLITICAL PRISONERS OR NOT?

The only organization that has so far recognized Ukrainian prisoners is the Russian human rights organization Memorial. No international organization has come up with a similar initiative. As Ukrainian human rights advocates point out, the term “political prisoner” means that the person was a journalist, rights activist or engaged in non-violent resistance. For instance, even Amnesty International won’t declare filmmaker Sentsov a political prisoner, as they aren’t entirely convinced that he did not resort to violence. The Savchenko case isn’t even worth bringing up with AI because she’s a servicewoman. Still, AI demanded proportionality in qualifying their actions. For instance, in the case of Afanasiyev, who set fire to the door of the Russkoye Yedinstvo, a chauvinist pro-Russian organization in

On April 8, RIA Novosti, a Russian news agency, quoted Russian’s Justice Ministry saying that Oleh Sentsov, Oleksandr Kolchenko, Hennadiy Afanasiev and Yuriy Soloshenko could be transferred to Ukraine upon the request of the Ukrainian side to serve their sentences at home. “Based on requests from the Ukrainian side dated March 10, 2016, the Ministry of Justice of Russia sent letters to the Federal Verdict Enforcement Service to prepare necessary documents to solve the issue of transferring the listed convicts, and to check whether grounds exist to prevent this transfer,” the Ministry’s press service reported. The final decision is to be made by the Russian federal courts.

Crimea, the action could be qualified as hooliganism, not terrorism, as this is what it qualifies as under the Russian law. What’s more Amnesty issued a number of statements regarding the use of torture against Ukrainian prisoners in the RF.

Resolutions regarding Ukrainian prisoners have also been issued by the European Parliament, the Polish Sejm, and Czech MPs. The next session of PACE is also expected to vote on a resolution regarding this issue.

When it comes to the chances of an exchange, the situation is not clear at all. At one point, Ukraine’s Ministry of Justice turned to its Russian counterpart with a request to allow Sentsov, Kolchenko, Afanasiyev and Soloshenko to carry out their prison



THE ONLY ORGANIZATION THAT HAS SO FAR RECOGNIZED UKRAINIAN PRISONERS IS THE RUSSIAN HUMAN RIGHTS ORGANIZATION MEMORIAL. NO INTERNATIONAL ORGANIZATION HAS COME UP WITH A SIMILAR INITIATIVE

terms in their homeland. There could have been more names on that list, but everything is complicated by bureaucratic procedures, because, in fact, both the prisoners and their relatives have to submit an appeal for effective extradition. Given that this is a legal resolution of the situation, those Ukrainians will have to serve their sentences, only back in Ukraine, and only a court of law will have the right to set them free. This means that Ukraine effectively acknowledges the sentence handed down by a Russian court.

Ukraine’s Foreign Ministry is also looking into the option of exchanging Ukrainians through clemency. FM Pavlo Klimkin has even promised to raise this issue during the next session of the Normandy group. It’s hard to say, however, how seriously this issue will be taken.

“People who are involved in exchanges at the level of the LNR and DNR and say that they can arrange the exchange of Nadiya or Sentsov are simply not serious,” says Tomak. “This kind of exchange can only happen at the highest level, the Presidential Administration. Even the SBU is not involved in this kind of thing. Their remit is those captured by LNR and DNR, and assistance with collecting testimony about the Kremlin’s prisoners. The Foreign Ministry and Administration are the ones who handle negotiations.” ■

"The expectation of death is worse than death itself"

Roman Malko, Natalka Drozd

What war captives and kidnapped civilians go through in the occupied territories, and how exchange mechanisms work

The words in the headline of this text belong to Serhiy, a Ukrainian from the Donbas who was taken prisoner by the terrorists, but miraculously managed to escape and leave the occupied territories with his family. He was sent to death row by tip-offs from his fellow countrymen who were not happy with his pro-Ukrainian position, then went through all the circles of hell, witnessed the torture and shooting of his cellmates, and at the same time became a bargaining chip for money-grabbing sadists. There are many more people like him...

Captivity. This terrible word only recently burst into our everyday lives, but has already taken on a rather specific and chilling meaning. "The heat, stench and pain of dehydration were not as awful as the realisation that at any moment the doors could open and your killers could come in," says Serhiy, "That's it, you're not in control of your own fate! You can clench your fists as much as you want and hold yourself together thanks to willpower, but nothing depends on you anymore. You get the feeling that an abyss has opened up underneath your feet; the horror of uncertainty crushes your heart and pushes you to beg for mercy."

PRISONERS OF WAR WITHOUT THE WAR

According to official data, 124 Ukrainians are still held captive by the occupants, one third of them civilians. Another 690 are considered missing and it is possible that some of them are still alive. The precision of published figures is doubtful due to the mess in bureaucracy, including in entities that deal with prisoner exchange.

Almost anyone who happened to live in the Donbas or was just there by coincidence could have been taken prisoner at the beginning of the conflict. As Serhiy told *The Ukrainian Week*, the motivations for kidnapping were multiple. In 2014, the region plunged into an omnipresent atmosphere of suspicion. Street patrols detained everyone who did not have a passport, which had to be locally registered. All out-of-town visitors were automatically suspected of espionage and found themselves "in the basement" – the places where separatists kept their prisoners and conducted torture. Relatives were given an hour to bring documents to those who had left the house without them. Then, punishment was limited to a week or two of digging trenches. These people were held separately and subsequently released. If

someone refused to hand over their papers, this was immediately seen as evidence of subversive activities; such detainees were sent for "demining" – to be used as a human minesweeper. Almost no one survived. The wounded and maimed were killed on the spot... "I was personally threatened with this sort of mine clearance several times," says Serhiy.

Journalists and members or leaders of any and all religious communities, except for the orthodox Moscow Patriarchate, as well as those who previously adopted a patriotic position, participated in pro-Ukrainian rallies or made negative comments about the Donetsk and Luhansk "People's Republics" were all potential prisoners. Such people were reported without fail and taken from their home or workplace. The survival chances of these hostages were 50/50, depending on the mood of the torturers and murderers, as well as the shrewdness of those trying to release them from captivity.



ACCORDING TO OFFICIAL DATA, 124 UKRAINIANS ARE HELD CAPTIVE BY THE OCCUPANTS, ONE THIRD OF THEM CIVILIANS. 690 ARE CONSIDERED MISSING AND IT IS POSSIBLE THAT SOME OF THEM ARE STILL ALIVE

The third large group were local businessmen. Their houses were looted and turned into bases, while the owners were thrown into the basement with a ransom demand. Whoever wanted to survive paid up. The amount fluctuated around 1 million hryvnias (\$40,000) in hard currency. Money was demanded for Serhiy too. Knowing that his relatives abroad are quite wealthy, they wanted \$400,000, then knocked the price down to \$100,000, but he was lucky enough to escape. He says he does not believe that he would have been released even if his relatives handed over the money. When the prisoner was shown what informers had written about him and he asked why, he was assured by those who detained him that he would never get out alive.

Citizens completely loyal to the terrorists, arrested for petty criminal offenses, wound up in the basements too. Their fate, according to Serhiy, was rather unpredictable. Once he witnessed the questioning of a young man caught stealing mobile phones: he was beaten to death during interrogation.



A special category of prisoners – and the largest one – is made up of defenders of the Ukrainian state: fighters with volunteer battalions, soldiers from the Armed Forces, employees of the intelligence services and volunteers. Most of them were captured during numerous military clashes, the escape from the Ilovaisk pocket, the fighting for Savur-Mohyla and the retreat from Debaltseve. In places, the promised reinforcements did not arrive, in others the artillery did not do its job, in others still equipment broke down at the most crucial moment. Here and there, orders were given to advance or attack something without the proper preparation and intelligence.

"IN THE BASEMENT"

Today, intelligence colonel Ivan Bezyazykov has been held captive by the terrorists for more than 19 months. He was captured near the village of Stepanivka in Donetsk Oblast when military commanders sent him to the militants in order to pick up the wounded and dead from the government-controlled side.

The conditions that hostages/prisoners are held in can hardly be called human. Most undergo brutal interrogations, beatings or abuse. They are of-

ten forced to do hard, hazardous work, are kept for a long time in unsuitable premises with no possibility to satisfy their basic needs, are deprived of food and water as punishment, and are not provided with the most necessary medical care. Soldier Roman Lanovyi from Volyn, who was taken prisoner near Savur-Mohyla and held in captivity for more than a month, says that at first there were mixed feelings towards Ukrainian prisoners. Treatment was often quite brutal, although there were many people who tried to improve the prisoners' situation.

Kadyrovites were the first to get their hands on Roman. They immediately rushed to beat him and took his shoes, but a Russian officer came to his defence. He ordered them to leave him alone, because the prisoners were needed alive. It turned out that the soldiers were going to talk to Russian journalists. They showed the poor barefoot and unkempt Ukrainian soldiers being given new clothes and shoes by the guards from the "DPR". After the infamous parade in August 2014 all these new things were taken back and the prisoners were given some old rags in return. As Roman recalls, at first their group was thrown into the basement of the Security Service (SBU) in Donetsk, but was later transferred to the archive. The iron shelves there were supposed to be used as bunks. "We put down cardboard so we wouldn't have to sleep on the metal and rested our heads on hats. Only later, when some reporters came and made a fuss about what they saw, were we given a bit of humanitarian aid. They fed us twice a day: a small cup of porridge and a piece of bread. They took 10-20 people at a time to the toilet, three times a day and twice at night. We weren't allowed to wash, except for the face and hands. If you started to wash your feet, you could be punished for holding everyone up. There were 200 of us, so this took a long time. They took us to shower a few times, but then stopped. We only got to have a bit of a wash at work. At first, there was a good warehouse supervisor who gave us towels and extra food. When she quit and someone else came, that all stopped. 'Don't give meat to the soldiers, don't give them towels, let them wash where they want.' Actually, we only went to work to clean ourselves up or call home. You could refuse to go to work, but it's very difficult to sit in a room full of two hundred people that wasn't ventilated for days on end."

Sometimes, the militants showed humanity. For example, when returning from Ukrainian captivity, some of them recognised a young man from the Donbas volunteer battalion who had given them medical care there and had him moved to a room with soldiers from the Armed Forces, where conditions were better. Volunteers from Right Sector and the Donbas battalion received the cruellest treatment. Artillerymen and mortar gunners from regular army units also got a lot of trouble. The guards were all different too. Some were reasonable and well disposed, even letting prisoners call their relatives and refusing to take money in return. And then others humiliated them, but did not particularly torture.

The situation of prisoners has undergone significant changes over two years of war. Those who ▶



have been released recently say that conditions have improved, people are not tortured and the food is more or less normal. But this is not always the case everywhere. Some volunteers make arrangements to pass on food, personal belongings and cigarettes to the prisoners. But, more often than not, little makes it to the intended recipients. There are difficulties with medical care. Local doctors often cannot or do not want to provide what is necessary. Roman Lanovyi remembers how one of the men who survived with concussion asked a doctor for help, complaining of constant headaches. The latter replied that he will cut off his head and nothing will hurt any more. Another time, a soldier from Kherston with a broken leg was given a botched plaster cast; only when OSCE doctors made a scene was it redone and he began to recover. However, there is a sufficient amount of evidence to the contrary too. One local nurse did all she could to help prisoners with whatever they needed, always brought medicine and, when one of them had his kidney injured during the parade and had blood in his urine for an entire week, she got hold of some scarce antibiotics at the request of a Ukrainian paramedic and the man was nursed back to health.

One more important point concerning medical treatment for prisoners is documentation. Separatist records are not valid in Ukraine, so it is not easy to prove that you suffered concussion or other problems when you come back. An agreement is necessary so that independent doctors can visit at least occasionally, diagnose prisoners and provide them with medical supplies. The Red Cross is sup-

posed to have the right to do this, but their doctors are often not allowed onto the occupied territories.

At the beginning, when chaos reigned in the Donbas and all processes associated with life and death depended on the will of the numerous chieftains and commanders on the terrorists' side, everything looked cynically simple. A captive could be killed, kept for an exchange with the enemy directly across the line of contact or used for bargaining with his family. Even then it was difficult to agree on an equal exchange. Volunteers say it is hardest to free snipers, artillerymen and volunteers from the Aydar and Donbas battalions. Whereas fighters with the Volunteer Ukrainian Corps and other nationalist organisations had almost no chance at all. They would most likely face either execution, or torture and then execution when captured, so they rarely gave themselves up alive, preferring to be blown up by their last grenade. Later, the situation improved slightly. There is no longer mass murder on such a scale on the other side of the frontline, but, at the same time, releasing prisoners has become much more complicated. It is almost impossible to arrange an exchange or even ransom payments over the phone. With time, the exchange of prisoners took off as a big business. Moreover, according to volunteers, there were cases of dishonest negotiators demanding money, apparently for lawyers and mediators, on the Ukrainian side too. At one point, the question hung in the air, then the prisoner swaps stopped for a long time. The parties have repeatedly announced new attempts, but something always gets in the way. They have both

accused each other of breaking the agreements, however it is quite problematic to identify who is actually to blame and at what stage the process has been failing.

IN THE MAZE OF NEGOTIATIONS

People directly involved say that the cause lies in both politics and the often strange and obscure procedures used on the Ukrainian side. Or, simply put, the system's lack of organisation and responsibility. At some point, a one-for-one exchange was no longer enough for the militants. They started to push for the amnesty mentioned in the Minsk Agreements. This, naturally, did not please the Ukrainian side, but for the longest time they did not want to change the ratio to one-to-two or one-to-three either. There are times when the terrorists demand the release of specific individuals instead of everyone at once, but these people could not be exchanged because they have not gone through the relevant court procedures, or have simply not been found. Similar stories can be heard on the other side. Each side tries to twist the situation to their advantage and swap someone insignificant for one of their important people. Ukrainian negotiators often complain that their lists are not taken into account (the other side claims that it doesn't have captives from the list or that they don't want to go home) and in return they are offered people who are not being searched for and no one knows. Such games and mutual distrust only complicate and slow down the process. The prisoners of war in the self-proclaimed "republics" who are occasionally able to get in touch say that the biggest problem and cause behind the chaos is the unsystematic character of the exchangers' work. Basic principles, which should have taken shape over such a long time, have not been formed and therefore cannot be followed. The algorithms and criteria for listing and selecting candidates for exchange are unclear. As a result, corruption is rampant – on both sides.

Relatives of prisoners often complain about the SBU's lack of professionalism, alleging that they operate with data provided by the families themselves and volunteers, or simply use unverified information. One of the biggest problems is that, in fact, no one is held responsible for anything. The people in charge change constantly. You call one to find out that he does not work on this anymore, while another one is still getting to grips with the situation. At the same time, when relatives start to make a fuss, the Security Service gets very offended. Something like, "Don't meddle in the process, we're working". Wait a while. Only often, it turns out that things will not get moving until you start to make noise. "I question the work of our specialists," says the wife of one of the prisoners. "All this time, I haven't seen any progress or desire to work. When you go to the SBU building, everyone looks so serious, they make you go through a bunch of beeping devices, take your passport, issue a pass two days before your visit and examine you from all sides, but they can't do anything in these matters. I don't want to offend them. We'd never been at war before and didn't even know what war is, but

Recently, chief military prosecutor Anatoliy Matios reported the existence of 62 camps in the occupied territories wherearound 3,000 prisoners were held in 2014-15

after so long you'd think they'd be able to get into the swing of things."

There is another point that is very important, but rarely talked about. Often, the military leadership, employing their own unique logic or trying to hide their lack of professionalism, portray those captured as deserters, which has a strong effect on their exchange prospects. As a result, after returning from hell, these people find themselves in the grip of their own justice system and have to prove their innocence. To avoid such things and regulate the situation, it is obviously necessary not only to centralise efforts and information, but also to get the people who are engaged in this to regularly publish at least some sort of reports – not just bare figures, but facts about what has been done. We urgently need a centre that people could contact with their problems and that would ensure compliance with a set of transparent and understandable principles.

Prisoners and those who have returned from captivity say they understand that not everything depends on our side, but we should still do everything in our power. Everyone should be freed, but the process should not be chaotic. We must find a way to formulate our priorities, then stick to

AN AGREEMENT IS NECESSARY SO THAT INDEPENDENT DOCTORS CAN VISIT PRISONERS AT LEAST OCCASIONALLY, DIAGNOSE AND PROVIDE THEM WITH MEDICAL SUPPLIES

them and strictly monitor the exchange process. The country's number one concern should be the people who defend its interests. Soldiers ought to be exchanged for soldiers, whereas the identities of volunteers must be confirmed by their colleagues. We also need to exchange civilians in the same way. Finally, army units and their leadership should be directly involved in these processes too. They should be the ones responsible for the fate of each soldier: they should promote the exchange of servicemen and women, report on their work done and be interested in influencing the necessary structures. Very often, no one there even bats an eye.

And now the most important thing. Participants say that exchanges have resumed due to international pressure after a long break. But they have stalled due to excessive politicisation. The issue of prisoners should be removed from the Minsk Agreements. Once this happens and it ceases to be the subject of political bargaining, there will be a chance for its gradual resolution. Ukraine should demand the release of its people more forcefully. Statements with assurances that we will get everyone out and leave no one behind are, unfortunately, not always backed up by actions. ■

Taras Kostanchuk:

“In war, one has to go through two battles to understand whether he can fight or not”



Interviewed
by Bohdan
Butkevych

As commander of the storm unit in the Donbas battalion, Taras, a lawyer in civilian life, went through the hellish summer in 2014 and took part in liberating Popasna, Lysychansk and Marinka and later in the infamous Ilovaisk, where he sustained injuries and was surrounded, but managed to avoid captivity and made it back to his unit.

I decided to join the Donbas battalion because I realized that I could not do what I wanted to do in the army. I know all too well how the system works and sitting in the barracks was simply not interesting for me. I took a rifle, put on a bulletproof jacket and took off to the Donbas in May (2014 – Ed.). I wanted to fight without waiting for the commands of generals that had already surrendered Crimea. I understood that if average people didn’t stand up to resist, the rest would have been surrendered as well. Since Maidan it had been clear that the Ukrainian system could not counter-act real aggression. In the Donbas I found people that were ready to take direct action just like myself.

I had no relations with Semen Semenchenko as he seemed to exist in some virtual world. For that reason, when our men became disconcerted with him I told them: don’t. You are creating some sort of an idol for yourself. At the same time, there is nothing to blame him for: he never gave any military commands. However, his greatest achievement was that he managed to or-

ganize this process and gain official status for the Donbas battalion at the Ministry of the Interior. The planning was not of the highest level at that point. There was no concept of properly planned timing and operations were often haphazard.

The first night after arriving in Artemiivsk we were under fire. And then it turned out that nobody in the high command of the company and three platoons had any military experience. Nobody knew how to react to shelling and where to flee. They put up something resembling posts, but all around there was darkness even in the hostel. That’s when they (the separatist side – Ed.) started shelling us with RPGs. With the first strike all the window panes were blown out. Thank God that the rocket did not blast through the window, but hit the window sill. Because it would have become a mass grave for our soldiers. All ran amok to quickly get dressed, there was total chaos. Somebody even switched on the lights even though that made us completely visible for the enemy. Experienced Afghan veterans immediately jumped out into the corridor bearing machine guns and took their positions under the windows, while the youngsters for some reason lined up under the lights. Had a rocket landed in the room, all of them would have been killed.

And since nobody knew how the lights could be switched off, they had to crush all the lamps with their machine guns. At the time, I was the only one that had a thermal viewer that I bought with my own money. I gave it to a sniper on the roof.

Officers and soldiers matured with every battle. Volunteers were not trained, but it was their decision to go to fight. That’s why they quickly learned how to act in stressful situations. They quickly shrugged off the psychology of a peaceful individual and transformed into militants. They were extremely motivated: “We will take Donetsk, organize a parade and go home”. In every volunteer battalion over a few months two-three well-trained platoons were formed. However, it was tough to look at the majority of those mobilized into the Armed Forces that were by our side. They were very young and inexperienced in shooting. They were constantly afraid and tried to get drunk. They did not understand where they were and what their task was. They were not morally or spiritually prepared. The proximity of volunteers helped them feel that they are soldiers too defending their homeland. That is why the real army that went through this quick shaping by the circumstances appeared in the

second half of July 2014. Nonetheless, the quality of their military capabilities was mediocre. I recall how in Ilovaisk four armored vehicles were sent to cover us up. They approached us with soldiers inside. And the soldiers asked me: and what should we do now? The shooting was raging all around and their APCs would turn into their graves if an anti-tank missile hit them. Yet, the soldiers didn't think of getting out of the APCs on their own. I had to kick them out of the vehicles.

We were relentless with the drinkers. In my company there were no problematic soldiers in that regard. They simply came to me and asked for permission to have a drink when one of them was celebrating his birthday. I allowed them, but a bit in the evening and then one before hitting the sack. If I caught one of them drunk, then I was tough. Eventually, I hired an assistant and we set up a cell for the drunken servicemen. Whenever they got insulted for being sent to it, I told him to either sit in jail or work - sweep up the yard, for example, for the battalion, - or to get out and go home immediately.

In war, one has to go through two battles to understand whether he can fight or not. One battle shows nothing because in it, you don't understand anything, just move with all others. In the second one, you either break or you stay. One soldier in my company after the second attack on Popasna said he could not carry on. We let him go without any bitter feelings. I don't know where he is now.

Our mission was quite successful then, by the way. We captured a Russian officer. We treated prisoners of war normally: an opponent is an enemy until killed or taken hostage. After that, I have no interest in them unless they are a threat to my men. When you have to obtain some information, you can threaten to cut off his ear or shoot next to his head. But this should only be done for the sake of getting information, not out of evil intent. You have to maintain a cold head.

I recall when Minister Poltorak told us before we left for the front that all of us were officially registered. Later, when we received our first pay we found that more than a third of our soldiers were not officially registered in the battalion. 90 of the 460 did not appear on any official lists, myself included. And that was despite the fact that we had pledged our allegiance and signed documents on the issuance of weapons to us. After the battles in Popasna, I was sent for five days to Kyiv to solve this. I went to the administration of the National Guard and told them that we already had killed and wounded soldiers while they couldn't even register people officially. In the end, I was officially registered on August 18, when I was already in Ilovaisk. On August 19, I was injured and ended up encircled there.

We first confronted the Russians in Ilovaisk. Up until then local buffoons resisted us. But I mentioned above that we had captured a Rus-

sian diversionary intelligence group in Popasna before. In Ilovaisk we encountered the Kadyrovites: they were using their typical tricks, such as jumping out of sewage tunnels, shooting anti-tank rockets and hiding back. They are actually the best warriors in the Russian forces. They have the experience in several wars, no fear and are very pragmatic.

The biggest problem in Ilovaisk was that the plan to seize it was good only on paper.

In reality, our forces were insufficient for this. We had no plan "B", which meant that the high command did not do its homework. Nobody and nothing were ready for the advance of the Russian military forces. So, who is to blame? In my opinion, we should have gone to Donetsk, secured a place and then the Russians would have to try and drive us out of the city buildings. But the high command whined that they could not believe that the Russian forces would get here, though the Intelligence Headquarters informed about this in advance.

Incorrect planning in such conditions and with such consequences can be qualified at the very



SHOOTING AT OUR COLUMN IN THE ILOVAISK POCKET – THIS WAS A POLITICAL DECISION OF THE KREMLIN. THEY WERE ALSO SHELLING THEIR OWN WAR PRISONERS THAT WE HELD

least as criminal negligence and responsibility for the deaths of people. Moreover, this did not happen in war technically, but during anti-terrorist operations. So why were they sitting there if they couldn't make the right decisions, and as thousands of people died as a result? "Maintain your positions, don't panic" they said, and then we ended up encircled because no reinforcement arrived – what would you call this? Their main task was apparently to hold a nice parade in Kyiv.

More questions arose with the shooting of our columns (in August 2014 in Ilovaysk – Ed.). If they had an agreement with the Russians regarding a ceasefire in case we surrender our heavy artillery, then they should show us this agreement. If there was no such agreement, that means the high command was lying and consciously sent soldiers to death under enemy fire.

Shooting at our column in the Ilovaisk pocket – this was a political decision of the Kremlin. They were also shelling their own war prisoners that we held. We were shelled by the Russian military forces, and they would never have done so upon instructions of the likes of Zakharchenko (Russia-backed leader of the "Donetsk People's Republic" – Ed.). That was a deliberate act to intimidate Ukraine, an attempt to break it psychologically. My squadron lucked out: two thirds of our soldiers survived, but they ended up in captivity eventually. We were going first, and most often those who want to live the most die first. The third squadron and the auxiliary one ended up with the highest number of those killed – they were going out the last. ■

How to measure power?

Ihor Losev

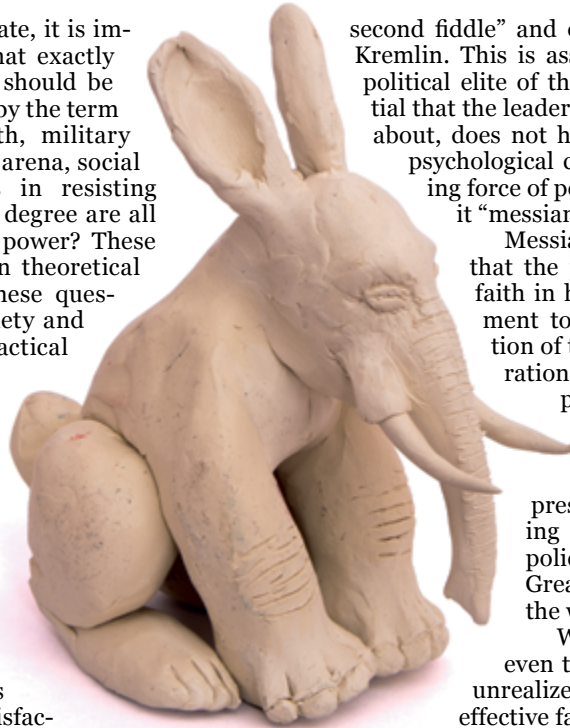
Why even the most developed states in the modern world remain vulnerable

When we speak about the state, it is important to understand what exactly power means and how it should be measured. What is meant by the term a powerful state: economic strength, military power, influence on the international arena, social well-being and/or decisive actions in resisting threats? Or is it all at once? To what degree are all these elements necessary to ensure power? These issues are important and not only in theoretical reflections. Often the answers to these questions determine the existence of society and the correctness of its strategic and tactical planning.

In some cases the development one of the above elements of power happens against the backdrop of a decline of others. For example, West Germany (up until the reunification with East Germany) was for many years called an economic giant but a political midget. Indeed, many limitations imposed on this country after 1945 prevented it from conversion of its economic strength into political power. Today, the situation is changing. This incites certain dissatisfaction of its peers in the European Union. The same applies to Japan with its constitutional pacifism. Being the second most powerful economy in the world over decades, it has been lacking physical strength because it had self-defense forces instead of a full-fledged army. The vulnerability of this position is particularly obvious on the backdrop of the actions by the totalitarian regime in North Korea with its nuclear arms ambitions, or China's aspiration to establish its hegemony in the region. Economic, technological, informational and cultural potential (all that comprises "soft power") is not always sufficient. A state cannot be strong without the weighty component of its force bloc. For this very reason, European countries are gradually withdrawing from the state of profound pacifism by changing their systems of defense, while Japan is rewriting certain clauses in its legislation to untie its hands and exploit its military forces in the event of an "emergency" situation in the region.

Meanwhile, the objective power of a state cannot inherently be a decisive factor unless it is combined with the subjective capacity of the ruling elite to implement it, and to do so decisively and boldly.

Many analysts point to the obvious fact of modern-day global politics: the West, being objectively much stronger than Russia, from a tactical vantage point constantly loses to Putin. This forces it to "play



second fiddle" and only react to the moves of the Kremlin. This is associated with the fact that the political elite of the West, which has huge potential that the leader of the Kremlin is not dreaming about, does not have the highly critical cultural-psychological capacity that serves as the driving force of political passion: I would refer to it "messianism".

Messianism is a profound conviction that the position one stands by is fair; faith in his civilization; sincere commitment to his values and decisive rejection of the enemy's values; and an aspiration to not only declare his spiritual principles, but to commit to implementing them. Examples of this were the uncompromising policy of former U.S. president Ronald Reagan in dealing with the Soviet Union, or the policy of the late Prime Minister of Great Britain Margaret Thatcher in the war in the Falkland Islands.

Without such "Messianism", even the biggest force will remain an unrealized potential and will not be an effective factor.

As such, the present spiritual weakness of leaders in western countries, the lack of leadership and the lack of faith in the values that they formally declare significantly reinforce the chances of the totalitarian dictator in the Kremlin with the possibilities offered by the democratic world. Even on the everyday level we are witnessing how in the duel the more impudent, daring and adventurous are more often victorious than the strong.

In this context, Vladimir Putin today has a huge advantage over his opponents, just as Adolph Hitler had. Back then, it took several years for the democratic community to mobilize its resources that were objectively greater. Luckily for them, nuclear weapons were not a factor in those years.

Still, even decisiveness in action can hardly change anything in society without a strong foundation of objective force.

In the 1980s in Peru ultra left-wing militants of the *Sendero Luminoso* movement were highly active. The corrupt Peruvian government could not fight them and extremists gradually took control of three fourths of the territory of the country. At the time, the newly elected president Alberto Fujimori did away with the semi-mafia parliament and corrupt higher judicial bodies.

The armed forces were given the command and within a few months the Sendero Luminoso leader

Abimael Guzman was immediately put in jail while ultra left-wing forces ceased to exist. When members of another organization of this type – the Tupak Amaru Revolutionary Movement seized 500 hostages in the Embassy of Japan in Lima, the Peruvian Guard stormed the residence of the Ambassador of Japan, all hostages were freed and all terrorists were killed. Such decisive and bold actions of the state leadership salvaged Peru from the fate of Cambodia under the dictatorship of the Khmer Rouge. However, they did not resolve the general weakness of society and state, the problems of poverty and of the split into two civilizations (Europeanized cities and archaic rural periphery), and of the permeating corruption that's typical for developing countries.

It often happens also, that the external, self-promoted strength of a state goes hand in hand with internal weakness – this is the phenomenon of a “Colossus with feet of clay”. In the 17th century, this was the case in the Ottoman Empire. It still instilled fear in Europe at that point, but the first signs of a universal crisis that would kick off in the 18th century were already evident. By the 19th century, it turned into the “sick man of Europe”, as the western press labeled the country. The Turks were still threatening Vienna and trying to reach the coastline of the Baltic Sea, though wise observers saw something else. For example, UK Ambassador to Istanbul Sir Thomas Roe, who was a witness of daring landings of Ukrainian Cossacks in the capital of sultans on June 9, 1624, wrote to London that all day until the sunset they boldly posed a threat to a large and alarmed capital of the world with all its power, then left with their catch and flags unfolded, albeit without a victory, but also without resistance from the Turks. This wouldn't be such a significant circumstance, he wrote, if only this daring move didn't expose an amazing truth about the great state, which seemed to be formidable and powerful: in truth, it was weak and defenseless. In May 1626, Thomas Roe tracked an interesting communiqué: “They (the Cossacks – **Ed.**) are threatening to go to battle against the entire Turkish fleet and gave an oath that they will siege the ship of the admiral. All cities and villages in the Bosphorus Straits to Con-

stantinople are in fear...” Indeed, at that time it was a sensational discovery that a state so powerful turned out to be weak and defenseless.

A few years ago the EU was also perceived as a model of internal strength, organizational capacity and well-being. No longer. The weakness of European countries before the existential challenges of the Islamic world and Russia, which is becoming more totalitarian faster than the West is able to notice such changes, are quite obvious.

What are the institutions of democratic countries worth if they cannot withstand such threats and are forced to retreat? Recall the events in Cologne, Germany, which demonstrated that the laws of Germany do not exist for them and that the European civilization with its habits and traditions is not respected. At the same time, law enforcement structures were paralyzed and not braced for decisive rebuffing of



A STRONG STATE IS ONE IN WHICH THERE ARE HIGHLY FUNCTIONAL INSTITUTIONS COMBINED WITH STRONG CIVIL SOCIETY, AND ALL OF THEM ACT ON THE BASIS OF MUTUAL VALUES AND PRINCIPLES

attacks. Today, we are observing certain signs of capitulation of classic liberal states to the challenges of bellicose Islamism and Putin's “hybrid” expansion. European civilization so far lags behind these processes.

The practice of the 21st century shows that a strong state is one in which there are highly functional institutions combined with strong civil society, and all of them act on the basis of mutual values and principles.

A strong state must conduct energetic and principle-guided foreign policy; not succumb to challenges or threats, but find effective and convincing arguments while staying united in declarations and actions. Are there such states in the western world today? Practically not, and this is the reason why Europe and America face the current crises. ■



Professor Tornado

Hanna Trehub

Amidst the Cold War, before Ukraine restored its independence, historian and Orientalist Omeljan Pritsak created the Ukrainian Research Institute at Harvard and made Ukrainian Studies appealing to international scholars



Ukrainian scholars in Vienna. Omeljan Pritsak (in the center of the upper row) with émigré academics Ivan Lysiak-Rudnytsky, Bohdan Tsymbalytsky, Vasyl Rudko, Yevhen Pyziur and Volodymyr Kucher in 1940

No streets in Ukraine have been named after Omeljan Pritsak, even though he stands among Ukraine's top historians alongside with Mykhailo Hrushevsky, Ahatanhel Krymsky, Natalia Polonska-Vasylenko, and others. He placed the history of Ukraine in the context of the history of Europe and of the vast Oriental world from Crimea to China. This gave the country more independence and confidence against the Russian historical project, according to which Ukraine never existed.

THE RICHNESS OF DIVERSITY

The initial concept of any book ever written is always far from the final product. It is even more difficult to predict its repercussions in the short or long run. Human fate is somewhat similar to that of a book, but more complicated. Omeljan Pritsak was born on April 7, 1919 in the village of Luka near the town of Sambir, Lviv Oblast in Western Ukraine, to a train engineman Yosyp

Pritsak and his wife Emiliya Kapko. The mother of the future scholar later married a second time and with her new husband Pavlo Saramaha and her small son moved to the city of Ternopil, where they settled in the district called the Tatar Village. Omeljan's first encounter with the Oriental world happened early in his life in the village of Luka, where during World War II a unit of Turks (allies of the Austrian Emperor and the German Kaiser) was stationed. From them, the local farmers learned some melodies, as well as added a few new words to their vocabulary.

His mother concealed from Omeljan his Ukrainian origins for a long time, and he called himself Emil in Polish for a while. When he entered school, however, and found himself surrounded by bullying classmates, he chose to present himself as Ukrainian. Ternopil with its Polish classical gymnasium founded by the Jesuits in 1820 was an important milestone in his life. It was there that Omeljan Pritsak began his academic career of a historian and Orientalist, getting classical training in 1928–1936. At the gymnasium, headed by Franciszek Machalski (Polish Iranist and Orientalist, teaching fellow at the Chair of History of Islam of Lviv University in 1931–1939, later professor at the Jagiellonian University), he studied Oriental languages, including Farsi, and the history of Iran (by Ferdinand Justi) along with the history of ancient Rome and of the papacy. At the same time, he read the "History of Ukraine-Rus" by Mykhailo Hrushevsky. This was his acquaintance with the first coherent narrative representing the past of the Ukrainian people.

In 1936, Pritsak entered Lviv University aiming to use for the study of the Ukrainian history the Islamic sources (Arabic ones for the period of the Kyivan Rus, Ottoman and Crimean ones for the Cossacks period). Hrushevsky's work on the history of Ukraine was not complete in the sense that he did not use Oriental sources, putting therefore Ukraine out of the context and history of the Great Steppe and the Black Sea region. Under the guidance of Wladislaw Kotwicz, one of the most prominent Polish researchers of the time of Altai languages, and of Tadeusz Lewitski, an Arabist and medievalist, Omeljan studied Iranian, Altai, Finno-Ugric and Chinese languages. At the same time, he met one of the most eminent students of Mykhailo Hrushevsky, researcher of the Cossack period Ivan Krypyakevych. In 1940, after the annexation of Western Ukraine by the Soviet Union, Pritsak became a research assistant and an aca-

ademic secretary at the Lviv branch of History Institute at the Ukrainian SSR's Academy of Sciences, while also studying at the graduate Institute of Linguistics of the USSR AS in Kyiv. In Lviv, he met with Ahatanhel Krymsky, the founder of the Ukrainian Academy of Sciences and the Ukrainian Academic Association of Oriental Studies, who was 70 at that time. Their cooperation was short: in the summer of 1941, Krymsky was not evacuated with the USSR Academy of Sciences to Ufa, because, apparently, he was killed, with another Ukrainian academician, Slavist Kyrylo Studynsky, by the NKVD. Some of his manuscripts were rescued.

In November 1940, Omeljan Pritsak was drafted into the Red Army and sent to Bashkiria. Later, he returned to Kyiv, which was occupied by the Germans, to find out that the Academy of Sciences was virtually inactive. He then returned home and was sent to Berlin for forced labor as an *Ostarbeiter*. Acquaintance with a prominent German Orientalist Richard Hartmann, with whom Pritsak had been in correspondence before finding himself in Germany, was decisive of his fate. Hartmann helped Pritsak to get the papers to pursue studies at the University of Berlin. There, Omeljan studied under the guidance of Hartmann himself and his colleagues Annemarie von Gabain (Turkologist and Sinologist) and Hans Heinrich Schaeder. At the end of WWII, Berlin University stopped working, with its professors and students escaping in all directions. At first, Pritsak planned to get Turkish citizenship to pursue his studies in Turkey, but he failed. In 1945–1946, with a letter of recommendation from professor Schaeder, he headed to Switzerland to meet Professor Carl Burckhardt and continue his studies at one of the local universities. Later he received news that Schaeder got a job at the University of Gottingen. There he continued his Turkic studies and was influenced by Julius von Farkas. In 1948, he defended his doctoral thesis, "The Karakhanid Studies. A Research of Statehood History of the Turkic Nations in Central Asia," and received a doctorate in 1951 with his study "Names of the Altai Peoples and Tribes." In 1952–1957, he taught Turkic Studies at the University of Hamburg. In 1960, he became a visiting professor at Harvard. In 1961–1964, he lectured at the University of Seattle, and in 1964 he started working as the Professor of Turkic Studies and Linguistics at Harvard.

EX NIHIL

In the late 1950s, before Professor Pritsak arrived to the US, the numerous students of Ukrainian origin based in the country decided they wanted to study what could be called "Ukrainian Studies". These would cover the history, language, and literature of Ukraine, that is, the humanities, in order to learn more about themselves. "Know where you come from to understand where you are going," as the Jewish saying goes. And it was precisely the humanitarian knowledge about themselves that many students of Ukrainian origin at a number of universities and colleges in the US and Canada badly lacked. In 1957, Stepan Chemych,

an activist and co-founder of the Ukrainian Studies Fund, was a delegate of the III Congress of the Union of Ukrainian Student Associations of America (SUSTA). It was there that he proposed to establish a Ukrainian Studies chair at an American university. The initiative was supported. The decision followed to create the Ukrainian Studies Fund to raise funds for the project. Chemych was elected the head of the Fund, which soon made it possible to open the first Ukrainian chair at Harvard, and later the Harvard Ukrainian Research Institute.

After 1964, when Pritsak arrived at the invitation of Harvard University to teach there permanently, he joined the above student initiative, waged a campaign all over the USA and convinced the Ukrainian immigrant community that the first Ukrainian chair should be opened not at just any American university, but at the best one. He insisted on this, gathering around him the like-minded influential members of the Ukrainian community in the US. However, there were as many influential representatives of the community who were against it. Pritsak insisted that the Ukrainian chair should be opened at Harvard, because in this case the world-renowned university would work for the Ukrainian cause, including in the academic domain. He realized full well that it was necessary to look ahead and see the broad perspective, rather than live for the day. Standing his ground was not easy, because not all of the Diaspora and the media shared his vision.



PROF. PRITSAK CONVINCED THE UKRAINIAN IMMIGRANT COMMUNITY THAT THE FIRST CHAIR OF UKRAINIAN STUDIES SHOULD BE OPENED NOT AT JUST ANY AMERICAN UNIVERSITY, BUT AT THE BEST ONE

Professor Pritsak regularly traveled to various Ukrainian communities throughout the United States, lecturing in churches and community halls about why a Ukrainian Studies center should be established at Harvard. Following his speeches, communities gathered donations, which were then sent to the Ukrainian Studies Fund. The academic did not shy away from such work and did not expect someone younger to do it instead of him.

His international academic renown allowed Omeljan Pritsak to discuss with Nathan Marsh Pusey, the then president of Harvard University, and with the Dean of Humanities the issue of opening a Ukrainian Studies chair. His initiative received a chill welcome, since this was in the mid-1960s, at the height of the Cold War, when few people in the world apart from Ukrainians knew or heard about Ukraine. He had to fight the concept that prevailed among his fellow scientists that the USSR was absolutely the same as Russia. The Russian Center at Harvard at that time already existed and had a powerful lobby. It was necessary to prove that another center was needed for the Ukrainian Studies. The process of estab-



Vivat Academia! The Harvard Ukrainian Research Institute was established with the efforts and donations of the Ukrainian Diaspora with no state support

lishing a Ukrainian Studies chair turned out to be a tough struggle, in which Pritsak's international scientific renown was instrumental, since he had to discuss and explain his position to people for whom Ukraine had zero importance. In 1968, an agreement on the opening of the Ukrainian Studies chair at Harvard University was formally signed. It was the Chair of History of Ukraine. Pritsak arranged that the Slavicists would teach there for free. He himself gave lectures there free of charge for many years.

Pritsak did not limit himself with the Chair of Ukrainian History. His concept included an entire humanitarian block. The fact is that exact sciences cannot provide a coherent worldview, while the humanities, which give food to brain and heart and are related to the identity and the essence of a nation, did not exist in Ukraine of the 1960s. At the end of the day, Harvard got three Ukrainian chairs: of Ukrainian history, language, and literature. Now, lecturers were needed. Omeljan Pritsak, by hook or by crook, invited Ukrainian scholars based on their academic achievements. Oleksandr Ohloblyn, a Ukrainian émigré historian, would teach at the newly established Chair of History of Ukraine, and contribute to engaging other historians, including Natalia Polonska-Vasylenko, Borys Krupnytsky, and philologist and folklorist Orest Zilynsky. Immediately after establishing the three departments, Pritsak started an academic seminar, which worked by the rules and standards of German universities, where research was above all. The younger generation had to learn from venerable scholars. Besides, Professor Pritsak conceived and established Harvard Ukrainian Studies (HUS), the journal of the Harvard Ukrai-

nian Research Institute, where works by Ukrainists and Slavicists from around the world were to be published.

He strongly supported his undergraduate and graduate students in getting various research grants and scholarships. Orest Subtelny who was Pritsak's postgraduate student, Zenon Kohut, George Grabowicz, Emma Andijewska, Frank Synyn, Paul Robert Magocsi, Martha Bohachevsky and many others are the ones whose fate would probably have been different, if not for professor Pritsak and his initiative. These respected and renowned modern scientists graduated from Harvard Ukrainian Research Institute. Borys Gudziak, Bishop of the Ukrainian Greek-Catholic Church, studied with Omeljan Pritsak and attended his lectures. Historian James Mace was not directly a student of Pritsak, since he did not study at Harvard, but Pritsak contributed greatly to the research of Holodomor in Ukraine. It was at the Ukrainian Research Institute that Mace got a visiting professorship and an opportunity to work together with Robert Conquest.

The managerial strategies that professor Pritsak used in the US benefited Ukraine later. He revived Ukrainian Oriental studies, establishing the Ahatanhel Krymsky Institute of Oriental Studies and becoming its first director, in the early 1990s in Kyiv, at the invitation of the National Academy of Sciences. He also co-founded the Archaeography Commission and its successor, the Mykhailo Hrushevsky Ukrainian Institute of Archeography and Source Studies. In addition to that, the scholar founded the first in post-Soviet Ukraine History Department at the Kyiv National Taras Shevchenko University and headed it. He communicated democratically with everyone, be it a first-year student, a random visitor of Shevchenko University, or the faculty. This was very impressive at the time.



PRITSAK INITIATED A PROJECT TO COMPILE AND PUBLISH WRITTEN SOURCES ON PRE-SECULAR UKRAINE, FROM THE MEDIEVAL CHRONICLES OF NESTOR TO THE WORKS OF IVAN KOTLYAREVSKY, THE PIONEER OF MODERN UKRAINIAN LITERATURE

He did not like loud patriotic slogans, and instead demonstrated the prospects of Ukrainians by developing profound classical education. His concept was entirely justified: neither the Soviet Union nor later Russia had an ideology to counter international academic authority.

THE WIND ROSE

One of the subjects that Omeljan Pritsak studied during his entire life was Ukraine in the context of the world history: of both the West and the East. He studied the Karakhanid Empire, a state that existed in Central Asia in the 10–13th centuries, as well as the Huns, Khazars, Pechenegs, and Polovtsians, whose living area and development were directly linked to the territory of modern



The first Polish gymnasium in Ternopil. Omeljan Pritsak was not its only prominent graduate. Before him, physicist Ivan Puliuy, chemist and epidemiologist Ivan Horbachevsky and historian Oleksandr Barvinsky attended it

Ukraine. Pritsak effectively reintegrated into the academic discourse the Khazar and the Norman theories of the Kyivan Rus origins. Along with papers such as "Slavs and Avars," "From Kyivan Rus to Modern Ukraine: Establishment of the Ukrainian Nation," "Polovtsians and Rus," "The Origins of Rus," "Who and When Wrote The Lay of Igor's Campaign," he created two monumental works on ancient Scandinavian sources about the origins of Rus (sagas and non-folklore sources).

The scholar dedicated years of hard work to reach his goal, his efforts stretching far beyond his academic work at Harvard. This is what many Ukrainians lack today, when they want results "here and now" to avoid frustration and disappointment. The Harvard Millennium Project to mark the Christianization of the Kyivan Rus was also conceived by Omeljan Pritsak and was only approved after hard discussions. It was related to

the celebration of the date by the Ukrainian Diaspora around the world. The Vatican was to assist with implementing the concept. Professor's school friend was Cardinal Wladyslaw Rubin, Prefect of the Congregation for the Oriental Churches. Pritsak met with him many times before meeting Pope Karol Wojtyla eventually. This is not to say, however, that it was easy for Pritsak to convince everyone to support his cause. The preparations for the celebration started in 1981. Pritsak sought to unite the efforts of all Ukrainian migrants around the world to place the right emphasis on the celebration of the millennium of Ukraine-Rus Baptism in 988 A.D., i.e. to prevent the event being portrayed as a solely Russian one. The thing is that the celebration of the anniversary was organized by the Soviets not only in the USSR, but also abroad, with the participation of the Russian émigré community. Pritsak had a clear vision of what impression the celebration should leave for years to come: it was to confirm the fact that it was primarily Kyiv which had originally adopted Christianity in the Kyivan Rus. A number of his articles explained the issue profoundly. To that end, he successfully insisted on publishing a compilation of written sources on the pre-secular history of Ukraine, regardless of the language of the original. The Harvard Library of Early Ukrainian Literature was to publish at least 50 volumes, from the Chronicles of Nestor, a history of Kyivan Rus dating back to 1113, to the works of Ivan Kotlyarevsky, the pioneer of modern Ukrainian language and literature. Original texts were found in various libraries and archives around the world, and enormous research work was conducted to complete the project. Pritsak wanted this publication to take a place on the shelves of libraries around the world and to be no less epic and ambitious than, say, the corpus of the Scandinavian sagas. Only seven volumes of the series have been published to this day.

Omeljan Pritsak promoted Ukrainian poets, including Pavlo Tychyna, Ivan Drach, Lina Kostenko, and Mykola Bazhan: every year from 1960 to 1971 he consistently nominated them for the Nobel Prize for Literature. Each time, he had to compile a large set of documents: academic justifications and English translations, since these authors were rarely published abroad. To get a Nobel Prize, it is very important for the works of a writer to be well-known and resonant in the world. So, Omeljan Pritsak invited young American poets of Ukrainian origin to do translation work. Among them were one of the founders of the New York Group of poets George Tarnawsky and his wife Patricia Nell Warren.

Promoting Ukraine during the Cold War was bold work, and perhaps even more important than pure politics. Pritsak, similar to the most prominent pre-war Polish historians, such as Professors Gieysztor, Kula, and Herbst, who created free educational environment in their country after World War II, placed a bet on the development of Ukrainian academic and educational field at least in the Diaspora. The results of his work today help the independent Ukraine to withstand and win in the conditions of the Russian aggression. ■



PHOTO: ANDRIY LOMAKIN

“Two state languages in Ukraine will be a step towards Belarus, not Switzerland or Finland”

Interviewed
by **Anastasia
Levkova**

Like many Ukrainian studies specialists, historians, writers and politicians outside Ukraine, Dr. Michael A. Moser is something of an advocate for Ukraine, thanks to whom the country's voice is becoming better heard and more influential in the world. He has written several works on the Ukrainian-Russian creole known as *surzhyk* and on the language of Halychyna. His new collection of essays called “New Contributions to the History of the Ukrainian Language” is currently being prepared for publication in Canada. And this topic was the subject of his recent lecture at the “Ye” Bookstore in Kyiv. *The Ukrainian Week* spoke with the professor afterwards about what the gist of “New Contributions” is, why he considers the Polish borrowings in Ukrainian from the 17th and 18th centuries so valuable, and Russian as a second state language.

What's new in the 2016 collection of “Contributions to the History of the Ukrainian Language” compared to the 2008 edition? Is it largely new chapters or an expansion of the original ones?

– This new collection contains completely new articles written after the 2008 collection was published. Some of them have already been published in various journals, while others were written specially for this book.

It has been structured to provide answers to possible questions for those who doubt the historical significance of the Ukrainian language. In this edition, I discuss the old Rus period and the early modern era. I review 17th century translations and originals, covering the language of Ivan Mazepa's chancellery, that is the beginnings of linguistic contact between Ukrainian and Russian. For the most part, I analyze official and business documents,

as well as historical ones, but not so much creative writing, because the artistic merit of texts is not my primary interest. There's an article entitled “*How this all started. Surzhyk in 18th century documents*,” that considers source materials that already demonstrated the linguistic influence of Muscovy. Of course, I'm primarily interested in the linguistic aspects, but in the process of analyzing them, it's impossible to ignore the cultural history of Ukrainians.

What can the ordinary Ukrainian say to someone who insists that, because Ukrainian, Russian and Belarusian resemble each other and have common roots, therefore the peoples are fraternal?

– If there's a common source, it's Slavonic, not Rus', let alone Russian. In fact, the term “ruskiy” raises a lot of issues, starting with the fact that “ruskiy” is used in the Russian language¹. That bothers me, because Russian suffers from ambiguous terminology, and that's rather dangerous. Some of my Russian colleagues say that the lexeme “ruskiy” has two meanings: old Rus'ian [davnioruskiy] and Russian [rosiyskiy]. Others use these concepts interchangeably. The question is, was there once a common Old Rus language? We now know for sure that [Kyivan] Rus' was multilingual and its chroniclers refer to non-Slavic language groups living within its borders. But even if we just look at users of Slavic languages, we can see that they are heterogeneous from the very start. When it comes to written sources, then the religious sphere brings some kind of consolidation, and what we now call Church Slavonic. There is some thought that certain texts, such as the Novgorod chronicles were writ-

¹The name of the country is Rossiya in both Ukrainian and Russian, but the language is “rossiyska” in Ukrainian, not “ruskiy.”

Michael Moser is Professor at the Institute of Slavic Studies at the University of Vienna, Pázmány Péter Catholic University in Budapest, and Ukrainische Freie Universität in Munich. He studies the history of the Ukrainian language and chairs the International Association of Ukrainists. Prof. Moser is also member of editorial boards in a number of academic journals, as well as the author of monographs and nearly 250 academic articles and reviews on Slavic language studies.

ten in a supradialectal form of the Old Rus language, as a Russian colleague, Anatoliy Zalizniak, calls it, and this supradialectal form has its roots in Kyiv. Sometimes the term Old Ukrainian is used. If one really must, one can use it, but the term “Ukrainian” with reference to the Kyivan Rus’ era is clearly an anachronism. The same is true of the term “ruskiy,” which our northern neighbor uses in the sense “rossiyskiy.”

Many of your articles discuss the language of Halychyna [Galicia]. Is your detailed work in this area because, as an Austrian, you have a sentimental attachment to the region or because you consider the influence of that language on the Ukrainian language the most significant?

– It’s one of the reasons why I’ve written so much about Halychyna. And the fact that works by Halych authors are available even in Vienna, compared to many other Ukrainian works. I never had any sentiments about the Austrian Empire in relation to Halychyna, however. Fortunately, the imperialism of my compatriots, unlike that of others, is only apparent on the emotional level,

and I don’t even feel that! The other reason why I have written about the language of Halychyna is my conviction that we have been told too little about its real linguistic history to this day.

Of course, we do have the work of Yuriy Sheveliov, “*Halychyna’s contribution to the formation of Ukraine’s literary language.*” Like all his studies, this work is unusually valuable and important, but it’s not about the Halych version of the Ukrainian language as such. Sheveliov was studying not so much Halychyna itself and the local language, but the impact of the linguistic culture of this region on the language of what we call “Greater Ukraine.” Everybody knows that, Halychyna became the Ukrainian Piedmont in the 1860s, but how and why this became possible, no one explains. Remember: in Halychyna the language was functioning and they began to write works early, works that were ideationally related, that is, about higher concepts such as dignity. Nothing like that was being written in the Russian Empire. And without any doubt, the Halych version of Ukrainian had a major impact on the development of dictionaries: Sheveliov also writes about this. Many words that we consider standard Ukrainian today came from Halychyna.

So, in terms of such “halychisms,” do you mean the proportion of Halych lexicon or polonisms, germanisms, and so on?

– Some words appeared in Halychyna, which constitute real halychisms, others are polonisms, bohémisms, germanisms or even come from Yiddish, and some of this happens simultaneously. Words are borrowed from a specific language and change appearance in a specific »



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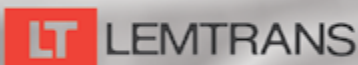


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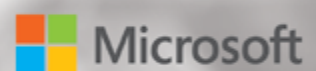
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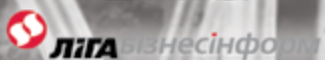
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region. Vocabulary has a tendency to travel. Often when we talk about a Halych element, it means that its last “stop” was in Halychyna. But before that, there could have been several others. Incidentally, in “New Contribution,” I have written a lot less about this region.

Surely we can also talk about quite a few ukrainisms that have come into the Polish language through Halychyna?

– Of course. Typically, there is interaction between two languages. The Ukrainian influence on the Polish language was less intense, for obvious reasons, than the reverse, but it was there and often words from further east, including Turkic terms, made their way through Halychyna into Polish. So latinisms, germanisms, bohémisms and polonisms made their way from the west to Ukrainian speakers, while orientalisms and turkisms made their way from the east into Polish.

To improve the sociolinguistic situation in Ukraine, what kind of policy should there be? Should it be stricter?

– I would say that it needn't be stricter. It just needs to be more consistent. And a better job needs to be done of explaining to the world what is actually going on when this policy is instituted. Unfortunately, those who are promoting the “Russki mir” and screaming about how Russian speakers are a suffering minority in Ukraine are more effective at communicating their position to European institutions than the other side. Moreover, they are doing it in such a way that Europe believes them...

Actually, one of your books published in 2013 just before the Maidan began touches on the issue of language policy in Ukraine under Yanukovich. You noted that it was intended for western readers and it came out in English. What did you have in mind in writing it for non-Ukrainians?

– I wanted western readers to understand the situation in Ukraine. There are people who are very interested in the post-soviet sphere, not all of them language experts. If they don't read my book, then they will pick up another one where all these processes are described differently, and you know what their message would be. And there are those who affect policy, including language policy, in different countries, although each country has to be in line with certain EU institutions. I wrote it for these people, too.

All too often it's Europeans who claim to support tolerance and diversity who say: “Why don't you Ukrainians legalize the obvious status quo and make Russian the second state language?” And when you explain to them that this could destroy the Ukrainian language, they offer the examples of Switzerland or Finland. What should we be saying to them?

– Europeans who say things like that typically know very little about the situation in Ukraine. Their examples of multilingual countries are not persuasive. Where has multilingualism ever worked without strain and tensions? If we take Canada, we know that the threat of Quebec separatism is always in the background. If we look at Belgium, the situation with bilingualism is also very difficult. Belgium has effectively been in a state of deep crisis for decades and official bilingualism is one of the major factors. If people refer to Finland as an example, the situation is very different there. There are so few Swedes that they cannot be compared with the proportions of Russian speakers in Ukraine and it's obvious that Swedish needs some protection there.

On the other hand, taking Switzerland as an example, it seems like some people are under the illusion that all the Swiss speak four languages, but that's not true. Moreover, the country functions on a completely different basis than the rest of Europe, so if you compare it to Ukraine, then you would have to do so on a number of levels, not just language. I'm not saying that the history of each of the languages is completely different, of course. There are many more appropriate examples, however, more suited to the situation in Ukraine, and it's important that we all understand: two state languages in Ukraine would be a step towards Belarus, not towards Switzerland or Finland. Demands for Russian to be given status as an official language tend to come from Ukraine's neighbors, who have made it amply clear what they hope to gain. If we are to compare Ukraine's language legislation and the linguistic situation for Russian speakers here, then we should be comparing it to similar legislation and the situation for Ukrainians in Russia. Then we get a very different picture, indeed. Too many people seem to forget that there are many Ukrainians in the Russian Federation, but what do we know about them? What do we know about Ukrainian schools, Ukrainian press and so on? Nothing. Because there's almost nothing there.



WE GET TOLD THAT UKRAINIAN LAW DOES NOT PROTECT RUSSIAN, BUT THIS IS NONSENSE: IT'S IN THE CONSTITUTION AND IN OTHER DOCUMENTS. WE ALL KNOW THAT RUSSIAN-SPEAKING CITIZENS HAVE NEVER SUFFERED IN UKRAINE

And so, the people who are convinced that Russian should become the second state language here often forget that it already has very high legal status in Ukraine, even if this status is not officially there. We get told that Ukrainian law does not protect Russian, but this is nonsense: it's in the Constitution and in other documents. We all know that Russian-speaking citizens have never suffered in Ukraine. Every single survey, even under the Yushchenko Administration, showed that the language issue did not really bother them. I completely agree that all the languages of a country should be protected—and in Ukraine, Russian is not the only other language—, and they are all properly protected by law in Ukraine.

How are Ukrainian studies doing globally, after the Maidan? Has interest among students grown?

– The Maidan did not do anything to increase the number of students registered in Ukrainian studies, unfortunately. But now they are a bit more prepared to accept the fact that Ukraine exists and it's not Russia. We are more often able to attract Russian specialists to Ukrainian subjects than before. But to this day, few people who graduate from Austrian or German schools enter university immediately precisely to go into Ukrainian studies. Most of those who eventually transfer to us are specialists in Slavic or Russian studies. I can't blame our high school graduates. This situation will change once Ukraine becomes a different country, when it becomes truly Ukrainian-speaking. That's when people will stop treating it as an appendage to Russia and more like a self-sufficient country that is worth studying. ■

Prophetic words

Leonidas Donskis

William Shakespeare is usually celebrated as the author of his great tragedies, comedies and historical chronicles. Yet his sonnets reveal Shakespeare as a poet and as a thinker who found a perfect form for his wit and breadth of his thought. His 66th sonnet reads:

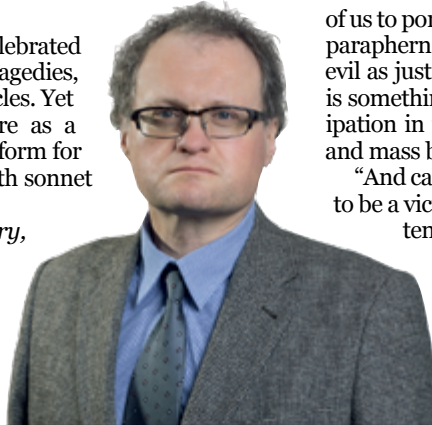
*Tir'd with all these, for restful death I cry,
As, to behold desert a beggar born,
And needy nothing trimm'd in jollity,
And purest faith unhappily forsworn,
And guil'ded honour shamefully mis-
placed,
And maiden virtue rudely strump-
eted,
And right perfection wrongfully dis-
graced,
And strength by limping sway disabled,
And art made tongue-tied by authority,
And folly (doctor-like) controlling skill,
And simple truth miscall'd simplicity,
And captive good attending captain ill:
Tired with all these, from these would I be gone,
Save that, to die, I leave my love alone.*

This sonnet is one of the most powerful poetic and moral messages left by Shakespeare. It sounds as a sketch of or as a prologue to Hamlet's monologue, just like Wolfgang Amadeus Mozart's concerti for piano and orchestra anticipated some arias from *Così fan tutte* or Don Giovanni.

A serious clue to Shakespeare's political and moral message could be found in Tengiz Abuladze's film *Repentance* where the embodiment of evil, Varlam Aravidze, recites Shakespeare's 66th sonnet to his victims – people who are condemned to perish during the purge. The episode where his son, Abel Aravidze, comes to make a confession to the monk who eats the fish and who turns out to be the Devil devouring God leaves no place for doubt – Varlam Aravidze reading Shakespeare's sonnet reveals the greatest irony of the Devil lecturing virtue and good.

This is to say that evil is not banal. We assumed too much after Hannah Arendt's report from Jerusalem where she depicted Adolf Eichmann as the embodiment of the banality of evil. True, people expected to see the monster, yet what they saw in the court was a colorless bureaucrat of death, a practitioner of the ethics of duty, nearly in the Kantian sense. The bad news was that he was sound and sane; psychiatrists assured Israel and the world that Eichmann, under any other circumstances, would have made a loving husband and a sweet neighbor. That was, as Arendt thought, the banality of evil.

Yet we seem to have assumed too lightly that evil lurks simply in our ability to allow it to pass in full anonymity and impunity only due to our willingness to act as its accomplices. We started taking it for granted supposing that we all participate in the democratic division of evil these days. What can I say? Yes and no. Or rather yes but... Yes: evil lurks in all of us, and it would be naïve



of us to portray evil as the monster with satanic traits and paraphernalia; nor is it sound and logical to clinicalize evil as just another word for illness or insanity. But: evil is something incomparably more than merely our participation in the division of modern inaction, insensitivity, and mass blunders or follies.

“And captive good attending captain ill”: evil turns out to be a victorious captain here, with Good as a captive attending to grace his triumph. “And evil shall have the dominion,” to reverse Dylan Thomas. And good shall praise evil ascribing to it glory, virtue, bravery, and prowess. And good shall negotiate evil trying to elevate it to the rank of a major actor, if not the protagonist, of world drama.

THE GOOD NEWS THAT SHAKESPEARE CONVEYS TO US IN HIS PLAYS IS THAT EVIL WILL FALL PREY TO ITSELF

“And captive good attending captain ill”: evil is about how a seemingly decent person or group becomes a nobody or non-entity – a coward and traitor. Fear is the midwife of evil. George Orwell assisted Shakespeare in portraying evil as our surrender to dehumanizing fear and treachery – out of his fear that a starving rat would attack his face and mouth, Winston Smith starts yelling: “Don't do it to me! Do it to Julia!” (Nowadays it translates into: “Don't do it to me! Do it to Ukraine and Syria!”)

“And captive good attending captain ill”: evil is about how we are stripped of our language, sensitivity, and memory. If you deny evil, you will be punished confining you to mental asylum and making you suffer from blocks of memory or lapses of reason. If you evoke evil, you will lose your face, eyes, and physical appearance. Mikhail Bulgakov, another great disciple of Shakespeare, gave us a great lesson about this. “And captive good attending captain ill”: evil imposes on us its vocabulary, wording, and phrasing. We are left speechless and thoughtless: the West allows a fascist and terrorist state, Russia, to position itself as an ally in the war on terror, just like the EU negotiates the aggressor, Russia, over implementation of the Minsk peace accords, as if to say that Ukraine is bound to take the aggressor as a peace partner. This is evil, and it is far from banal: this is nothing other than “captive good attending captain ill.” This is just self-inflicted dumbness, numbness, and blindness.

“Tired with all these, from these would I be gone, / Save that, to die, I leave my love alone.” The good news that Shakespeare conveys to us in his plays is that evil will fall prey to itself: those who are left alive and well will eventually kill the master to switch with him.

Yet whether this will turn out lesser or bigger evil is the question worth the year 2016, which marks 400 years since the passing of William Shakespeare. ■

April 12, 8 p.m.**Jazz Generation****Caribbean Club
(4, vul. Symona Petryury, Kyiv)**

A new jazz project by Ukrainian pianist and composer Oleksiy Boholyubov brings together promising young musicians on the stage. Olena Salova as vocalist will join Orest Filippov on saxophone, Yaroslav Tovaryansky on double bass and Roman Yakovchuk on drums as part of the Jazz Generation performance. The band got together in 2016 to perform its own songs, as well as jazz standards in contemporary arrangements. The musicians hope to contribute to developing jazz culture in Ukraine.

**April 15, 8 p.m.****ONUKA****OPERA Club
(23, vul. Volodymyra
Vernadskoho, Dnipropetrovsk)**

ONUKA, an original Ukrainian electro-folk band, is setting out on a tour in several cities of Ukraine, including Dnipropetrovsk. Musicians will perform songs from Look and ONUKA albums and present their new Vidlik mini album. It includes two tracks in Ukrainian and two in English. Brevis symphony orchestra from Rivne has contributed to the creation of the album. The project focuses on the 30th anniversary of Chernobyl disaster. One of the tracks contains real records of negotiations between dispatchers on the day of the tragedy.

**April 19, 7 p.m.****Sarah Chang and New Era
Orchestra****Taras Shevchenko National Opera
of Ukraine
(50, vul. Volodymyrska, Kyiv)**

Sarah Chang, a world-renowned American violinist of Korean origin, will play together with Ukrainian New Era Orchestra on the stage for the first time. The performance will be conducted by Tetyana Kalinichenko. The program includes violin concerto with Jean Sibelius orchestra, Souvenir de Florence sextet and a Romeo and Juliette overture-fantasia by Pyotr Tchaikovsky. The organizers hope the project to not only leave memorable experience for the audience, but to integrate Ukraine into the world music scene.

**April 20–24, 7 p.m.****Kyiv International Shorts
Festival****Kinopanorama Cinema
(19, vul. Shota Rustaveli, Kyiv)**

This year, the program of the festival presents shorts from all over the world and offers an opportunity for all those interested to attend cinema school and several other events. The festival traditionally includes two sections, one for the general audience, and one for professionals. The first section will have film screenings, while the second section includes cinema school and meetings with experts in the field. The attendees will have a chance to learn experience from a Belgian director, film festival curators, a British composer and many more professionals involved in filmmaking.

**May 6–9, 11 a.m.****86 International Cinema
and Urban Planning Festival****Around the city
Slavutych**

Slavutych, a town near Chernobyl, will host the 86th International Cinema and Urban Planning Festival for the third time. This year, the four-day program will include photography exhibition by Niels Akkerman, winner of Photographer of the Year Award in Switzerland; long-awaited Ukrainian premiers of *The Babushkas of Chernobyl*, a film by Anne Bogart and Holly Morris, and *Counting*, a movie by Jem Cohen; My Street Films Ukraine competition and the first round of the Palm of the North film competition. The audience will also have a chance to enjoy music and a program of entertainment for children.

**Through May 19****Museum Collection****Cultprostir Hub
(7, vul. Bohdana Khmelnytskoho,
Kyiv)**

Exhibition of paintings by Anatoliy Kryvolap, a famous Ukrainian artist in non-figurative art and landscapes, will include 60 pieces, in particular his new paintings and works from private collections. The artist refers to the exhibition as a message of gratitude to collectors. He has also announced the launch of award for students of art academies. The award will give young talented artists an opportunity to visit art capitals of the world and their museums, meet with artists and improve their knowledge of art.



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