

The Ukrainian Week

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Court selection process

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of Ukraine's agriculture

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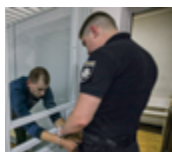
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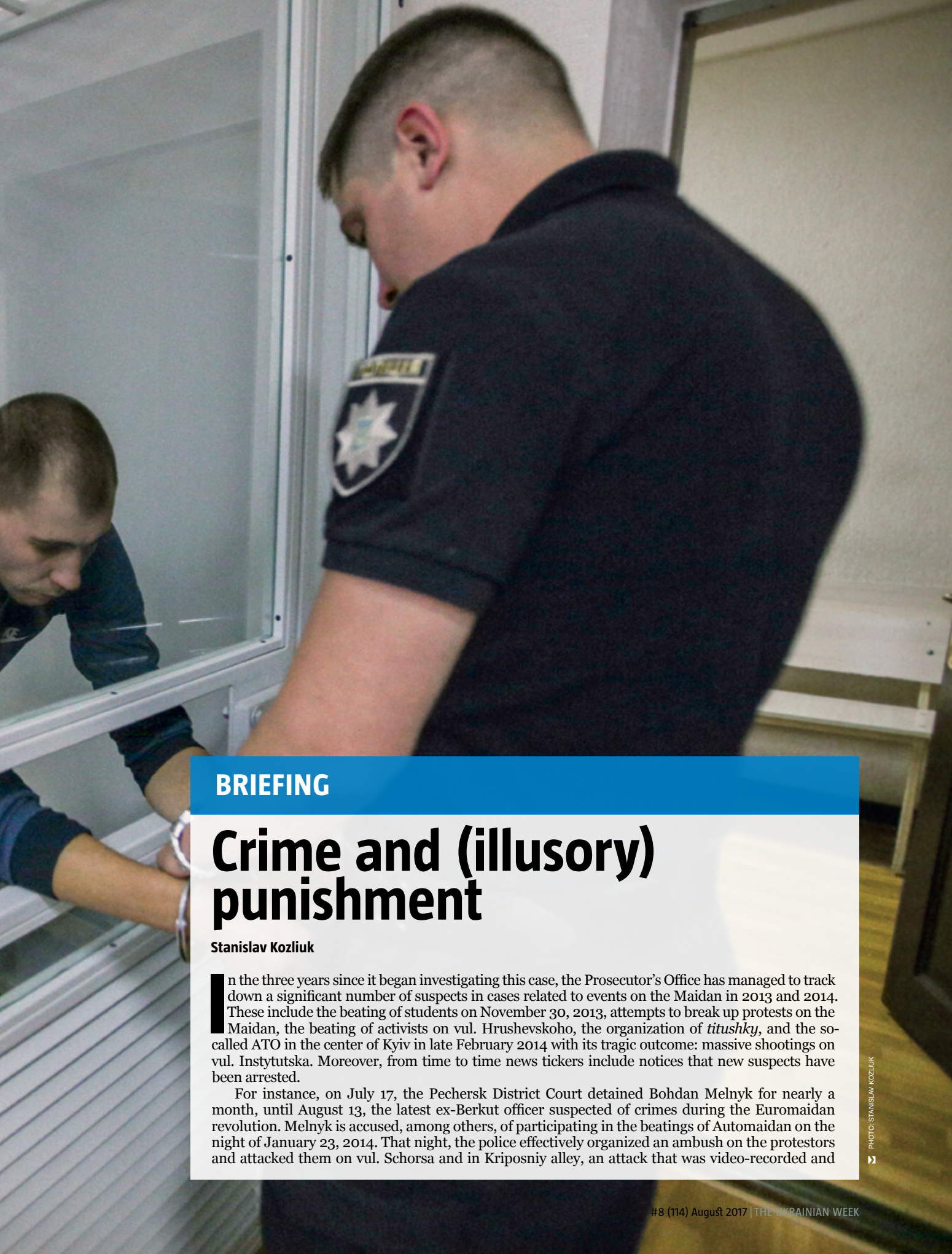
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ТИЖДЕНЬ





BRIEFING

Crime and (illusory) punishment

Stanislav Kozliuk

In the three years since it began investigating this case, the Prosecutor's Office has managed to track down a significant number of suspects in cases related to events on the Maidan in 2013 and 2014. These include the beating of students on November 30, 2013, attempts to break up protests on the Maidan, the beating of activists on vul. Hrushevskoho, the organization of *titushky*, and the so-called ATO in the center of Kyiv in late February 2014 with its tragic outcome: massive shootings on vul. Instytutska. Moreover, from time to time news tickers include notices that new suspects have been arrested.

For instance, on July 17, the Pechersk District Court detained Bohdan Melnyk for nearly a month, until August 13, the latest ex-Berkut officer suspected of crimes during the Euromaidan revolution. Melnyk is accused, among others, of participating in the beatings of Automaidan on the night of January 23, 2014. That night, the police effectively organized an ambush on the protestors and attacked them on vul. Schorsa and in Kriposniy alley, an attack that was video-recorded and

PHOTO: STANISLAV KOZLIUK

broadcast at the time. Not only were Automaidan activists beaten, detained and eventually remanded to court based on false accusations, but the Berkut also trashed their cars.

A number of court cases are currently being heard regarding this particular episode, including against Senior Officer of the 1st Special Team of Berkut Mykhailo Dobrovolskiy. The man detained this week, Bohdan Melnyk, was his subordinate. Investigators were searching for their man for 18 months and finally found him in Chernivtsi Oblast. The Prosecutor's Office says that the suspect was detained just as he was about to make his escape to Odesa. To support this claim, the PO argues that the young man had a ticket for the train. Melnyk himself says that he had no idea he was wanted, that he had resigned from the law enforcement agency in the spring of 2014 and moved back closer to his family. There, however, he had a hard time getting a job, money got tight, and he decided to join his father as a migrant laborer. He says he had no intention of hiding from the investigation. On the contrary, Melnyk says he is prepared to cooperate with the investigation and to testify—but only about his own actions. Whatever the case may be, the man is spending nearly a month behind bars. Which could turn into more, given that the investigation is continuing. But detaining a former Berkut officer is not enough. The courts need to prove his guilt.



LAWYERS FOR BERKUT OFFICERS INSIST THAT THE EVIDENCE IN THEIR CASES LACKS CONCRETENESS AS TO WHO SUFFERED AS A RESULT OF THE ACTIONS OF A SPECIFIC DEFENDANT. TESTIMONY FROM OTHER SUSPECTS MIGHT HELP BUT MOST OF THEM REMAIN SILENT

And this is where possibly the biggest problem arises, one that defense lawyers constantly use on behalf of their former special forces clients: the failure to prove the guilt of their clients. Put simply, there is not enough information that say a hypothetical Berkut officer Petro Petrenko shot at activists, beat them or damaged their property. From time to time, the defense claims in court that individuals who have been separately detained cannot be responsible for the actions of their colleagues. Even lawyers at the Legal Aid Center insist that Ukraine only recognizes individual responsibility, not collective responsibility. In other words, it has to be proved that Petro Petrenko himself beat, injured or killed an activist or damaged someone's property.

At any case, so the lawyers say. The story seems pretty logical. However, the other point is that during the Euromaidan events, most of the police were without any markings, wearing masks and helmets without identifying numbers. In practice, this could result in difficulties recognizing individuals and proving their guilt. Even if the case involving the shootings on Instytutska manages to prove guilt using ballistics, and prove that a given firearm was in the hands of a specific individual, what can be done to prove anything against those who simply beat someone up in the dark? Most of the victims are only likely to recognize their attackers' voices, but the guilty individual has to be detained first—preferably arrested, so that they cannot influence witnesses, distort evidence and so on. That's why the PO appears to be justifying its

preventive measures by appealing to every possible option and risk provided for in the Criminal Code.

This problem brings up another one: punishing the individuals who gave the orders. It has been brought up in courts, and not only there, for more than a year now. If we take the latest example of Melnyk, his superior, Dobrovolskiy, should receive the harsher punishment. After all, he's the one responsible for determining the actions of his subordinates. Realistically, the rank-and-file Berkut did not decide on their own to set up an ambush for the Automaidan activists. This was a planned operation, which means someone had to put it together. This means that the Prosecutor's Office and Ukrainian society as a whole should be interested in bringing these individuals to justice. But here, again, there are complications. If we look at the preventive measures taken by the courts, they leave an impression that there is not enough evidence of the guilt of one or another of the Berkut. Defense lawyers insist that the evidence in these cases lacks concreteness: who was beaten, when they were beaten, whose property was damaged, who was shot. More than that, who specifically suffered as a result of the actions of a specific defendant. Without this information, even the matter of arresting people, let alone suing them, becomes questionable.

What might help in this situation is testimony from other participants in the event, i.e., other suspects. Testimony about the actions of their superiors by rank-and-file Berkut would also help strengthen the body of evidence. Unfortunately, most of them are choosing to remain silent, for a variety of reasons. First of all, it doesn't really matter that senior officers of the Berkut like Dmytro Sadovnyk and Serhiy Kusiuk fled to Russia, because other top officers managed to successfully re-certify and remain in law enforcement ranks. This allows them to influence the process of investigating and hunting down suspects.

Secondly, as the PO explains, the accused Berkut officers continue to be in contact with one another and to share information. And, as the latest case shows, the suspect is prepared to testify against himself, but not against his own superiors. What the reasons behind this are is something only the detained Berkut himself can answer.

If instead of police officers, the question is raised about the *titushky* or hired thugs, who were particularly visible in the last days of the Euromaidan, the story is almost the same: the bosses of these "sportsmen" not only don't have an electronic bracelet around their ankles in some cases—they have no personal liability. The best example of this is the story of Yuriy Krisin, who is suspected in the murder of journalist Viacheslav Vermiy. Both investigators and activists have identified Krisin as one of the leaders of the group of *titushky* who were beating activists and shooting them at the end of February 2014. Yet in three years, no one's even been able to detain him in a CIZO, even though he's managed to commit yet another series of crimes in the meantime, while rank-and-file beefed-up thugs are already sitting behind bars.

Add to this an unreformed judiciary, where those servants of Justice who once judged the Maidan activists are now judging *titushky* and riot police—we end up with almost the same story as with the Berkut: the top officers are very likely to avoid punishment while those who carried out their orders are sitting silently behind bars, awaiting a sentence. ■

Delay in court

Andriy Holub

Candidates for positions in the renewed Supreme Court have one last barrier to overcome

Lawyer Hanna Vronska could soon have a new professional status. She is sixth in the ranking of candidates for the 30 vacant judge positions at the Economic Chamber of the Supreme Court of Ukraine. A favourable opinion from members of the Supreme Council for Justice and a decree from President Petro Poroshenko are all that stand between her and becoming a judge. Alongside Vronska, 119 people who successfully passed all stages of the selection process for the four chambers of the Supreme Court – administrative, criminal, civil and economic – are waiting for the same things. Vronska says that, despite the widespread stereotype about lawyers, she never dreamed of becoming a judge. According to her, responsible leaders should be ready to come to power, rather than sceptically observing failures from the sidelines. "It's more honest to try and do something. Therefore, I decided to take part in the selection process for the Supreme Court," is how she explains her motivation for competing.

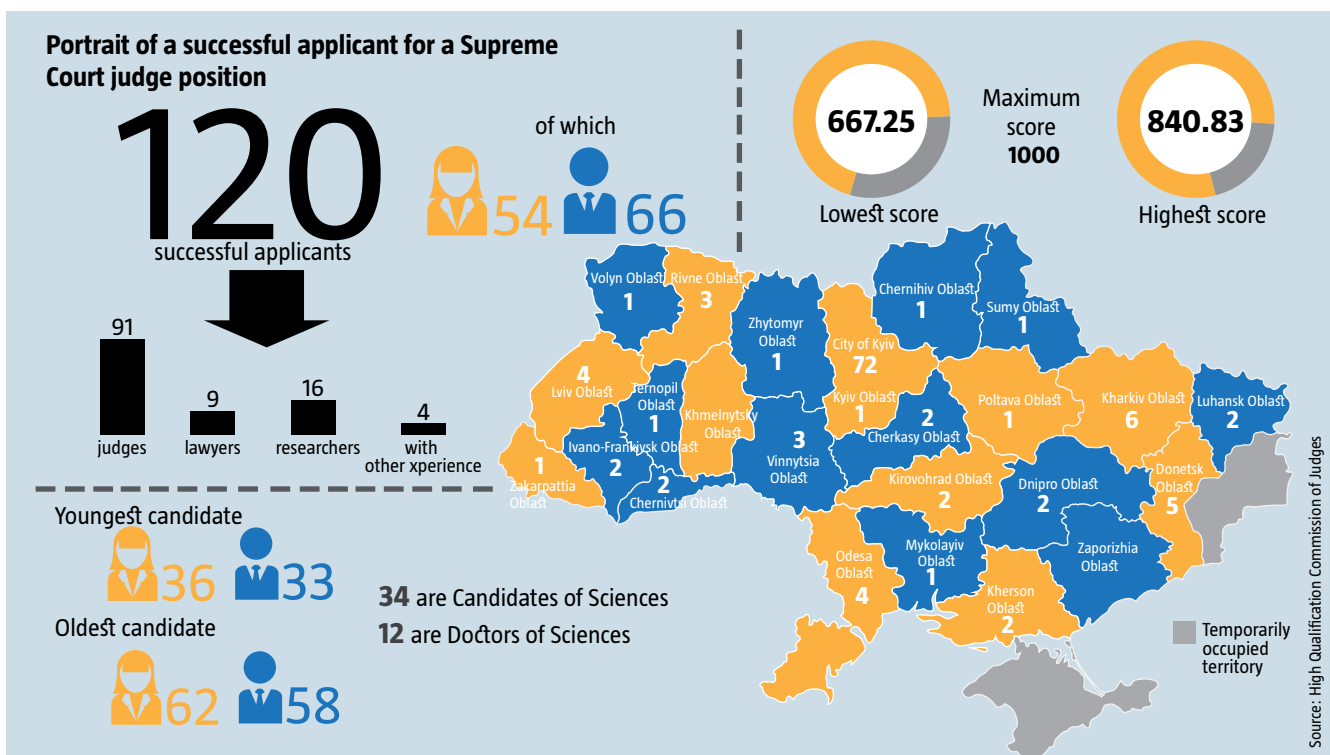
The selection process itself was delayed for almost nine months. During this time, there were some rather high-profile scandals. Opinions on the results and transparency of the selection are radically divided. This can even be seen in the statistics that various involved parties began to use immediately after the publication of the final rating.

Everyone starts with the same data, but the accents are very different.

The High Qualification Commission of Judges (HQCJ), which had the deciding vote when evaluating candidates at previous stages, emphasised that the Supreme Court would be 95% renewed. Representatives of civil society and, in particular, the Public Council of Integrity (PCI) have pointed out other figures: 25% of the applicants who passed the selection were given negative opinions by PCI, while 80% of the candidates are present or former judges.

The HQCJ underlines that they have successfully complied with and even exceeded the norms for "non-judges" within the SCU. "Those selected included 16 researchers, 9 lawyers and 4 candidates with other legal experience (former judges – Ed.). Portugal has a quota of 10% for 'non-judges' in the Supreme Court. We will exceed this figure 2.5 times over," the HQCJ website quotes its head Serhiy Koziaikov as saying.

"Despite the high-profile statements from the President about the renewal of the Supreme Court and the head of the HQCJ Serhiy Koziaikov on the unprecedented transparency of this process, old judges, some of which also have questionable integ-



rity or experience in conducting political persecution to please the authorities, are winning the competition organised by the commission," is the reply of the Reanimation Package of Reforms coalition on behalf of civil society.

One camp emphasises that men and women will be represented in the SCU in almost equal proportions. The other replies that, for example, in the Criminal Chamber, every fifth judge will be with a negative opinion from the PCI regarding their integrity. This cross-examination could go on forever.

Judge Roman Brehei from Kropyvnytskyi, unlike Vronska, is not yet preparing for a change to his status. For him, selection for the Administrative Chamber of the Supreme Court ended in March. Brehei did not pass the first stage, which consisted of written tests and a practical task. Both, according to the law, are combined into a so-called exam to establish a candidate's suitability for a judge position. Since then, Brehei has been unsuccessfully trying to prove in various courts that the selection process included violations of rules.

The conflict between Brehei and the HQCJ illustrates the first large scandal to hit the competitive selection. In February, the HQCJ set a minimum acceptable test mark for candidates applying for Supreme Court positions – from 54 to 60 depending on the Chamber (the maximum possible score was 90). Applicants took the tests, after which a significant proportion of them dropped out of the competition. In March, the HQCJ set a separate minimum requirement for the practical task – from 65 to 70 points (out of a possible 120). On the same day, the media published lists of 339 candidates who got through the stage by scoring a passing mark for each of the criteria. However, less than 24 hours later the HQCJ set the minimum passing mark for the third time. This time for the whole exam as the sum of the passing marks for each of the two tasks. That helps 43 judges who received high marks for the test, but failed at writing an appeal court ruling return to the selection process. One such applicant was deputy chair of the High Administrative Court, Mykhailo Smokovych (ironically, drawing up such rulings is part of his current duties – Ed.). This judge successfully passed the following stages of competitive selection and is now in the list of 120 recommended candidates. Two other members in the "list of 43" shared the same fate as Smokovych: Kharkiv Oblast Court of Appeal judge Oleksandr Yemets (applying for a post in the Criminal Chamber) and High Economic Court of Ukraine judge Hryhoriy Machulskyi (applying for a position in the Economic Chamber).

Brehei openly calls the decision to establish the third minimum acceptable mark a "crime". Since this happened, he has filed a complaint with the National Anti-Corruption Bureau (NACB) and brought a suit to the High Administrative Court. The judge has still not received a reply from the NACB, while the High Administrative Court refused to satisfy his claim. Brehei disagreed with this and applied to the Supreme Court, which he was trying to join himself, for a review of the ruling. Asked whether he sees contradictions in filing a complaint to the Supreme Court, the lawful selection of which he is challenging, Brehei replies in the negative: "The filing of an

application to review a court ruling proves that it is not legally valid. It (the High Administrative Court decision – Ed.) is empty. There is no analysis of the violations."

In a lawsuit against the High Administrative Court, Brehei expanded his demands. In addition to overturning the decision to admit people from the "list of 43" to the following stages of selection, he also requested that all those who did not score 157.5 marks over the two tasks (299 people) be excluded from the competition. The figure of 157.5 is 75% of the maximum number of marks in the two criteria – this is the threshold set out by the Law "On the Judiciary and the Status of Judges" for the attestation of someone to be appointed as a judge. Brehei described his logic in detail in a complaint to the Supreme Council of Justice that was filed in July: "The conditions to successfully pass the qualification examination during evaluation for selection as a Supreme Court judge are as follows: 1) exceeding the minimum number of marks at each stage of the examination, 2) if the minimum marks are exceeded, the sum of the marks may not be less than 75% of the maximum score for all stages of the exam." The panel of judges at the High Administrative Court disagreed with this logic. Firstly, the judges indicated that they did not consider Brehei's rights to have been violated, since he would not have been able to continue in any circumstances with his 119 marks. Secondly, they did not agree with the proposed norm of 157.5 marks.

The judges recognised that the criteria to successfully pass an exam as part of the selection process for a Supreme Court judge may not be less than for courts of first instance. However, the judges' further interpretation of the law is indeed somewhat strange: "At the same time, such a criterion is not only a mechanical indicator, i.e. the percentage of correct answers, but also the content and integrity of the exam, taking into account the principles of legal hierarchy and specialisations. Therefore, the percentage referred to in Part 7 of Article 78 of the Law of Ukraine 'On the Judiciary and Status of Judges of Ukraine' cannot be applied as a universal rule, as it does not take into account other criteria, such as the scope, type and form of tasks that are determined by the High Qualification Commission of Judges of Ukraine during the corresponding qualification assessment." In addition, the HQCJ believes that it is not necessary to equate the qualification examination with the qualification assessment. In his complaint to the Supreme Council of Justice, Brehei turned his attention to this too: "The Commission claims that an examination as part of the qualification assessment in the selection process for the Supreme Court cannot be called a qualification examination. In my opinion, the commission is trying in this way to evade responsibility for the gross violation that has been committed. Indeed, the provisions of Part 1 of Article 85 of the law state that one of the stages of the qualification assessment is an examination. If we recall the laws of logic, it is easy to conclude that this is a qualification examination." Brehei has still not received a reply from the Supreme Council of Justice. According to him, this is the last legal mechanism he was able to turn to.

Brehei's administrative case regarding the organisation of the competition is not the only one, although it is the most well-known. Serhiy Kozia-kov, the head of the HQCJ, said in an interview with the publication Left Bank that in total there were 40 complaints to the High Administrative Court, of which 27 are still pending, while five more are being appealed in the Supreme Court. However, the formalities are not the only basis for criticism of the selection. According to Roman Maselko, a member of the Public Council of Integrity (PCI), transparency and public participation in decision-making were supposed to be the decisive factors in this process. In order to ensure public participation, the PCI was created in order to check the candidates' integrity and, in the event of any discrepancies, send their conclusion to the HQCJ.

The situation with the findings of the PCI, which the HQCJ examined for one month, brought the sharpest contradiction between the parties to the fore. The PCI filed 140 negative opinions, of which the HQCJ overturned 89 by at least 11 votes out of 16 commission members. As a result, 30 candidates from the PCI "black list" are among the successful applicants. They point to the example of Viacheslav Zastavnyi, who at one time tried the current Prosecutor General Yuriy Lutsenko and was ranked second for the Criminal Chamber of the Supreme Court, or Civil Chamber judge Olha Stupak, who lives in a 380m² house near Kyiv that is officially owned by her mother-in-law and could not explain at whose expense this dwelling was built. Stupak is in seventh place of the ranking for the Civil Chamber. The PCI add that in addition to their conclusions, they also provided the HQCJ with information on candidates' possible lack of integrity. This was done if they did not have the opportunity to confirm it. According to the logic of the PCI, this should have been done by the HQCJ, taking advantage of its broader possibilities. While negative opinions were given to 25% of those who made it into the final ranking, negative "information" was collected in relation to 70%. It is still unknown whether the HQCJ checked this data.

Candidate for Supreme Court judge Vronska says that as an applicant she was satisfied with the organisation of the selection process and its openness. "For me, the main thing was that all of us (contestants) were on an equal footing. We all wrote the tests and practical task in the same conditions, in one room – everyone had the same time limit and the same type of tasks (depending on their specialisations). The psychological tests were also held in identical conditions, observers attended all stages, there was video monitoring and interviews were broadcast online so everyone could watch them. Regarding the organisation of the process, I did not notice a more favourable or disrespectful attitude to any particular candidate. Therefore, I cannot complain about the organisation or transparency."

A similar position is held by the HQCJ. They note that the competition was unprecedented in its openness, even in comparison with European countries, where all the procedures for appointing judges take place "behind closed doors".

Many members of the PCI disagree with this. "The contest seemed to be rather open from the

outside. However, key processes remained behind the scenes," says Roman Maselko, a member of the council. According to the provisions of the law, there are only three criteria for the assessment of candidates' qualifications for the position of Supreme Court judge: competence, professional ethics and integrity. In total, according to these three criteria, each applicant was able to get a maximum of 1000 points. However, it is not known for sure how exactly most of these points were distributed. "There were two more or less transparent stages – the test and practical task, although there is an information disclosure problem here too (the HQCJ has stated that it is not required by law to publish the applicants' work and has called on them to do this voluntarily – Ed.). However, these two stages account for 210 points out of 1000. On the other hand, almost 800 points were pulled out of the 'HQCJ hat' and we have no idea which criteria they applied," explains Vitaliy Tytych, another member of the PCI. The PCI are demanding that a breakdown of all marks given by members of the HQCJ be published, in particular for integrity and professional ethics.

In order for the Supreme Court to finally start operations (the selection process was due to end in May, which in itself could give grounds for its results to be appealed), it is sufficient to appoint 65 judges out of a total of 200. Therefore, the PCI urges the Supreme Council of Justice and president not to immediately appoint all 120 candidates, among

THE VERKHOVNA RADA STARTED ITS SUMMER RECESS WITHOUT ADOPTING IMPORTANT CHANGES TO THE PROCEDURAL CODES. WITHOUT THESE AMENDMENTS, THE SUPREME COURT WILL NOT BE ABLE TO FUNCTION IN ANY CAPACITY

whom there are people with dubious reputations. After this competition, a second wave of selection will take place, where there will be a greater number of candidates and, consequently, higher quality. Hanna Vronska calls on everyone who has any doubts to participate in the second wave. Asked if scandals around the competition will hamper the main goal of judicial reform – to increase public confidence in the courts – she replies that it does not depend so much on the selection process as on the work of the renewed judicial institutions. The Supreme Court is only one of them.

However, there is another problem that has almost been forgotten. The Verkhovna Rada started its summer recess without adopting important changes to the procedural codes. Without these amendments, the Supreme Court will not be able to function in any capacity. As for the odious candidates for Supreme Court positions, the buck obviously stops at the president. He initiated the judicial reform and his decrees will bring the Supreme Court selection process to a close. In the eyes of the public, whatever the result, responsibility will lie on his shoulders, not on the HQCJ or Supreme Council of Justice, no matter what the terms of the competition stated. ■

Cultivating change

Oleksandr Kramar

New growth areas in the Ukrainian agricultural sector are gradually changing the industry

The dynamic growth of the Ukrainian agricultural sector in recent years has raised fears that the country will turn into a supplier of only a few types of agricultural products to the world market. However, current trends in the development of Ukraine's agroindustrial complex indicate that these worries are exaggerated. The country is developing the potential to produce and/or export new products, which until recently seemed uncompetitive. Over time, these new growth points for Ukrainian agricultural can change or substantially diversify its current image of the producer of oil and grain predominantly. They can also significantly increase added value in the sector.

OVERCOMING MONOCULTURE

The structure of the Ukrainian economy has changed greatly over the last decade. Metallurgy, chemical industry focused on the supply of once cheap Russian gas, and the remaining fragments of machine manufacturing, all energy-intensive monsters inherited from the Soviet past, out-of-touch with the needs of the domestic market and increasingly less competitive internationally, are in decline. Instead, agriculture and related fields (primarily the food industry) have

In 2007, the share of agriculture in Ukraine's GDP was **6.3%**, while the manufacturing industry accounted for **18.4%**. In 2016, these figures were **11.6%** and **12.0%** respectively

already taken leading positions in the manufacturing sector. Meanwhile, the economy in general has been characterised by the growth of the tertiary sector (trade, various services, etc.), as in most other countries around the world. In 2007, before the global economic crisis, the share of agriculture in the GDP of Ukraine was only 6.3%, while the manufacturing industry accounted for 18.4%. In 2016, these figures were 11.6% and 12.0% respectively. At the same time, around 33% of current manufacturing is the food industry, which processes raw produce of agriculture and is also a part of the agroindustrial complex.

According to preliminary estimates, in the 2016/17 marketing year, which ended on June 30, Ukraine exported 44 million tonnes of grain, which is 4.9 million more than last year, setting another record. More specifically, Ukraine exported 20.7 million tonnes of corn, 17.5 million tonnes of wheat and 5.4 million tonnes of barley. As a result, in terms of grain exports, Ukraine ranks first in the Eastern Hemisphere and second in the world, behind only the US, which exports around 1.5 times more. At the same time, Ukraine has passed the symbolic figure of 1 tonne per inhabitant, which

is almost unprecedented on the international level. Only Australia with its 24 million population can export the same amount, and only in the most prolific years. More than half the supplies of sunflower oil to the world market come from Ukraine.

At the same time, Ukraine is now unique among grain exporters. It ranks from third to fifth in the world by the sales of each individual type (wheat, corn, barley). However, as the country is a major supplier of all three of these crops, it has an overall grain export volume that is second only to the United States. Other exporters focus on one, less often two, crops, which makes them more dependent on the world market conditions. By contrast, large wheat or barley crops in Ukraine are accompanied by lower corn harvests and vice versa, which acts as a counterbalance. The sowing, harvest and export of pulses, especially peas, are also growing rapidly. From 2013 to 2016, the production of legumes increased from 0.35 million tonnes to 0.88 million tonnes, and this year there are no reasons to expect that this trend will not continue. They are popular in the traditional cuisine of South Asia, so Ukraine has remarkable prospects for growing sales. The price of 1 tonne of peas is at least twice as high as the price of wheat, corn or barley. Recently, however, the country is increasingly seeing an increase in the production and supply of a number of other types of agricultural and food products with significantly higher added value.

SWEET EXPANSION

One of the most noticeable trends in recent years has been the active return of Ukraine among the largest exporters of beet sugar. For decades, there was a need to protect the domestic market with duties and quotas, but now this product has once again become competitive on the world market. In the coming years, this could significantly change the face of the agricultural sector in a number of regions around the country that specialise in growing beets and producing sugar. From 2013 to 2016, its production in the country increased from 1.26 million to 1.97 million tonnes. Ukraine has been steadily increasing granulated sugar exports for two consecutive years. For the incomplete 2016/17 marketing year (which lasts from September to August on the sugar market), the Ukrainian Sugar Company estimated export volume at 0.74 million tonnes, which is almost 37% of total sugar production this season and 50% of the country's domestic demand. This gives reason to believe that soon Ukraine's sugar industry will also become export-oriented.

The volume of world trade in sugar is about 60 million tonnes, so Ukrainian producers and exporters of the sweetener have good prospects of maintaining



Bees on the march. The export of honey in January–June 2017 almost doubled to 30 million kg compared to the first half of 2016. The largest buyers are the US (\$18.9 million), Germany (\$10 million) and Poland (\$5.6 million)

competitiveness. In the past, Ukraine used to produce 3-3.5 times more sugar than now and exported more than 70% of this output. After the collapse of the USSR, this market closed for us, the Russians found a substitution in their own production and the export-oriented focus of the Ukrainian sugar industry seemed to have become a thing of the past. In recent years, however, Ukrainian sweet products are again increasingly popular in foreign markets, but now exports are going to different countries (from Sri Lanka and Myanmar to a number of African countries). Supplies to Central Asia and the Caucasus are also increasing.

Current growth is mainly due to increasing beet yields: 40 tonnes per hectare in 2013, 48 tonnes by 2016, and an almost 100% increase compared to the 27.6 tonnes in 1990. At the same time, the land area dedicated to sugar beet in 2016 was more than five times smaller than in 1990 (0.29 million hectares and 1.61 million respectively). Taking into account that the price of sugar is about three times higher than the price of grain, this sector could potentially play a role comparable to that of wheat, corn or oil in Ukrainian agribusiness and exports.

The export of other sweet products from Ukraine also shows a positive dynamic. For example, the export of honey in January–June 2017 almost doubled to 30 million kg compared to the first half of 2016. The largest buyers are the US (\$18.9 million), Germany (\$10 million) and Poland (\$5.6 million). Ukrainian confectionery producers are gradually gaining ground on the European market too (**see Not by grain and oil alone**).

HIDDEN GROWTH

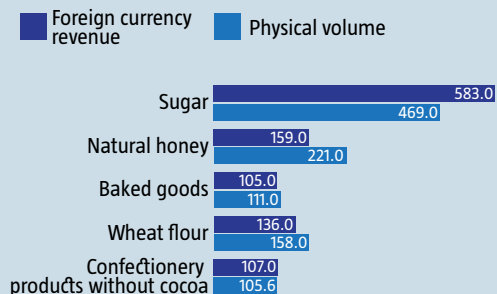
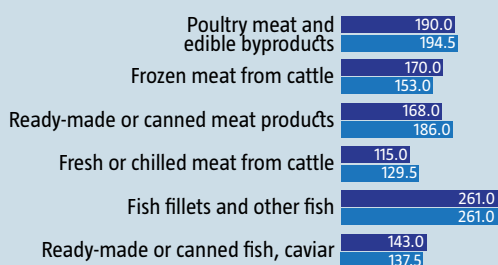
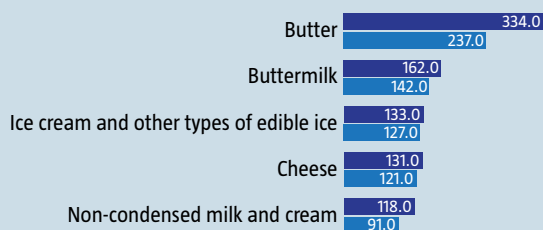
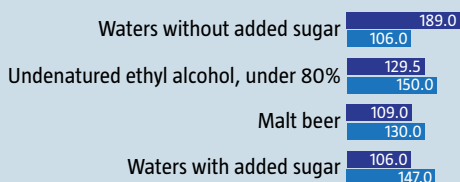
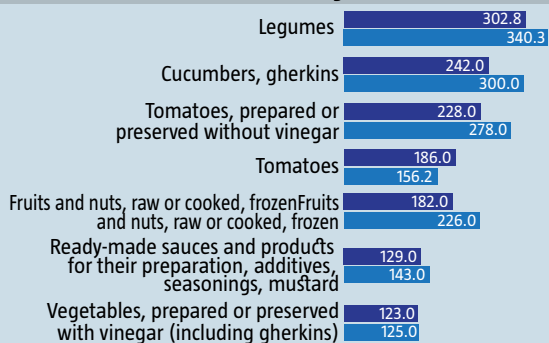
The situation is more ambiguous in the livestock industry. The production and export of poultry meat is growing at the fastest rates. This is gradually becoming another export-oriented sector of the Ukrainian economy. In the first half of 2017, its foreign currency revenues were almost double of those from the same period in 2015 (\$196 million and \$103 million). Furthermore, the proportion of exports in the total sales of large producers is already approaching 50%, while the annual growth rate of supplies to foreign markets is measured in double digits.

Out of the total 284 million kg sold in the first half of 2017 (14.3% higher than in the same period in 2016), the company Myronivsky Hliboproduct (MHP) sold 123 million kg (or 43.3%) of its chicken abroad – an annual export growth of 44%. The production of eggs is also becoming more export-oriented.

Aggregate production figures for other livestock products that are regularly published by the State Statistics Bureau indicate stagnation and even the decline of volumes in most types. However, when looked at closely, two trends can be noticed: the production and export of meat and dairy products by market-oriented agricultural enterprises grows while households are producing less and less of that at home. As for meat, the reduction in recent years since 2013 is 60.6 million kg (from 894.3 to 833.7 million kg). This concerns all types, although the greatest decline was in the production of beef and veal (from 305.1 million kg to 276.4 million kg). Milk yields in household farms also decreased from 8.63 million tonnes to 7.68 million tonnes. »

Not by grain and oil alone

The growth of food exports with a higher proportion of added value, H1' 2017 compared to H1' 2015, %

**Meat and fish****Dairy products****Drinks****Fruit and vegetables**

Estimates by the author based on State Statistics Bureau data

Nevertheless, there is a positive tendency in commercial market-oriented agricultural enterprises. From 2013 to 2016 the production of pork increased from 352.7 to 397 million kg, or 12.6%, and poultry meat from 904.5 to 992.4 million kg, or 9.7%. Milk yields grew from 2.56 million tonnes to 2.71 million tonnes, i.e. by 5.8%. This is despite a decrease in the number of cows, as the productivity of those that remained grew rapidly: on average, a cow in 2016 gave 40% more milk than in 2010 (5.64 tonnes and 4 tonnes respectively). Recently, more and more dynamic growth in the production of beef and veal by commercial enterprises is evident – from 93.7 million kg in 2015 to 99.2 million kg in 2016, i.e. 5.9% growth in just one year. In January–May 2017, this behaviour accelerated and beef production increased by almost 19% to 26.4 million kg compared to 22.2 million kg for the same period in 2016. Its exports are also growing swiftly (see Not by grain and oil alone).

The production of milk and beef by private farms is growing the fastest. They accounted for 183.6 million kg of milk in 2016 compared to 155.4 million kg in 2013, or 18.1% more, and 10.1 million kg of beef in 2016 compared to 8.1 million kg in 2015, in other words, 24.7% more in just one year. They also greatly expanded their production of eggs (from 67.3 to 95.3 million eggs in three years, or 42% growth). While the share of private farms in this market is minimal today, the positive dynamics are evident in light of the overall drop in egg production in the country.

Further increases in production are mainly restricted by limited market. However, there has been a shift here too. On May 22, 2017, following a trade mission to Ukraine, the Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the State Service of Ukraine for Food Safety and Consumer Protection signed a protocol on the inspection, quarantine and veterinary-sanitary requirements for frozen beef to be exported from Ukraine to China. It is projected that demand for meat products in China will grow faster than the capacities of local producers. Forecasts show that their import of meat will increase to 10 million tonnes by 2020 (total consumption in China is 100 million tonnes).

Exports of pork collapsed after the closure of the Russian market, which accounted for up to 50,000 tonnes a year. However, consumption of pork around the world has recently been increasing by almost 1 million tonnes annually. Trade is also growing. So in this segment Ukraine has something to fight for on the world market. For example, exports of pork from Spain grew from 1.06 million tonnes to 1.47 million tonnes in 2014-2016. Most of it goes to EU countries, but exports are also significant outside of Europe, mainly to East Asia (252,000 tonnes to China, 81,000 tonnes to Japan and 62,000 tonnes to South Korea). In 2016, Canada also exported 1.25 million tonnes of pork. Again, China and Japan remain the major markets. For Ukraine, especially if we look at export volumes from the times when the country was oriented towards the Russian market, even reaching a level of total international exports close to Spanish supplies to South Korea alone would qualify as success. The potential is much larger.

The proportion of semi-subsistence household farms in the manufacture of the vast majority of livestock products is still very high, which affects the overall performance of Ukrainian livestock production. They help a large number of rural residents to support themselves and provide considerable volumes of agricultural production, but are far less effective and productive than the commercial sector. More importantly, it is difficult to monitor the quality and safety of products

made from their raw produce, so it is becoming more difficult for them to access markets with high food safety standards. Recently, however, home farms are being actively pushed out of the food processing industry, which will increase the supply of ready-made food products to foreign markets.

THE DAIRY RENAISSANCE

Milk producers are also finding a new lease of life. Increasing quantities of their processed products are crossing the border. In this way, Ukraine is slowly but surely overcoming the consequences of the closure of the Russian market for its dairy products. Today, dairy imports are nine times smaller than exports.

Mini milk factories are springing up around the country, focused on processing the produce of individual farms, which should prevent them from being dictated to by industry giants. For instance, in Poltava Oblast a mini-plant processes 2 tonnes of milk daily. The raw milk comes from a local farm that only has 60 cows. The business is already operating successfully. It has the capacity to produce almost the entire range of dairy products, except for hard cheeses. A similar facility should be launched by the end of this year in Vinnytsia, also designed for processing milk exclusively from one farm, which has 185 cows. For now, these mini factories are oriented mainly towards the domestic market, but in the long run they are also contemplating the possibility of exporting.

The emergence of mini factories, in spite of what would seem to be their objectively lower economic efficiency in view of the small scale of production, brings to light the problem that is the oligopolistic dictation of prices for raw dairy products by large manufacturers. This allows them to make exorbitant profits but restricts the industry's development potential. Ukrainian exports of dairy products are also reviving. After the heavy losses that the industry suffered as a result of numerous "cheese wars" and other economic conflicts with Russia, ending with a complete ban on the import of Ukrainian dairy products, there has been a gradual shift to

Production of butter from 2013 to 2016 increased from 92.7 to 101 million kg. This year, the positive trend is continuing: in January–May, production reached 40.8 million kg, compared to 39 million kg in the same months of 2016. In the first half of 2017, the export of butter grew 3.1 times over – to 12.3 million kg – in comparison with the same period in 2016, while in monetary terms there was a fourfold increase – from \$ 10.93 million to \$ 44.8 million. Cheese exports are also recovering: in the first half of the year Ukraine supplied 4.1 million kg to foreign markets, which is 21.3% more in physical volume and 47% more in foreign currency earnings than for the same period in 2016. The export volumes of a number of other dairy products are also growing (see Not by grain and oil alone).

VEGGIES, BERRIES AND ROSES

Ukrainian vegetable farming is also developing successfully. Artificial irrigation plays a special role in this. From 2013 to 2016, the production of vegetables on irrigated land increased from 0.73 million to 1 million tonnes, fruit and berries – from 74.4 to

153.8 million kg. In general, despite the loss of control over a part of the country's territory, during this period the amount of open-ground tomatoes cultivated in market-oriented Ukrainian farms increased from 382 to 612 million kg. The infrastructure of Ukrainian vegetable growing is also developing (the largest tomato processing plant in Europe is being built in Mykolaiv Oblast), as well as the cultivation of berries for export.

According to the latest customs statistics, the export of canned tomatoes in the first half of 2017 was 2.8 times higher than in the same period two years ago. Sales of fresh tomatoes abroad increased by almost 1.6 times over this period and cherries by five times. In June 2017 alone, Ukraine exported more than 2.5 million kg. Previously, Russia consumed almost the entire export volume, and deliveries to it in recent years were carried out through Belarus, but in 2017 the share of Belarus in total exports decreased to 60%. Instead, shipments to Poland have increased. It imported almost 500,000 kg of Ukrainian cherries. Among the other buyers were Germany, Great Britain and Hong Kong. Each year, millions of kilograms of raspberries and other berries, the list of which is constantly expanding, are supplied to the foreign market.

Foreign countries are increasingly interested in Ukrainian horticulture and berry picking. Today, most Ukrainian berries are shipped to EU countries. At the same time, China is also interested in purchasing them (it does not have enough to satisfy its domestic market). In addition, it is looking to generate



FOREIGN COUNTRIES ARE INCREASINGLY INTERESTED IN UKRAINIAN HORTICULTURE AND BERRY PICKING.

TODAY, MOST UKRAINIAN BERRIES ARE SHIPPED TO EU COUNTRIES

profits from the growth of this promising industry in Ukraine. According to the Ukrsadprom, the state gardening association, the Chinese state corporation China Haisum Engineering intends to invest \$515 million in Ukrainian horticulture over the next two years. \$170 million will be allocated for the development of fruit processing, \$120 million for the construction of production and logistics complexes, \$53 million for improving irrigation systems and \$30 million for the construction of fruit storage facilities. Apparently, 18 projects from virtually all over the country – in 16 oblasts – worth from several hundred thousand to several hundred million dollars each have already been selected for funding.

Finally, the production of flowers in Ukraine is gradually finding its feet and demand is increasing in international markets. Indeed, according to Ukrainian Agribusiness Club data, Ukraine exported 2.89 million roses in 2016, which is 29 times higher than in 2014 and three times larger than the 2015 figure. The price of one Ukrainian rose on the foreign market in 2016 was about \$0.40, while the main buyers were Poland (50% of the total), Belarus (29%) and the Netherlands (20%). Ukraine actually still imports many more roses (24.4 million units), but the situation may improve in several years if the current dynamic is maintained. ■

Payback time!

Lyubomyr Shavalyuk

What kind of situation is Ukraine facing as time comes to pay back the bulk of its external debts?

It must be some kind of national hangover. Sometimes Ukrainians call it “resolving problems as they emerge.” Sometimes we boast about our ability to live one day at a time, hiding behind the Biblical phrase, “Every day brings its own troubles.” But if we look carefully, this is nothing more than abstracted shortsightedness. Maybe it’s a normal trait that is often manifested in the life of an individual, but for a nation and its elite, it is clearly not. When the political class is unable to recognize large-scale problems and challenges in advance and to prepare to deal with them ahead of time, the country lives from emergency to emergency, from one crisis to the next. And it looks like that’s what’s happening in Ukraine.

One such issue is debt, especially the country’s foreign debt. Over 2014-2016, Ukraine needed enormous injections of cash to pay off its international bonds. Financing from international donors allowed the country to fill in the financial gaps. But the debt itself has not gone away: mostly Ukraine only got more credits that also have to be repaid. When they were issued, it seemed like paying them back was so many years away... But those years have passed very quickly and now barely two years remain to the peak of debt servicing that faces Ukraine. High time to recognize the challenge, otherwise, the same year that the country goes to the polls twice, 2019, this will threaten not just those in power, but the entire country’s further development.

CASH CRUNCH LOOMING

The first challenge: Will Ukraine have enough money to return most of its debts before 2019? This year, 2017, it has to start returning its IMF credits, which will not get

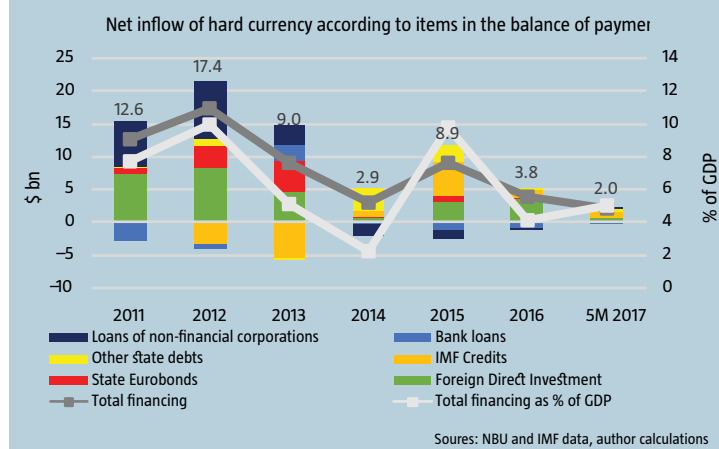
in the way of receiving the next tranche, and in 2018 payments to the Fund will peak at US \$1.5 billion—leaving out any other sums that the IMF might also give out. In 2019, Ukraine has to start paying out its eurobonds, which were issued as part of a restructuring of its debts two years ago. This will cost US \$3.8bn (see Billions to pay out). This means that Ukraine needs in the neighborhood of US \$8.9bn over 2017-2019 to pay off its foreign debts. If we add to this the “Yanukovych loan” that Ukraine is likely to also have to pay off sooner or later, given how the lawsuit is going right now, the total amount will be almost US \$12bn.

Does Ukraine have this kind of money? Last year’s reserves grew by US \$2.0bn, one billion of which came from the IMF, another from a eurobond issue that was guaranteed by the US, and US \$2bn more came from other donors like the World Bank and the EBRD. Without these injections, either Ukraine’s reserves would have shrunk by US \$1.8bn or the devaluation of the hryvnia would have been more noticeable. In 2015, the country’s reserves would have shrunk to almost nothing without external financing. So far, the country remains in the black this year, but trends are likely to change in the second half of 2017. This means that the NBU’s reserves are only growing thanks to the fact that Ukraine regularly gets injections of cash from its donors. If this support disappears, the reserves will begin to decline, and Ukrainians know very well from 2014-2015 what happens on the currency market when your country’s reserves begin to disappear. In short, Ukraine does not have enough of its own cash to quietly pay off its debts before the 2019 election season. The US \$18bn in reserves that it had at the end of June 2017 are not enough for a payout of US \$12bn not to be felt on domestic money markets and among foreign investors over 2017-2019, and not to have a negative overall impact.

Initially, plans were for the IMF to give Ukraine 12 tranches by the end of this year and the country would use US \$15bn of the planned US \$17.5bn. Unfortunately, the actual credit so far is about a third of this and state accounts should have had about US \$6.5bn more. So Ukraine is considerably off the mark at this point. The reason is simple: the government’s inability to carry out reforms at the necessary pace, which would have enabled the country to reach the structural benchmarks in the IMF Extended Fund Facility (EFF), undergo the necessary number of revisions, and, as a result, receive the planned amount of credits in full. After all, every time the country needs to carry out some significant change, the media is suddenly full of scandalous announcements and opponents of reform drag things out and to set up impossible hurdles to implementing those changes. Judging by the number of tranches the IMF has released so far, Ukraine is taking three times longer than it should. In effect, although it’s not standing in place, which is already

Dried up sources

Earlier, Ukraine received considerable inflows of hard currency from foreign financing, but since the Euromaidan, such inflows have fallen off noticeably. This has complicated the servicing of foreign debts and had made the country dependent on donor money.



good, but it's moving at a snail's pace. What's bad is that the country's leadership represents the biggest threat of a disruption in financing.

CAUSES AND CONSEQUENCES

If Ukraine fails to get further money from the IMF, the consequences will be an even worse cash shortfall. Firstly, other international financing will also to on hold. At the beginning of 2015, the IMF forecast was that other donors would provide Ukraine with US \$12.6bn over 2015-2017. This money was indeed ready and waiting for the country, but in order for it to be released, Ukraine had to move ahead in the stages of the EFF program. In fact, the country received only US \$5.0bn in the first two years, and at most another US \$2.6bn this year: a shortfall of at least US \$5.0bn that should have gone into Government and NBU accounts by the end of 2017. The reasons are the same: not implementing enough reforms and not properly meeting IMF conditions.

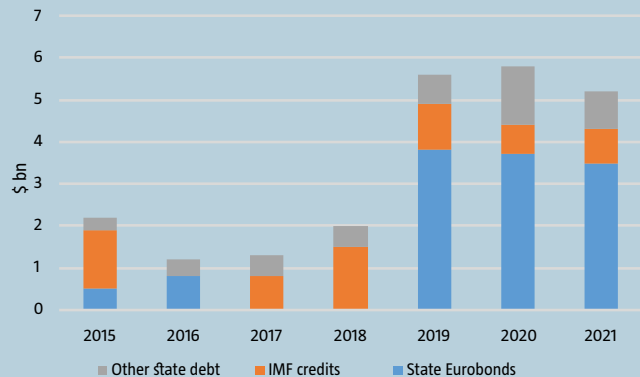
Secondly, more than two years ago, plans were for Ukraine to already enter the international lending market by 2017. The IMF had included in its forecasts that Ukraine would be in a position to borrow one billion dollars this year, and two each in 2018 and 2019. Had it undertaken reforms in a systematic way starting in 2015, this might have been the case, as most of the transformation processes would have already been set in motion and a few even completed. Investors would have no doubts then that the country was changing and had passed the point of no return, even if the war in Donbas was still going strong.

In fact, what does Ukraine have to show today? Economic recovery began too late and too slowly, the pace of reforms is painfully slow, with a significant proportion not even begun, and the obstacles placed in the way of the reformers so huge that there are doubts that Ukraine will be able to bring this process to its logical conclusion. Instead, the country could end up with a huge political reaction, a change of government and a 180-degree shift in its overall direction. Under such circumstances, investors will think twice about whether to lend Ukraine money if it looks like its economy will lack the resources to return it while those who come to power politically might decide they don't want to return that money but will ask for any debts to be restructured substantially. In effect, Ukraine's reputation as a borrower will remain questionable until at least the 2019 elections, when it becomes clear what direction the country will be going in for the next five years and how it will overcome the disruption in financing that is looming. Until that time, the chances of Ukraine attracting significant volumes of foreign capital on global lending markets will remain marginal.

And so it comes out that the country has already suffered from the shortsightedness of its government, which should have been conscientiously and methodically carrying out reforms and moving Ukraine well along the path of transformation prior to the next election cycle, getting money from donors, the support of voters and growing ratings. This was the best-cased scenario. Instead, those in power got mired in unnecessary media squabbles. The result has been the loss of nearly US \$12bn in possible credits that would have been very useful prior to the next election cycle. Another US \$10bn is at real risk over the next two years. Without this, the country's financial state will be significantly worse and Ukrainians will likely face

Billions to pay out

In 2019, Ukraine will begin paying off substantial foreign debts. For this not to become a threat to its financial stability, a cost that could influence elections scheduled for the same year, the country needs to be looking for money now.



Source: IMF

yet another economic crisis. What is most frustrating is how many politicians keep babbling that Ukraine will do just fine without IMF funds and so it needn't worry about fulfilling the conditions of the EFF program. But when net reserves, that is reserves less the NBU's external bonds, amount to only around US \$5bn, this kind of attitude is either completely stupid or deliberately intended to undermine Ukraine. Neither one has ever led to a good outcome.

OPTIONS? WHAT OPTIONS?

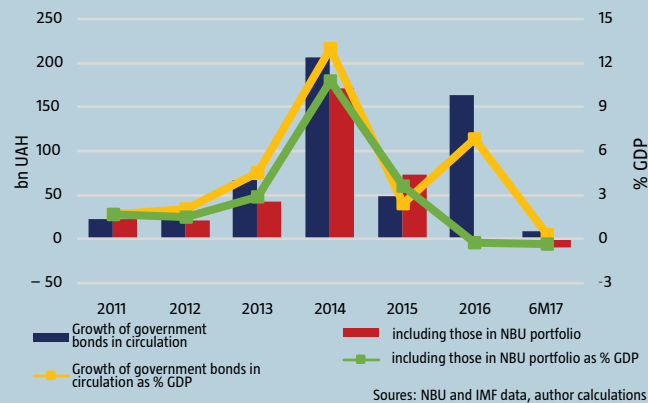
The second challenge is whether other sources of financing can be found to cover this shortfall? Theoretically, yes. If the need is spread over three years, then Ukraine needs an average of about US \$4bn a year. Earlier, it was easy enough to get that kind of money (**see Dried up sources**). Prior to the Euromaidan, FDI was bringing the country more than this much every year and so were foreign corporate credits. Significant sums were also coming in from eurobonds. But the situation is completely different now.

Ukraine will have to spend **US \$8.9bn** to service its external debt over 2017-2019. If the Yanukovich loan is added to this, based on the way the lawsuit is going in the courts, this amount will rise to nearly **US \$12bn**.

At the time when the Revolution started, capital inflows from Cyprus at 33%, Holland at 17% and Russia at 6.6% dominated FDI. The first two are known legal offshore zones, through which capital earned in Ukraine and moved offshore, legally or otherwise, was returned. The crisis has put a serious cramp on the incomes of Ukrainian capitalists because of the crisis, the war, and a certain curtailing of opportunities for corrupt enrichment. As a consequence, the volume of FDI from Cyprus and Holland has fallen 45% and 36% in the last three years. The third country is hostile Russia. Investments during this period grew 23%, but only because Russians were forced to capitalize their banks further in order to meet NBU requirements and not lose their businesses altogether. If this factor is taken out, Russian investments in Ukraine also shrank substantially. In short, it turns out that the model that allowed the country to attract billions

Foreshortened internal options

Today, the internal financial market is too limited to be able to cover any shortfall in financing to service the country's external debts. At most, Ukraine might be able to get around 2% of GDP out of it, whereas it needs 4-5%.



in foreign investment prior to the crisis no longer works. It presupposed that homegrown oligarchs and Russians would invest in Ukraine because they had excess capital and saw the country as their own territory, protected from global competition and outside political influence. Now Ukraine has opened up, moreover on such conditions that Russian capital is tacitly a completely unwanted guest, while domestic oligarchic capital is suffering because the country is at war with its tycoons and many sources of easy enrichment have been cut off in an effort to make the playing field level for all businesses and remove the political factor and other non-market factors in competitiveness.

Since this model no longer works, the inflow of foreign investment that it drew will become marginal. The country will have to compete for global financial resources on the same basis as everyone else. To win in this competition, the business climate needs to be improved, which means reforms need to be carried out. But that does not seem to be going too well at this time, so it's clear that Ukraine cannot expect to see much in the way of FDI in the next few years.

This is equally true for corporate borrowings. Prior to the 2008-2009 crisis, Ukrainian banks were able to borrow billions of dollars on global markets. Afterwards, most financial institutions paid off their accumulated loans by handing the baton of borrowing off to non-financial corporations. It seemed, at the time, that Ukraine's big business was liquid and promising enough, and therefore capable of borrowing billions of dollars a year abroad. After the Euromaidan, however, these prospects vanished in the haze. For one thing, the war, the deep economic crisis and the decline in global commodity prices worsened the financial position of Ukrainian corporations, most of which were forced to restructure their debt portfolios.

What no one seems to have anticipated was that this would go on for so long: foreign lending markets have been closed to Ukrainian business for three years now. Only in 2017 were two heavyweights, Kernel and Myronivka Grain Products, able to issue eurobonds and draw US \$500 million each. Today, there are few corporations in Ukraine in a good financial position, as well as public and transparent enough for foreign investors to want to

trust them with a loan. And those companies that have all the necessary qualifications neither need capital nor intend to borrow it. In short, a few companies might place eurobonds in the next while, but there's no reason to expect that they will bring in billions annually prior to 2019.

INNER RESOURCES

Ukraine could try to find the necessary resources internally. It's not about the billions that Yanukovich & Co. Embezzled. The bulk of that money is far beyond the borders of Ukraine although once in a while there's a pleasant surprise, such as the US \$1.4bn confiscated in favor of the budget a few months ago, or the Odesa Petroleum Processing Plant, which the government took over not long ago. Such bonuses are too unpredictable and irregular for the state to build policy on that basis, no matter what the direction and they should also not be counted on.

What might work is to engage capital on the domestic financial market. Analysis suggests that its capacities are overly limited (see Foreshortened internal options). In the last few years, of all the government bonds issued, the financial market picked up only about 2% of GDP per year and the NBU was forced to buy up the rest. 2016 was the only exception, as most government bonds went to bail out PrivatBank, and went to its bottom line. Moreover, the majority of domestic government bonds are denominated in hryvnia, whereas foreign debts need to be paid off in hard currencies. Indeed, the country needs such currency to the tune of 4-5% of GDP. Theoretically, half of this sum could be found on the domestic market, and print money to cover the other half. But then Ukrainians have to be prepared for fairly steep, chronic devaluation and inflation, which, given the tendency for Ukrainians to panic, could take on a supersonic pace. As to serious investment, it will have to be forgotten for a few years and, along with it, so will economic growth. Is this what Ukraine needs? Probably not.

Some are also talking about real domestic resources such as state enterprises and land, especially state and community land, as a factor in attracting capital to Ukraine. Privatization needs to go forward, but now for the sake of money but to ensure that those companies are run properly. The land market is needed, but, again, not for the sake of money but to provide a solid foundation for agriculture to develop properly. And this means that the use of all these resources needs to be done on a monetized, market basis. However, the capital inflows from the sale of real property needs to be removed from current needs for financing or other tactical matters. Otherwise, the slogan "We sold the country for pennies" will be very close to the reality. So there is no point in expecting a specific sum from the sale of strategic assets to cover a specific financial gap, because this could prove to be against the national interest.

So what it comes down to is that today, Ukraine has no real or acceptable alternative for financing other than foreign donors. The country is in a situation where it must "go for broke." Either Ukrainians carry out reforms and get both the money and a much better internal situation and prospects for the economy to grow, or they don't do anything, they don't get the money and they gird their loins for the next crisis, which will risk bringing radically different people to power and a radical shift in Ukraine's direction. There are countries that have gone through this very kind of crisis, but their experience shows that, other than lost time—usually 5-20 years—nothing was gained. ■

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An uneven recovery

Oleksandr Kramar

How economic indicators have shifted over the last three years in Ukraine

A year ago, *The Ukrainian Week* decided to analyze how the country's economic map had changed after the 2008-2009 financial crisis and discovered that different regions had changed in different ways. Whereas those regions that were affected by the situation on world markets and the structure of the domestic economy saw their indicators go up, compared to 2007, others suffered significant losses. This time, we will try to look at what has happened to various regional economies in Ukraine over the last three years and to compare this to the pre-war situation.

This analysis made it possible to draw a number of intriguing conclusions that change perceptions of the country's development in the last few years. Interestingly, although the broad-based numbers suggest that its economy is still in much worse shape than it was at the end of 2013 and beginning of 2014, this fact seems not very noticeable, because more than a few regions are already in much better shape, based on a slew of indicators, than they were prior to the collapse of the Yanukovich regime and the start of the Russian war. What's more, average wages in different regions have not always been in line with other economic indicators over the last three years. In some regions where the economy has picked up significantly since 2014, the average real wage is now even lower than it used to be, while in others, where the economy is doing worse than three years ago, real wages are at a level with 2014 or even higher.

THE ECONOMY FROM A REGIONAL PERSPECTIVE

According to figures from DerzhStat, the state statistics agency, GDP in 2016 was 86.2% of GDP in 2013. However, what has to be taken into account is the fact that for a long time this indicator was being calculated against an inflated baseline because enterprises operating in the occupied counties of Donetsk and Luhansk Oblasts, known as ORDiLO, were still being included, which artificially deflated this indicator. In addition, compared to 2013, the population actually living on territory currently under Kyiv's control is much smaller than it was in 2013, although DerzhStat still has not begun to calculate separate statistics for ORDiLO. This complicates efforts to determine the per capita dynamics of the country's economic development. By comparing gross regional product or GRP, however, it becomes clear that most oblasts have improved, and those who have not have slipped only by a few percentage points.

Two neighboring oblasts, Vinnytsia and Zhytomyr, are the growth leaders for the last three years. Their GRP was 6.5% and 6.3% higher in 2016 than it had been in 2013. On a per capita basis, this represents 8.3% and 8.1% growth. Volyn Oblast is close behind with 5.0% growth, or 4.9% per capita. In Kirovohrad Oblast, per capita GRP in 2016 was 2.6% higher than in 2013, while Odesa, Kherson, Chernihiv, Cherkasy, Ternopil and

Mykolayiv remained close to 2013 levels, ranging from +0.3% growth to -1.1% slippage. This accounts for 10 of the 25 regions that remain under Ukraine's control.

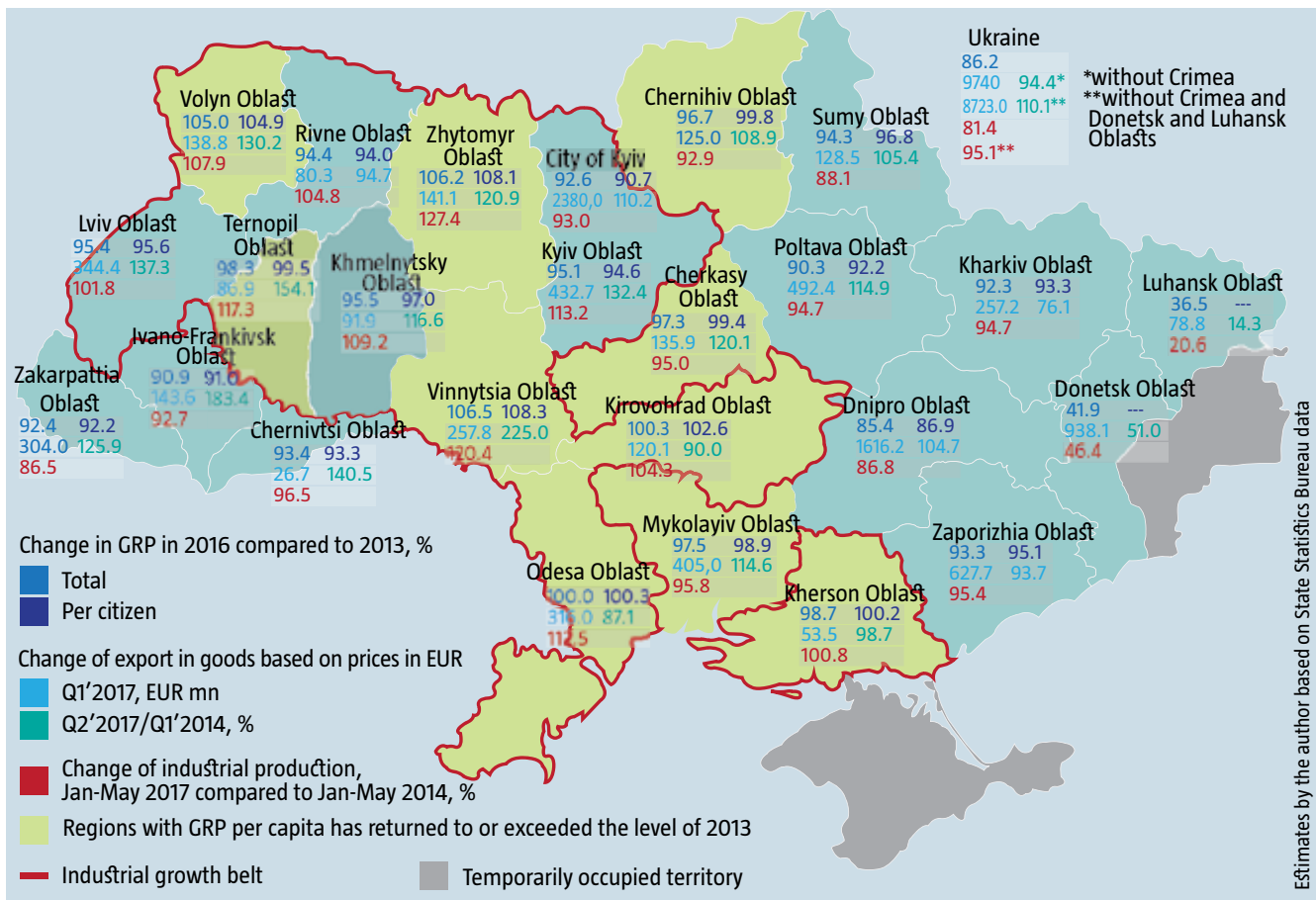
In five more oblasts, per capita GRP was 3-5% lower in 2016 than it had been in 2013: Khmelnytskyi at -3.0%, Sumy at -3.2%, Lviv at -4.4%, Zaporizhzhia at -4.9%, and Kyiv Oblast at -5.4%. The next seven oblasts saw GRP shrink by 6-9%: Rivne at -6.0%, Kharkiv and Chernivtsi at -6.7%, Zakarpattia and Poltava at -7.8%, Ivano-Frankivsk at -9.0% and the City of Kyiv at -9.3%. The only double-digit decline in GRP was registered in Dnipropetrovsk at -13.1%, Luhansk at -36.5%, and Donetsk at -41.9%. In the case of the last two oblasts, however, this decline is nominal for the reasons offered earlier. For real numbers regarding the eastern territories outside ORDiLO, a different calculation is needed and it would likely show marginal per capita GRP growth.

When looked at in terms of exports, the situation becomes even more striking at the regional level. At this time, DerzhStat figures tend to distort the dynamics considerably, among others because numbers are calculated in dollar terms only, and the dollar strengthened in the last few years relative to most world currencies. For instance,

ALTHOUGH THE BROAD-BASED NUMBERS SUGGEST THAT UKRAINE'S ECONOMY IS STILL IN MUCH WORSE SHAPE THAN IT WAS AT THE END OF 2013 AND BEGINNING OF 2014, MORE THAN A FEW REGIONS ARE ALREADY IN MUCH BETTER SHAPE

if calculate the exports of the EU economic "locomotive," Germany, in dollars for QIV of 2016, then it comes out 11.6% less than it was three years earlier, whereas calculated in euro, on the contrary, it grew almost the same, 11.5%. In France, applying the dollar to exports for the same period, they shrank by 17.4%, whereas in euro terms they grew 5.4%. Yet neither of these countries considers that its exports have gone down. So given its geographical location and the volume of Ukraine-EU trade as an equivalent for measuring foreign trade volumes, it seems reasonable to use the euro.

So, comparing the volume of Ukrainian exports of goods in euros for QI 2017 and 2014, if Donetsk and Luhansk Oblasts are left out, it grew from €7.92bn to €8.72bn or about 10.1%. Most regions successfully adapted to the situation on world markets. Exports of goods from Vinnytsia Oblast grew by 125%, Ivano-Frankivsk by 83.4%, Ternopil by 54.1%, Chernivtsi by 40.5%, Lviv by 37.3%, Kyiv by 32.4%, Volyn by 30.2%, and Zakarpattia by 25.9%. In six more regions—Khmelnytsk, Zhytomyr, Cherkasy, Poltava and Mykolayiv, and the City of Kyiv—exports grew 10-20%. In Dnipropetrovsk, Sumy and



Chernihiv Oblasts, exports grew 5-9%. Two southerly oblasts, Kherson and Zaporizhzhia, showed a moderate reduction in exports, as did Rivne, the only oblast outside the southern belt: it was affected by a sharp fall in world nitrate fertilizer prices and a loss of competitive edge among Ukrainian producers, which led to a decline in exports of 5.3%. Only four oblasts from the southeastern belt showed a decline in exports of over 10% between Q1 2014 and Q1 2017: Odesa at 12.9%, Kharkiv at 23.9%, Donetsk at 49.0%, and Luhansk at 85.7%. Again, the decline for the last two was mainly the result of a reduction in deliveries from the occupied parts of these oblasts.

INDUSTRY CRAWLS OUT OF ITS HOLE

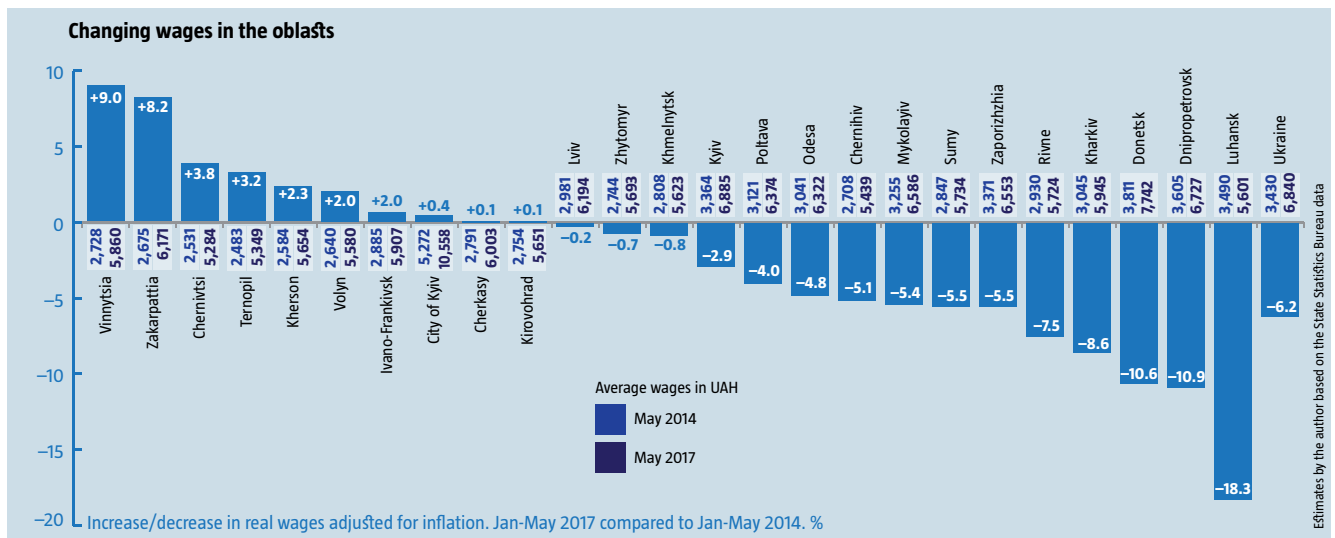
Between 2008 and 2015, Ukraine saw a steady decline in industrial output that was only briefly halted in 2010-2011 while otherwise sometimes even going into freefall. By 2015, according to DerzhStat, output was only 66.6% of 2007 levels and deindustrialization could be seen across the country.

Where things seemed to be picking up pace was in a new industrial belt centered on the Right Bank that emerged after the 2008-2009 financial crisis. The last three years have only confirmed that its presence, expansion and clear shape. And so the industrial growth leaders of recent years, Zhytomyr, Vinnitsya and Ternopil Oblast—whose output grew by 17.3-27.4% over January-May 2017 compared to the same period of 2016—were joined by neighboring Kyiv Oblast, with 13.2% growth, Khmelnytsky Oblast with 9.2% growth, Odesa with 12.5%, Kirovohrad with 4.3%, Rivne with 4.8%, and Volyn with

7.9%. The only oblast that prevents these nine from forming a solid territorial belt is Cherkasy, where industrial output was 5.0% down on last year. Meanwhile, Lviv and Kherson Oblasts are slowly pulling up to the “growth belt” with marginal but nevertheless positive growth indicators compared to the first half of 2014.

The oblasts that border on this industrial growth belt from the south and east—Mykolaiv, Zaporizhzhia, Cherkasy, Poltava and Kharkiv Oblasts—are only 4-5% down on three years ago. The remaining oblasts are generally still down in the 7-14% range. The reasons for these deep declines vary greatly, just as their geography does. For that reason, they encompass both heavily industrial, centrally located Dnipropetrovsk Oblast with -13.2% output, agriculturally oriented far western Zakarpattia with -13.5%, and northeastern Sumy with -11.9%. All the country's regions developed under pretty much the same conditions over the last three years, yet some saw industrial recovery while others continued to decline significantly. In part, this was due to the excessive number of enterprises in specific sectors that were having a hard time adapting to changes on world markets.

Looking at changes in the volume of industrial output for the entire country minus Donetsk and Luhansk Oblasts, where its dynamics over the last three years are distorted by the occupied territories, then it also turns out that output is not that much lower now than it was in 2014. For instance, over January-May 2014, Donetsk Oblast's share of domestic industrial output was 17.5%, while Luhansk's was 6.3%. So the loss of 79.4% of Luhansk output amounted to a 5.0% loss for the nation, while the 53.6% »



loss of Donetsk output represented 9.4% nationally. And so, of the 18.6% reduction of industrial output over January-May 2017 compared to 2014, 14.4% represented the losses in Luhansk and Donetsk Oblasts. In this way, the decline in industrial output for the nation as a whole, less these two oblasts in the last three years, amounts to only 4.9%. The steep decline in Donetsk and Luhansk industry is not related to the non-occupied portions of these oblasts and is only registered statistically because the baseline for previous years continued to—unreasonably—include products that were made by a larger or smaller number of enterprises that have long been occupied, simply because the companies continued to be registered in Ukraine for awhile. In fact, industrial output has actually been growing in the non-occupied portions of these oblasts.

THE IMPACT ON WAGES

The faster pace of development of those oblasts in the growth belt centered on the Right Bank does not actually mean greater wealth or a more highly developed economy just yet. It is primarily reducing the gap between these generally depressed regions and those that were once more prosperous. In addition, different levels of economic development and growth dynamics don't always fully convert into the level of incomes for local residents in a given oblast. Comparing real average incomes, adjusted for inflation. What's more, the pace and level of growth of the local economy does not always to equate the income level of those living there. A comparison between real average wages, adjusted for inflation, between January-May 2017 and the same period of 2014 shows that wages are generally around 6.2% lower than they were. Nominally, however, the official average wage in Ukraine has grown from UAH 3,400 to UAH 6,800. Still, the situation is very different in different regions. In 13 of them, the average wage, even adjusting for inflation, has already recovered to 2014 levels—in seven regions, this indicator is between -0.8% and +0.6%—or even surpassed them—in another six oblasts, the average wage has grown 2.0%–9.0%. In the other seven oblasts, average wages are currently 2.9–5.5% lower than they were three years ago. In Kharkiv, however, average wages lost 8.6% over this period, in Donetsk and Dnipropetrovsk they lost 10.6–10.9%, and in Luhansk, they plunged 18.3%. However, in the case of Donetsk and especially Luhansk

Oblasts, the numbers have to be adjusted for the fact that most of the major urban and industrial centers where wages were far higher before the conflict started are now on occupied territory.

What is particularly striking is that among the trio of leaders for pace of growth in average wages over the last three years, only in one case does it reflect the pace of economic growth, whereas in the other two they grew against a declining economic situation. For instance, in Vinnytsia, real average wages adjusted for inflation over January-May 2017 were up 9.0% over the same period of 2014, in Zakarpattia they were up 8.2% and in Chernivtsi they were up 3.8%. But whereas Vinnytsia was the front-runner for pace of growth with its Gross Regional Product genuinely growing 8.3%, GRP for Zakarpattia and Chernivtsi Oblasts not only did not show growth but actually suffered a per capita loss of 7.8% and 6.7% over this period. But that did not stop them from being leaders for average wage growth. There are also opposite examples. For instance, Zhytomyr Oblast, which posted per capita 8.1% GRP growth and placed among the top growth figures, next to Vinnytsia, the average real wage, adjusted for inflation, was actually 0.7% less over January-May 2017 than it had been three years earlier. Of course, the difference in average real wages among regions is considerably less than the difference in per capita GRP. For instance, ignoring Kyiv, the average regional wage in the lowest region is 68.3% of that in the highest region, a difference of less than a third, whereas the difference in per capita GRP, again leaving out Kyiv, is more than double that. This is very obvious looking at two neighboring oblasts. In Vinnytsia, per capita GRP is nearly double that of Chernivtsi, whereas the difference in average real wages is only 10.9%: UAH 5,860 vs UAH 5,240.

Why this is so is probably because the public sector tends to have similar wages across the board, regardless of economic indicators or economic trends in a given oblast. Nor is there any differentiation when setting the minimum wage for the private sector. In short, public policy regarding wages does not take into account the economic situation in different areas. The other side of this coin is that average and minimum wages in the oblasts that are economically depressed relative to other oblasts begin to converge, leading to greater unemployment and slowed growth or further economic depression. ■

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REFORM 

Healthcare reform

Seeing the obvious

Andriy Holub

“While I write your referral for testing, please fill out this form,” says the physician at the county clinic. I pay close attention to what’s written in the document. This is an agreement that my personal data can be processed for the purpose of an HIV test. “Thanks,” I tell the doctor, “but I’ve already been tested for HIV today. “How... where?” he asks.

An hour prior to this conversation, at another hospital where I was being examined by a different specialist I was already asked to fill out the same document and go for testing. I was forced to visit two clinics in one day because in each one of them different specialists are on duty.

“Oh, that was quick of you!” the physician continues. “What a shame...” “What’s going on? Did you all get orders to have people tested for HIV?” I ask this doctor out of curiosity. “Oh, brother, you don’t know the half of it,” says the physician. “The expiry date is coming up on all the reagents and so now they’re sending everyone off for HIV testing, whether they need it or not. This could have been dragged out over a year or two, but no.”

This is one of the funnier stories about contemporary healthcare in Ukraine. But behind it are thousands of tragic stories caused by the inherently irrational system that’s supposed to protect the health of ordinary Ukrainians. It’s hard to complain to anyone about how I was taken care of in a specific instance. In addition to the test for HIV, the doctor referred me to take all other possible tests and to undergo an examination to establish a diagnosis, without taking a single *kopiyka* for any of this. I was lucky. Where I live, the clinic is pretty decent by Ukrainian standards—although it doesn’t cover all specializations.

Still, at this same clinic, I watched a young boy try in vain to pay for something at the self-service machine while the lady at the registration office watched carefully. The reason was because the boy resided in a different city. The machine stubbornly refused to take his money. In the end, the boy shoved a UAH 100 note into the woman’s hands and was given permission to go to the specialist. “I’ll write out a receipt after,” the woman shouted after him, as if to make it clear that the money wasn’t really for her.

That Ukraine’s healthcare system does not satisfy the needs of ordinary Ukrainians is clear to all. This obvious fact can be seen from the broken toilet in the clinic, with its tank continuously leaking water that Ukrainian taxes pay for. It’s obvious in the smell of diseased, unwashed bodies and excrement that I could smell in one of the departments in a Kyiv (!) hospital for respiratory diseases. It’s obvious in the ambulance car that looks like it will simply fall apart next time it hits a pothole at high speed.

Despite this evidence, discussions about reforming healthcare continue, the Verkhovna Rada continues to ignore

all the key bills that have been on its agenda for the last half-year, and now it’s in recess. On their last working day, deputies had enough time to review export duty on scrap metal, but somehow did not manage to get to healthcare reform.

For journalists, the issue of medical reforms in Ukraine is complicated. A priori, we have to maintain a healthy skepticism towards those proposing changes. We have to play the devil’s advocate and ask awkward questions, because that’s the only way that bills are improved.

In our case, the main question is what should we be taking down. What might get worse if the reforms proposed by the Ministry are implemented? Will even more water leak from the toilet? Will the smell in hospitals become ever stinkier? Will the ambulance stop going out on calls? Will the boy from another city have to pay even more? Will the doctors who are already paid peanuts be paid even less? Fortunately, the answers to these questions are also obvious and do not require additional verbiage. We know for sure

THE VERKHOVNA RADA CONTINUES TO IGNORE ALL THE KEY BILLS, AND NOW IT’S IN RECESS. ON THEIR LAST WORKING DAY, DEPUTIES HAD ENOUGH TIME TO REVIEW EXPORT DUTY ON SCRAP METAL, BUT SOMEHOW DID NOT MANAGE TO GET TO HEALTHCARE REFORM

that this will all happen if nothing is done. The debate of healthcare reform today is between doing “something” and doing “nothing.” To look for the positive aspects of “nothing” is impossible, even to write an article.

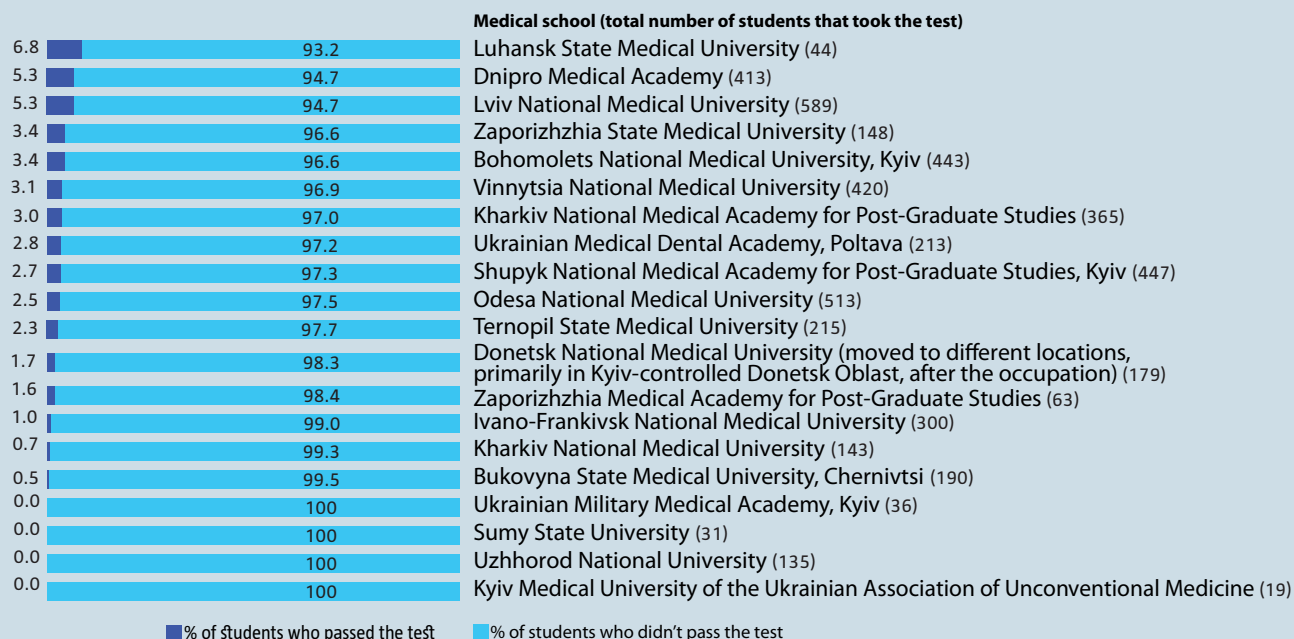
Of course, opponents to the Ministry’s proposed reforms are trying to present a different position. They say that they really have an alternative bill to offer, but it will mean allocating even more money from the budget. This argument can be compared to keeping someone alive on a life-support system: the patient is probably already dead, but we can maintain signs of life if we just hook up a few more machines.

There are some really exotic arguments as well. For instance, the main opponent of the Ministry among deputies wrote an opinion piece for a reputable publication in which he explained why it’s bad to shut down ineffective medical facilities: once the life expectancy of Ukrainians rises to the level of the Swiss, there won’t be anywhere to treat all those people!! One final argument is that the Ministry is proposing medicine exclusively for the rich, while the poor will find themselves shut out. Well, if that were true, we certainly ought to give it some thought. But I keep reminding myself constantly of the smell in the Kyiv hospital. Incidentally, that treatment was also not free. ■

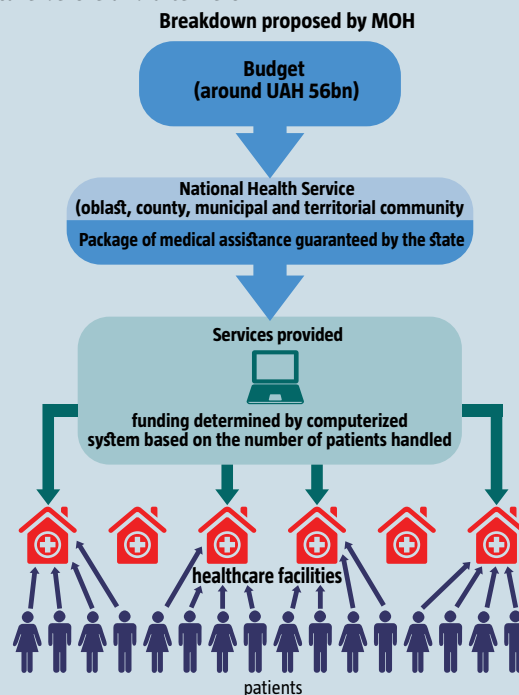
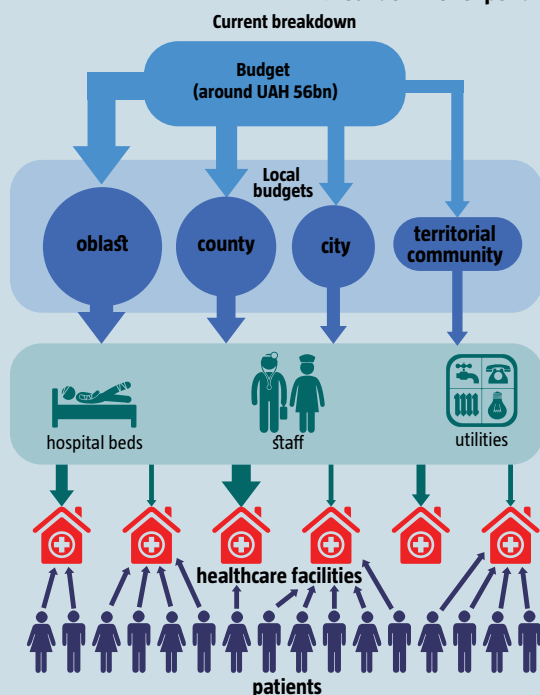
A major deficit

Ministry of Healthcare officials believe that the key elements of the reform in their sector is to change the distribution of budget funding and new approaches to the training of medical professionals

Evaluation of Ukrainian interns using the USMLE test



Breakdown of expenditures on healthcare before and after reform



Oleksandr Linchevskiy:

«The best-off Ukrainians are demonstrating against the Health Ministry»

Deputy Minister of Health Oleksandr Linchevskiy talked to *The Ukrainian Week* about the reform of Ukraine's medical system.

Interviewed
by Andriy
Holub

One of the main accusations being made by your opponents is that the state is not allocating enough money for healthcare while people are getting poorer, meaning that healthcare spending needs to grow and reforms should come later.

The Verkhovna Rada establishes the percent of GDP that is allocated for healthcare. How cynical can people be, to complain that little is being spent on medicine, and then to vote for 2-3%? There is never enough money for healthcare. Not in any country. However good medical treatment is, it can always be better, even when healthcare is fully taken care of: the doctors are smart, the equipment is available, the treatment facility gleams... you still want to sow some pretty flowers so that patients will have a nice view from their windows. There is no limit to improvement. As soon as everything is fine at the hospital, some new technology appears that also needs to be bought. This is a constant process. No system of medical education has ever said, "That's it! Enough's enough. Let's stop here because everything's perfect." In fact, all this nonsense about allocating and not allocating comes down to one thing: the state isn't allocating anything right now.

Your opponents also claim that, after reforms, 80% of healthcare will remain without funds.

Right now, it's 100%. Try to take even one step in a hospital today for free. The only thing the hospital won't take money from you for is heating and electricity. That's it. The money that is available now is being used by our opponents. After reform, that money will go to serve ordinary Ukrainians. There's only one reason for all these contrary statements. How to fool people, to manipulate them, to cry on camera is all just a matter of technique. Only functionaries and crooks don't want to see the system changed. Period.

How do these crooks get their hands on the money?

There are a lot of ways. Right now, UAH 50 billion is available for medicine and this money has to be split among 25 oblasts. These subventions that go to the oblast are then allocated to the counties, which further distribute them among medical facilities. The question is, which facility and how much? For example, depending on personal relations. What do we propose? Say that one hospital has 10 patients and the one next door has 20. We will set up a National Healthcare Service that will directly transfer funds to the hospital. Oblast and county officials, and bad hospitals, don't like this idea.

What will stop the National Healthcare Service from also engaging in corruption?

The center will have a computer that registers everything. A patient comes in a hospital and money is transferred. That's all. The available funds can be distributed fairly but on the basis that those who work get paid. Those who don't really work have already started to protest. When did you ever see the directors of clinics, head physicians and academics standing outside the Ministry's offices? When did VR deputies ever lead rallies? Today, the wealthiest people are demonstrating against the Ministry of Health. Where were they before? Where were they when Raisa Bohatyriova was minister or when Viktor Yanukovych was president? That system suited them just fine.

Let's look at the details. Right now, wherever a patient goes, they have to pay for everything. They have no control over things and they don't know anything. So you come to the hospital and the staff say, "Oh, we don't have anything." But they charge everyone, in one way or another. We see situations

WE WILL SET UP A NATIONAL HEALTHCARE SERVICE THAT WILL DIRECTLY TRANSFER FUNDS TO THE HOSPITAL. OBLAST AND COUNTY OFFICIALS, AND BAD HOSPITALS, DON'T LIKE THIS IDEA

today where even people coming in in a state of emergency are told to pick up this and that because the hospital doesn't have it and the government isn't handing anything out. That's simply not true. The state is giving money out, but the patient has been brought to one place while the state gave it somewhere else altogether. But nobody knows that. Formally, the UAH 50bn has been allocated, but in fact nothing gets to the hospitals themselves. We have no medications, no blankets, all the elementary things that should be in a hospital, while in the meantime something extraordinary shows up elsewhere. The most powerful tomographic apparatus in the country, for instance, stood in Kalush (a town in Western Ukraine – Ed.) for a long time. Why was it there? What was such a powerful machine, intended for heart surgery, doing in Kalush? Because someone in Kalush got their hands on the money and spent it that way.

Ordinary Ukrainians don't always understand this. For instance, I heard a lot of grumbling that a recently renovated village maternity ward was being

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shut down. To these people, the reformers make no sense.

If the maternity ward sees less than 400 births a year, it is bad for both the mother and the child. If there isn't at least one birth a day, the medical staff begins to lose its skills. This is the kind of maternity ward where more problems arise, more children end up damaged, and more newborns and mothers die. The WHO recommends shutting down such maternity wards because they are harmful.

Getting back to reform, what's its main component?

We propose covering for the most vital services with 100% funding, because everything depends on them: emergency treatment, primary care, and palliative care. This is the guaranteed basic package. There was nothing like this before and today, the state guarantees patients nothing. The ambulance drives up to the patient's home and says, we don't have this medication. The patient has no control over anything and cannot demand anything from the state system. Any complaint gets the same answer: the share of GDP is too small.

What's this guaranteed basic package? Let's say I came to an outpatient clinic with a complaint about something. How can I find out what rights I have?

The guaranteed basic package is a list of specific services that must be provided. The clinic is basically guaranteed. Everything that's in the clinic can be provided to the patient absolutely free. We

transfer the funds to that clinic because this is the basic package of service guaranteed by the government. Primary care is guaranteed. You can't show up at a clinic only to be told that there's no doctor that day. The doctor is paid to be there, the budget is there, the cash is available, and so on. Nor can you show up at a clinic only to be told that they can't do the necessary tests. The tests are all available. We have guaranteed and funded that. And we're saying that the basic services—outpatient clinics, emergency treatment, palliative care—are covered 100%. Special therapy and urgent surgery are guaranteed 100%. We are telling people truthfully that the country has enough money for this much.

The guaranteed package can, of course, change, depending on the budget allocated. If we get more funding, the package will expand. Later on we may be able to cover routine treatment (treatment of chronic illnesses, non-urgent treatment – Ed.). Right now we can only cover that partly because we don't have enough money. Our options are co-financing based on private insurance plans, employer insurance benefits, local budgets, charitable funds, patients themselves. But the hospital will know that it will always get money for these listed services that is guaranteed and established by the Ministry of Health.

Can you give us some examples of routine or non-urgent treatment? For instance, if someone has been diagnosed with cancer, is that primary care?

This is included in primary care. In this, some medications are covered, some are not by the state funding. Right now we're covering even fewer of those because money is being spent on everything but the patient: we're buying things nobody needs, while the things that are really needed aren't being bought. What's important for us is that both the hospital and the patient know about the guaranteed basic package and that the state is providing it. There shouldn't be a situation where the patient is referred to a specialist but the means of treatment are not provided. At the secondary level, you know exactly what's state-funded, and what you have to pay for. Patients support the idea of co-pay. Right now, relations between the hospital and the patient are unclear. The state might be allocating something to the hospital but no one knows exactly how it's being used. Elective items, such as cosmetic dental work, will not be covered at all. And this is what our opponents are fighting against. MPs are against co-paying. They don't like it. They want primary care to be 100% covered and secondary care 0%. Because the concept of co-paying is political poison. Everybody's having fits because everything was supposedly free and now patients have to pay for something.

Does that mean that reforms have already been taken down?

Well, MPs have agreed to a guaranteed package and a different distribution of funds. OK, so at least we'll have that. At least we're guaranteeing something. The rest remains as it was at this stage. This is the maximum compromise for us.



PHOTO: ANDRIY LOMAKIN

Oleksandr Linchevskiy was born in Kyiv in 1975. He graduated from the Bohomolets National Medical University in Kyiv. Dr. Linchevskiy took a series of internships and professional courses in various European countries. He holds the Candidate of Sciences title. Dr. Linchevskiy worked as a surgeon at the polytrauma department of Kyiv Clinical Hospital No17. After the war in the East began, he headed the medical unit of Mykola Pyrohov First Volunteer Mobile Hospital. In 2016, Dr. Linchevskiy was appointed Deputy Minister of Healthcare.

As to state insurance, that's just a lot of talk. We are talking about the British NHS model, where your and my tax money are distributed in this way. We already pay these taxes. But our opponents have their views, their own interests in the insurance business.

How interested is the insurance market in your co-payment proposal? How possible is it to have normal insurance coverage now?

Frankly, it's impossible. It's like we're in the Middle Ages. The patient will be conned by either one side or the other. For us at the Ministry what's important is the guaranteed package, so that everyone can feel reassured. We're telling people openly: this is available and that's not, because there's no money for it.

What will you be doing right now for secondary care? Theoretically, if you manage to break the Rada and MPs agree to medical reform with these changes, does that mean that secondary care will remain completely unchanged?

Let's wait and see. The system for allocating funds is being changed to one where hospitals that treat 100 patients get funding for 100 patients and certain services are covered while others are not.

So, after reforms, will Ukrainians have a British model of healthcare or will it merely be a soviet one with frills?

That's a pointless question because no one here knows exactly how the NHS works. No one is aware that it's the best working system today. Based on all the problems and advantages of different systems, the British one is the best and it suits Ukraine. With our way of doing things and the way people coexist here, this is the best option. The American model wouldn't work here, so no point in even going there. What's important for us is a guaranteed basic package. As to co-paying, we wanted what was best, but we lost that one. The populists keep saying let's go for what's worst.

What we want is for the medical facility to be autonomous, to get its money and use it the way it needs for its patient. Not for departments and ministries to decide things: this much for utilities, this much for medicine, and this much for payroll. Because that means that payroll is covered 100%, utilities 90% and nothing goes for medication. The hospital should manage its money on its own. Right now there are such distortions that hospitals are funded "based on their needs." But if the hospital "needs" UAH 18 million for utilities, do we really need that hospital? Is it actually serving patients? Should half of it be shut down? Or should it be expanded? Are there any other options? The main principle should be autonomy: the opportunity to manage funding independently.

How are we doing with experienced specialists and doctors who want to work under a different system?

Build a church and the people will come. Even at the current level of GDP, Ukraine could easily raise wages. If we optimize doctors' salaries, they

will feel motivated. If we optimize overheads, money will appear to buy medications. It's a win-win for patients. The only losers are those who oppose medical reform.

But those people are in power. You'll never achieve anything without them. What kind of compromise is possible in this a clash of world views that can't be reconciled?

Would you like this kind of compromise, as a patient? For us, what's important is not how MPs vote for a bill but how patients will vote for those MPs.

Patients always vote the same way.

That depends on the press, on how well you will be able to explain what's happening.

What about the Ministry's educational initiatives?

Money has no meaning if the doctor is untrained, unmotivated and in the wrong place. He won't be

In 2015, we saw **40,000 heart attacks** in Ukraine. Of that number, **20,000 needed stents** immediately. At that time, **7,000 stents** were procured for X million UAH. In 2017, we are buying **10,500 better-quality stents** for half the money. Now, if we can buy another **10,500 with the money saved**, we'll completely cover this need

able to treat you properly because he won't know what to do. This is a serious problem and it's part of what needs to change. What can be done so that medicine is high quality? The would-be physician has to apply to university, spend six years studying, go through an internship, and find a job. What happens at the entrance stage? Who are our students? Will these people make good doctors and be able to operate on our children? Our position is that those with C's and D's should not be studying at university. It's already clear that they are not studying properly.

Others are not motivated for the right reasons. If they don't dream of being the best, they shouldn't be in medical school. They studied any old way and went to university either to marry or because their parents are doctors. These aren't the people who should be working in healthcare, yet from the very start, we let anyone who wants to go to university. Then they study on a paid basis, manage to somehow pass their exams, finish their internships, and pay every step of the way. Then they get a job and the hospital is stuck with a bad doctor.

One of our propositions was for applicants to have a minimum of 150 points on their external independent testing (ZNO, a school graduation test). Afterwards, six corrupted rectors approach two MPs: the chair of the VR Healthcare Committee and the chair of the VR Education and Science Committee. The Rada begins to exert unprecedented pressure on the Government, and the Government drops the proposal. The 150-point initiative has been around since March. Where are the voters? Where are the future patients? Where's the press?

Then we move to the open competition. This is a situation where places are left for applicants with high ZNO grades. They can gain admission to any post-secondary institution they choose. Obviously, the stronger, better institutions get the stronger applicants, additional spots and more funding. Weaker institutions lose out. Where will those rectors go? To their protectors in the legislature. We'll see what happens this year with the open competition, because last year there wasn't any in medicine. Right now, if you're a poor university, you will get zero applicants.

We lost the first round in the battle for the 150-point requirement. The open competition is currently under attack. The third is the Krok [Step] exam. During the sixth year and the internship we have Krok-2 and Krok-3, which is the examination for licensing. Whoever fails it doesn't get to be a doctor. These examinations are organized by the Independent Testing Center at the Ministry of Health, which was established along the lines of the National Board of Medical Examiners in the US and has been acknowledged by NBME. The testing procedure is the same as in the US.

This is the only barrier that saves patients from unqualified physicians. The universities don't do this because they're happy to teach the D students. Just watch how they start attacking that exam. This year, we added 30 questions from the American exam to Krok-3 and only 3% passed (**see A major deficit on p. 24**). Which means that only 3% are doctors in the American sense of the word. That's the price for a medical education. The average mark across the country was 37% and only 3% reached the passing grade of over 70%. The Ukrainian questions for Krok exams are written by Ukrainian instructors. Then they are shuffled in a barrel and issued. As a result, the Ukrainian test is passed, but not the American one. Why is this important? In fact, our students get normal results in those things that they have studied: 95% passed Krok-2. Only this test, like all our medical education, does not reflect modern conditions. Our students aren't being taught what they need to know and not that which is being taught all over the world.

How capable are these instructors of teaching something different?

Where might they get that from? It's these same students who eventually begin to teach. It's a closed circle. So now, imagine what will be happening with reforms if we say that this year the American sub-test is optional, whereas starting next year it will be mandatory? Imagine what will happen when a portion of international tests is added to Krok-2? I mean, there's still the International Foundations of Medicine (IFOM), a test that was developed (by the NBME. **Ed.**) not for the US but for other countries. We have taken this IFOM as part of our own test and have made it mandatory. Who at the universities will be happy to see this happen? Who will teach paying students for six years, at the risk that they will complain later that they failed the exam? There will be enormous resistance.

Still, we have to start somewhere. We say that there are qualification requirements of a doctor, which is to pass the IFOM test. If you pass IFOM, you can call yourself a doctor.

But now, the university has to review its curriculum and its staff qualifications. Do the instructors know even a modicum of English? Are they publishing? Are they reading? If you want your university to survive, hire those who can teach properly. Find them and hire them. Teach less, but teach better. Give us doctors with a European education. Right now, our country is missing the boat. People are indifferent, the Rada is indifferent, the universities couldn't care less, and the media is not keeping an eye on any of it. As a society, we allowed them to accept D students, so shame on us. After that, the entire system of funding universities suits everyone so it's not convenient to expel them.

If Ukrainians as a society want to have highly-qualified doctors, then we should support Krok. We should defend the Center for Testing and this exam, and make it as demanding as it is in the West. Once we decide we want high-quality doctors, a lot of people are going to feel the pain, most of them C- and D-grade. So why do we feel sorry for them?

We have interns and they continue to learn. We give them an instrument such as Decree #1422, which allows them to treat following western procedures. We say, you weren't taught this, but we're giving you a chance. Look: this is how this particular disease is treated around the world. From now on, you can choose what you want: a German course of treatment, a French one, a British one, or an American one. Go and treat your patients. Before, this was not allowed, but now we're giving people the opportunity. Surprisingly, it turns out that everyone's against this, too.

One of the arguments opponents bring up is that the procedures need to be translated into Ukrainian. Has this been done?

The decree states that they are supposed to be translated into Ukrainian. But first of all, there are thousands of these procedures and obviously you can't just sit down and translate all of them at the same time. Secondly, they are constantly being updated. They're not set in stone so you can translate them once and that's that. Medicine is always on the move. The decree also provides an addendum with sources that are constantly being updated and the international academic societies are constantly updating the procedures. This year, it's like this. Later a new table or treatment method appears and everything changes. We actually allow doctors to take those procedures and translate them, so yes, they are all being translated, but not by the Ministry but by the hospitals that need them.

I can tell you that these procedures are at a way higher level than Ukrainian ones. We are meeting with resistance, regardless, from those who draw up procedures in Ukraine, from those who are doing dirty business, and from those who included their own or others' medications and made their

use mandatory. Right now, the top 10 medications in Europe and the top 10 in Ukraine don't have a single medication in common. This is the result of our education, our post-graduate education, and our procedures. Our clinical procedures and our medical education mean that Ukrainians are not treated with the same medications as other Europeans and then we wonder why the results are so bad.

What about the practice to hand over the purchase of medicine to international organizations? Dr. Suprun promised to sign a respective contract by March. Has last year's budget been spent and are we now spending 2017 allocations?

Not exactly. In 2015, we saw 40,000 heart attacks in Ukraine. Of that number, 20,000 needed stents immediately. At that time, 7,000 stents were procured for X million UAH. In 2017, we are buying 10,500 better-quality stents for half the money. Now, if we can buy another 10,500 with the money saved, we'll completely cover this need. Every patient with a heart attack in Ukraine will receive the most up-to-date, hi-tech treatment absolutely free.

Are you talking about this year?

Yes. We will be talking about this separately and we invite people to join us because it's important that patients, doctors, and all healthcare professionals know about this. The Ministry's position is changing and we will be keeping track of this, but the public also needs to be on top of things. This is the price of international procurements. It represents the actual saving of someone's life. Can you imagine the scale? We're talking about something like UAH 150mn. Of course, not everyone's happy about international procurements. Now they can come up with a new excuse: "It took them a month to put it in, so let's drop it all."

What's going on with palliative care?

We'd like palliative care to be part of the guaranteed package. People have the right to a dignified death. Ukraine was still lacking humane forms of reducing pain in the 21st century. Now, these have been registered. We're organizing a mobile palliative care service in Decree #41, which lists all the palliative states. This means access to a chaplain, qualification requirements for physicians who work there, and changes in the rules for the circulation of narcotics to make it easier for pharmacies to issue them. Right now this is very complicated and not convenient for the pharmacies, so patients often have to go abroad and buy them. We're also working with the Interior Ministry and the process is all in motion. Last year, some of this was provided through humanitarian aid, moreover for a great low price: about 40¢ a flacon. This medicine has already been registered and we have it in plasters and syrup.

The main value of reform and its philosophical significance is in raising the quality of life of the ordinary person. Our motto is that health is the most important thing. We have no respect for those who voted in favor of the tax on the export

of scrap metal but ignored medical reform. This is completely unacceptable. We're talking about real values and real people. Health and life are the most important. This reform is not about money and not even about education but about new relations within our society.

In the end, this is about two great quotes: "There's no stopping an idea whose time has come" and "Freedom for nations, freedom for individuals." In our case, the two echo each other. The human being is important to us. Not the nation, the state, the society, or the masses, but a specific patient. We must do all in our power to ensure that the individual is born healthy, lives healthy, and dies in dignity. The person is becoming a value in this country. Not achievements, not glory, not the flag, not television, not even Olympic gold matters as much as the individual. That's why this is so important.

How much of an impact did anti-vaccine propaganda have and how accurate are the statistics that people use? What's the coverage of vaccines in Ukraine today?

Our coverage is the lowest in Europe and the press is entirely to blame for this. Ignorance, ignorance and more ignorance. Fairy tales about non-existent "black transplantologists" are killing normal transplantology. Spreading myths, yellow press, unconfirmed "facts." One headline chases another and all about how bad vaccines are. I could talk for a long time about the incident in Kramatorsk (where a 17-year old died after being vaccinated -- Ed.), but when journalists are sloppy with their terms and don't understand the



**RIGHT NOW, WHEREVER A PATIENT GOES,
THEY HAVE TO PAY FOR EVERYTHING.
THEY HAVE NO CONTROL OVER THINGS AND THEY
DON'T KNOW ANYTHING**

difference between a vaccine and a serum, a critical distinction, between an expired license and an expired vaccine, when they confuse "importing without a certificate of compliance" with "importing something unregistered and of poor-quality," we end up with headlines that the Ministry of Health once imported uncertified and outdated vaccines and a child died. In fact, that child didn't die after being vaccinated and what was imported was a quality vaccine that was in compliance with all the rules and laws about humanitarian aid, and what was expired was not the vaccine but the certificate for it. Yet the journalists took up that headlines. The people read them and stop vaccinating their kids. That's how we've managed to take a civilizational step backwards.

Has this process stopped at least?

We really want everyone to learn. We're learning every day ourselves. The press needs to understand how important the choice of words is in this situation. ■

DNA and how to adjust it

Researchers get better at tweaking the genomes of human embryos

It is risky to predict who and what will win a Nobel prize. But some discoveries are so big that their receipt of science's glitziest gong seems only a matter of time. One such is CRISPR-Cas9, a powerful gene-editing technique that is making the fraught and fiddly business of altering the genetic material of living organisms much easier.

Biologists have taken to CRISPR-Cas9 with gusto, first with animal experiments and now with tests on humans. In March researchers in China made history when they reported its first successful application to a disease-causing genetic mutation in human embryos. But their results were mixed. Although they achieved 100% success in correcting the faulty gene behind a type of anaemia called favism, they tested the technique in only two affected embryos. Of four others, carrying a mutation that causes thalassaemia, another anaemia, only one was successfully edited.

Now, in a study just published in *Nature*, a group of researchers from America, China and South Korea have pulled off a similar trick, with striking consistency, among many more embryos, while avoiding or minimising several of the pitfalls of previous experiments. Their work suggests that, with a bit of tweaking and plenty of elbow grease, CRISPR-Cas9 stands a good chance of graduating, sooner or later, from the laboratory to the clinic.

The researchers involved, Hong Ma of Oregon Health & Science University and her colleagues, obtained sperm donated by a man who carries a mutated version of a gene called MYBPC3 that causes hypertrophic cardiomyopathy (HCM), a condition in which the walls of the heart grow too thick. As with the genes that cause thalassaemia and favism, inheriting even a single copy of the malformed version of this gene is enough to cause HCM.

These sperm, half of which would have been carrying the mutated version of MYBPC3, were then used to fertilise eggs containing a normal copy of the gene. The resulting embryos thus had a 50:50 chance of containing a defective copy. In the absence of editing, and had they been allowed to develop, those with a faulty version would have grown into adults likely to suffer from the disease.

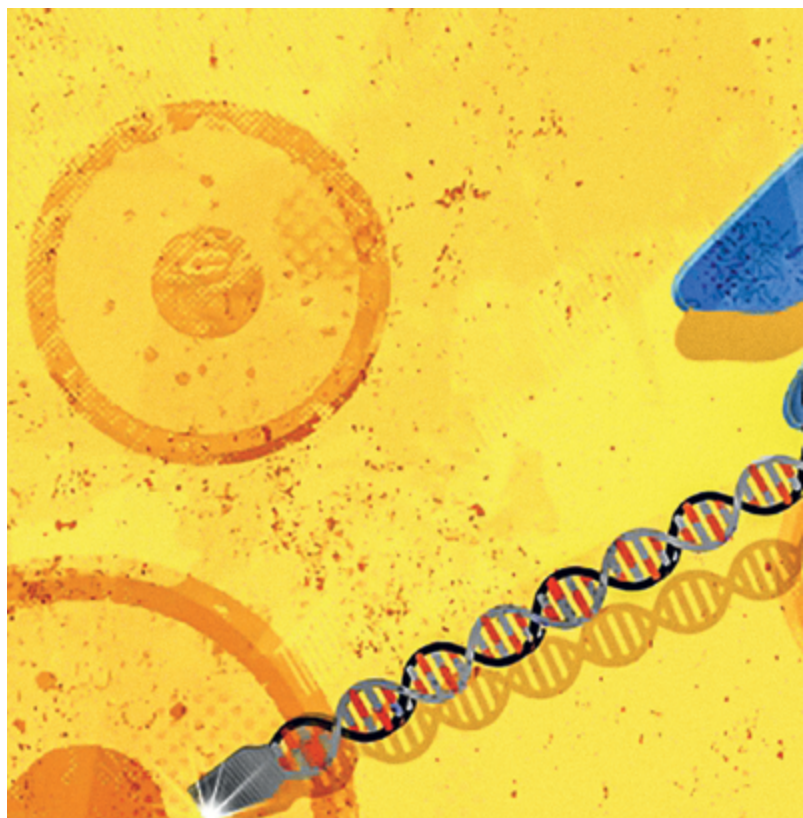
SWORDS TO PLOUGHSHARES

CRISPR-Cas9 editing has been developed from a bacterial defence system that shreds the DNA of invading viruses. CRISPR stands for "clustered regularly interspaced short palindromic repeats". These are short strings of RNA, a molecule similar to DNA, each designed to fix onto a particular segment of a virus's DNA. Cas9 is an enzyme which, guided by CRISPRs, cuts the DNA at the specified point.

Modifying this arrangement for the purposes of genetic engineering is simple, at least in theory. Since DNA and RNA work in essentially the same ways in all living organisms, designing appropriately customised CRISPR guide molecules can induce Cas9 to cut any cell's DNA wherever the designers choose, eliminating undesirable sequences of genetic "letters". Since cells will then try to repair this sort of damage, genetic engineers can, by providing corrected versions of the DNA that has been deleted for use as templates which a cell can copy, encourage the repair mechanism to fix the problem in the way they had intended.

The hope was that, by being given such templates, embryos could be purged of nascent genetic disease. That hope appeared fulfilled, at least in part. By the end of the experiment, 72% of the embryos were free of mutant versions of MYBPC3, an improvement on the 50% that would have escaped HCM had no editing taken place.

In achieving this, Dr. Ma and her colleagues overcame two problems often encountered by practitioners of CRISPR-Cas9 editing. One is that the guidance system may go awry, with the CRISPR molecules



leading the enzyme to parts of the genome that are similar, but not quite identical, to the intended target. Happily, they found no evidence of such off-target editing.

A second problem is that, even if the edits happen in the right places, they might not reach every cell. Many previous experiments, including some on embryos, have led to mosaicism, a condition in which the result of the editing process is an individual composed of a mixture of modified and unmodified cells. If the aim of an edit is to fix a genetic disease, such mosaicism risks nullifying the effect.

Dr. Ma and her colleagues conjectured that inserting the CRISPR-Cas9 molecules into the egg simultaneously with the sperm might help. That way the process is given as much time as possible to complete its work before the fertilised egg undergoes its first round of cell division. Sure enough, after three days (by which time the original fertilised egg had divided several times), all but one of the 42 embryos in which the technique had worked showed the same modifications in every one of its cells.

So far, so good. But a third problem that has bedevilled experiments with CRISPR-Cas9 concerns the quality of the repair. There are at least two ways for cells to repair DNA damage. One of them simply stitches the severed strands of DNA back together, deleting or adding genetic letters at random as it does so. Because it introduces mutations of its own, this process is not suitable for correcting DNA defects for medical purposes (though it might, for instance, be used to modify crops). Fortunately, the other mechanism patches the break with guidance from a template, and thus without introducing any additional

mistakes. But cells seem to prefer the slapdash approach. In previous CRISPR-Cas9 research, the more precise method was involved only 2% to 25% of the time.

RUNNING REPAIRS

The researchers' cells were, however, much more diligent. That is, perhaps, to be expected. Any DNA damage to a fertilised egg which is not fixed properly will affect the entire organism, so embryos have an evolutionary incentive to get things right. But there was a surprise. Contrary to expectations, it was rarely the injected template that the cells used as a reference for repair. Of the 42 modified embryos, only one did so. The rest repaired the faulty gene by referring to the non-mutated copy they had inherited from their mothers. That contrasted with the results of control

CRISPR-CAS9, A POWERFUL GENE-EDITING TECHNIQUE, IS MAKING THE FRAUGHT AND FIDDLY BUSINESS OF ALTERING THE GENETIC MATERIAL OF LIVING ORGANISMS MUCH EASIER

experiments the researchers carried out in parallel on human stem cells, in which the repair template they supplied was used much more frequently. This, they say, suggests a hitherto-unknown DNA repair mechanism may be at work in embryos.

If true, that is both good news and bad. It is good because it suggests embryos will often perform high-quality repairs without any extra prompting. It is bad because that repair will only be useful if the second copy of the gene is itself not harmful. Embryos that inherit two damaged copies of a gene, one from each parent, would simply replace one defective copy with another, to no overall benefit.

Jin-Soo Kim, of the Institute for Basic Science, in South Korea, who is another of the paper's authors, thinks that, with a bit more research, genetic engineers may be able to get around that problem. He points out that mouse embryos seem to have no difficulty using external genetic templates. It may be that there are biochemical cues which control how a cell effects DNA repair, and that these can be manipulated. On the other hand, the difference may reflect an unbridgeable evolutionary divergence between mice and humans—species whose most recent common ancestor lived more than 60m years ago.

But that is a question for another paper. Over the coming months Dr. Ma and her colleagues plan to replicate and extend their work using other mutations and other donors. One goal is to improve the process's efficiency still further. Shoukhrat Mitalipov, a colleague of Dr. Ma's in Oregon, and yet another of the paper's authors, thinks the technique's rate of effectiveness can be boosted to at least 90%. The eventual objective, still a long way off, is full-blown clinical trials, in which modified embryos, purged of disease-causing genes, are reimplanted into their mothers and carried to term. If and when this is done successfully, human genetic engineering will truly have come of age. ■



Merchants of peace

Denys Kazanskiy

How rhetoric about the “civil war” is generating political capital in certain corners

In any country at war, there is always demand among its citizens for peace. For over three years now, Ukraine has unfortunately been among those countries with armed conflict taking places on its territory. Its citizens, like all those who have had a taste of war, understand the real value of peacetime life and look forward to the end of the bloodshed.

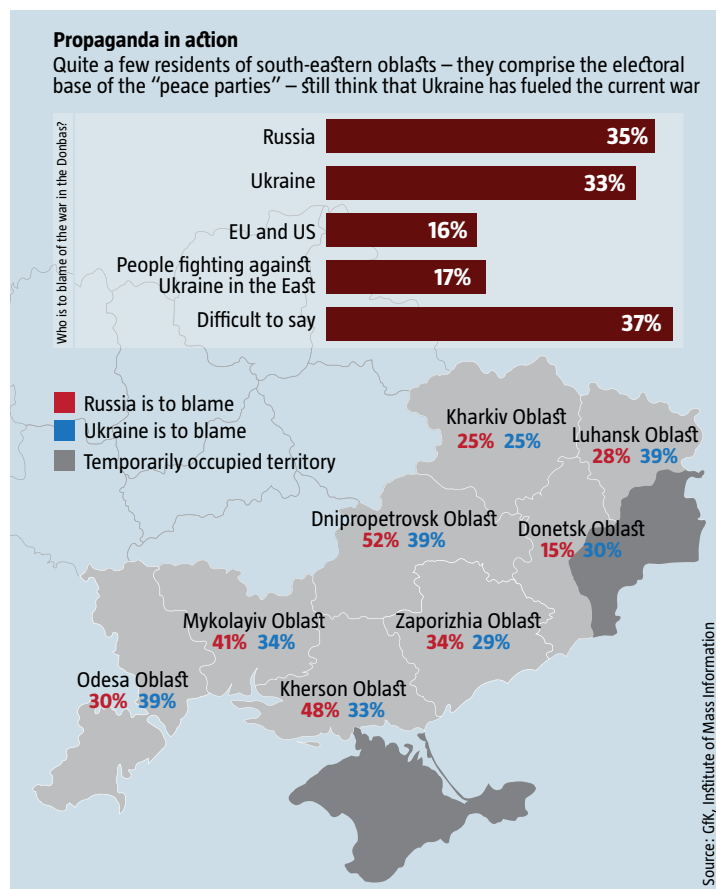
And so where there is demand, supply soon fills the need. Over the last few years, a segment of Ukrainian society has appeared that might be called “merchants of peace” or, more correctly “traders in truces.” These are politicians and activists who are taking advantage of the public mood to promote their own interests. Most often, they like to promise a truce that they are in no position to achieve, or they blame its absence on their rivals in an attempt to encourage voters to despise them.

Promises of peace have become a standard slogan in the populist arsenal of Ukrainian politics, along with promises to raise pensions and wages, and to reduce utility rates. These merchants of peace can be divided into two groups. In the first are the situational populists who simply want to take advantage of a popular trend to get the attention of voters and give their ratings a boost. The second group is those who are working on behalf of Russia and are masking their treasonous activity with the rhetoric of peace. Because both groups use similar arguments and slogans, it’s sometimes very hard to distinguish the two.

On the one hand, we might say that there’s nothing wrong with wanting peaceful life to return and talking constantly about the need for a truce. But the devil, as they say, is in the details. Firstly, the conditions under which such a truce might be arranged are very important. It’s one thing when it’s on the enemy’s terms and another when it’s on Ukraine’s terms. One thing when the result is a frozen conflict and another altogether when the result is capitulation. Seemingly either option will lead to a return to peaceful civilian life. But the realities will be very different.

Ukrainian politicians who keep mouthing the mantra “Peace at any price” clearly know what this slogan really means and what the price of it will be. “Peace at any price” clearly means accepting defeat, agreeing to a partial loss of sovereignty, and changing the Constitution as dictated by the aggressor country. This is the kind of “peace” proposed by the Kremlin in exchange for the return of occupied Donbas or ORDiLO and a cease-fire. However, the fact that such a “truce” could cause a split in Ukrainian society, lead to a new conflict, or end in an internal confrontation these politicians are careful not to mention.

Pacifist movements are a natural phenomenon for countries that are at war. But there is one caveat: as long as the country is not the victim of another



country’s aggression. In other words, pacifist demonstrations against war make sense in the US or the Russian Federation, whose citizens want their leaders to stop war campaigns in Iraq and Syria. But in Ukraine, whose territory has been invaded by Russian forces, calls for the government to stop the war are completely inappropriate. For the war in Ukraine to stop, Russia has to withdraw militarily. Period. All its Ageyevs, Yerofeyevs, Aleksandrov and other “nonexistent” Russian soldiers need to go back where they came from. For this to happen, it’s the president of Russia who needs to be challenged, not the president of Ukraine. The president of Russia is waging this undeclared, shameful war against Ukraine. Only he is in a position to decide to withdraw his troops and to stop delivering arms to occupied Donbas.

The current Ukrainian president, Petro Poroshenko, can be justifiably accused of many faults, but not wanting the war to be over, as long as there are Russian

troops in Crimea and occupied Donbas, is not one of them. Pacifist calls in Ukraine might be reasonable if Ukraine's armed forces stood in Rostov Oblast, Krasnodar Krai or Moldova. In that case, demands for them to immediately return to their own territory would make sense. But how are Ukraine's forces supposed to withdraw from Ukrainian territory? What Ukrainian leadership would be able to endure peace if the Kremlin does not comply with its decisions and has no intention of returning its army to Russian territory? Needless to say, Ukraine's merchants of peace have no answer to such questions.

Understanding how truly weak their position is, those who favor "Peace at any price" are forced to engage in the same kind of manipulation. Indeed, they try to deny that Russia is involved in the conflict at all. This provides their rhetoric with some logic: if Ukraine is involved in a civil war, then the government is responsible for that. And only it can call for a ceasefire in that case. Members of the Opposition Bloc, the rump Party of the Regions and the most anti-Ukrainian party in the country today, have been using this kind of rhetoric in public for a long time. They openly campaign with demands to "stop the war" and "fight nazism in Ukraine," on both Ukrainian and Russian television.

After three years of military conflict, there would seem to be more than enough evidence of Russia's presence on Ukrainian territory. Then there's the involvement of Russian GRU officers like Igor Gherkin and Oleksandr Borodai in the initial stages, the tragedy of MH17, the capture of Russian soldiers who have regularly fallen into Ukrainian hands since August 2014, and the recent admission by Russian Foreign Minister Sergei Lavrov that Russia was participating in the war "in Syria and Donbas." And still there are too many Ukrainians who do not believe that Russia started this war and is involved in the armed conflict to this day. They are the target audience for the merchants of peace. All three years, they have managed to ignore and say nothing about the obvious evidence of Russia's military presence, to say nothing of Crimea, whose occupation is unquestionable.

Anyone who is interested in Ukrainian politics can easily guess who these merchants of peace are. They are often guests on various talk shows and the real vipers' nest of politicians and experts with these views is the NewsOne channel, which broadcasts this kind of demagoguery day and night.

NewsOne belongs to Kharkiv MP Yevhen Murayev, who makes no bones about his pro-Russian views and provides people with similar views an open platform on this channel. Not long ago, NewsOne found itself in the midst of a scandal: its employees helped Russian journalists film a propaganda clip for a program hosted by Russian presenter Dmitry Kiseliy, famed for his "We'll leave the US in a pile of radioactive dust" comment. Formally, no laws were broken, and so the incident had no real consequences for Murayev's people.

This kind of pseudo-peaceful rhetoric can be heard from yet another high-profile Kharkiv MP, media mogul Vadym Rabinovych. He recently started a new political party called *Za Zhyttia* meaning "For Life" that is clearly oriented towards pro-Russian voters, with Murayev. More than anyone else of this inclination, Rabinovych continuously talks about "Peace at any

price"—meaning "peace on Putin's terms"—on every talk show he appears in. And this tactic is leading to results. Today, *Za Zhyttia* is rapidly gaining popularity in southern and eastern oblasts. In some places it is even squeezing out the Opposition Bloc, which has been the local favorite for years since its PR days. What's more, Rabinovych has turned out to be a fairly decent presenter on television. His own show, *What's Rabinovych to you?*, airs on the 112 Ukraina channel and has been the leader among top news programs in Ukraine more than once.

It's not clear to this day who is sponsoring Rabinovych and Murayev's party. Some say that Yanukovich cronies are behind it, in the expectation that, should he win in the next election, Rabinovych will help them return to Ukraine.

Yet another popular politician who favors pacifist rhetoric is MP Nadiya Savchenko, the former captive pilot. She also gained a spot as a presenter on NewsOne where she offers the same collection of slogans. According to Savchenko, the war is "convenient" for the current leadership in Kyiv and that's why Poroshenko has no intention of ending it. Moreover, she never offers any suggestions for how the president might go about ending it in the shortest term possible and what he should do with the Russian forces on Ukrainian territory. Abstractions like "you have to negotiate," as Savchenko likes to put it, are never concretized. Nei-

PACIFIST MOVEMENTS ARE A NATURAL PHENOMENON FOR COUNTRIES THAT ARE AT WAR. BUT THERE IS ONE CAVEAT: AS LONG AS THE COUNTRY IS NOT THE VICTIM OF ANOTHER COUNTRY'S AGGRESSION

ther Savchenko nor the other politicians who love to talk about the need for "Peace at any price" bother to provide any details about the terms to which Ukraine should be agreeing with Putin or what kind of compromises Ukraine should be willing to make.

Savchenko's political project is linked to Viktor Medvedchuk, whose close ties to Putin make clear where her rhetoric is coming from. More than likely she will most likely also be trying to gain votes among the same pro-Russian voters as the Opposition Bloc and *Za Zhyttia*. Indeed, it's possible that she will even join *Za Zhyttia*.

Worn out by the war and a seemingly endless stream of bad news on television, many Ukrainians are ready to believe almost anyone who will promise to rescue them, no matter how unrealistic their promises might actually be. The belief in saviors is irrational. Like anyone else, Ukrainians who run into serious problems will, in the face of all common sense, believe in magicians and fortune-tellers who promise to magically relieve them of spinsterhood or serious diseases.

The merchants of peace have a good feel for the national mood and have quite skillfully taken advantage of the moment to propose their services as peacemakers. It's already clear, unfortunately, that in the next election, plenty of Ukrainians will once again be happy to be conned at the ballot box. ■

WHAT DO THE YOUNG CHOOSE



Student force

Andriy Holub

The strengths and weaknesses of Ukrainian youth movements

At the beginning of 1990, the Ukrainian SSR elected its Supreme Council, the Verkhovna Rada, on an alternative basis for the first time. Despite the emergence of opposition, Communists maintained a majority in Parliament. In the middle of the same year, four young people from Ukraine held several meetings in Lithuania. Their goal was ambitious – to coordinate an action plan for civil disobedience that would aim to dissolve the recently elected Verkhovna Rada of the Ukrainian SSR. The four people who met in Vilnius represented two organisations: the Ukrainian Student Union (USU) and the Student Brotherhood. This was the start of preparations for the student-led Revolution on Granite, which for years to come would be a shining example of civic engagement among Ukrainian youth.

In the future, students would play a major role in various campaigns, starting with Ukraine without Kuchma and the Orange Revolution, ending with the Revolution of Dignity. However, they have never been more organised than during those 15 days in October 1990.

One of the students who attended the meeting in Lithuania was Oles Doniy, then the chairman of the USU and later one of the three leaders of the Revolution on Granite. Alongside him, the protest was coordinated by the head of the Lviv Student Brotherhood Markiyano Ivashchyshyn and the leader of the local USU in Dniprodzerzhynsk (now Kamianske – Ed.), Oleh Barkov.

"The Student Brotherhood in Lviv and Kyiv USU were two of the most powerful structures. The former was the most numerous and the latter suggested the demonstration. We deliberately involved the small Dniprodzerzhynsk structure because it was important from the point of view of the Ukrainian myth. It was supposed to represent the East," Doniy recalls. "The leadership stayed in place from the first to the last days and only it had the right to make decisions about both the negotiations and the technical aspects of the campaign: where demonstrations should take place, where to pitch tents and so on."

According to Doniy, this is precisely the distinction between this campaign and other ones that students have participated in. Although other social strata from different spheres and age groups also joined the student revolution, they only provided assistance. One more feature of the campaign was the protesters' clear demands formulated in five points: dissolution of Parliament and multiparty elections, nationalisation of Communist Party and Komsomol property, refusal to sign a new "union treaty" with Moscow, military service for Ukrainian men within

Ukraine and the resignation of government chairman and Communist Party representative Vitaliy Masol. According to Doniy, there were three demands from the beginning and the last two were added by representatives from Lviv on the eve of the campaign's start.

Twenty-three years after these events, a somewhat older Ukrainian was planning to go to Lithuania to meet with a number of representatives of EU countries, as well as partners from the former USSR – Azerbaijan, Belarus, Armenia, Georgia and Moldova. In addition to meetings, the man had an ambitious task – to sign the Association Agreement between Ukraine and the European Union. However, his plans changed dramatically a few days before the scheduled signing. An old friend and the man's

STUDENTS PLAYED A MAJOR ROLE IN VARIOUS CAMPAIGNS, FROM UKRAINE WITHOUT KUCHMA, THE ORANGE REVOLUTION TO THE MAIDAN. BUT NEVER HAVE THEY BEEN MORE ORGANISED THAN IN THE OCTOBER 1990 REVOLUTION ON GRANITE

colleague signed a government decree to suspend the process of preparing the agreement. That is how Viktor Yanukovich and Mykola Azarov triggered the EuroMaidan protests.

Young people and students again formed the basis for these protests. Although this time they did not have strong and sizable organisations on hand, nor enough time for thorough preparation.

On the evening of November 21, 2013, Andriy Pryimachenko, a student of Journalism at the Lviv Ukrainian Catholic University (UCU), was returning to his hall of residence after class and following the news on social media. On one of the photos, he saw his friend Oleksandr Argat. He was holding an EU flag in front of the Christmas tree framework on Independence Square [the Maidan] in Kyiv. Andriy was already aware of the government's decision on the agreement with the EU. The further progression of events was clear: Ukraine would once again be drawn into the Russian sphere of influence with no certainty that it would be able to escape this time. Pryimachenko shared the photo on his profile and left his room to look for groupmates. Coming from Kyiv, Andriy did not really know where people in Lviv usually meet for a Maidan. However, he clearly decided that he should go there right now. On the way, Andriy and his friends decided to go to the Shevchenko Monument on Freedom Square in Lviv.

Another UCU student, Ihor Feshchenko, was among those who joined the demonstration: "Students from two university programmes, the School of Journalism and Media Communications Programme, mobilised first of all. We were the first to go onto the square in Lviv in an organised manner. Then we were the first to go to Kyiv. Afterwards we were scattered around a bit. Some joined defence squads, others went into structures like the Lviv EuroMaidan and others still worked with foreign journalists." On November 24, the largest rally outside Kyiv took place in Lviv with students at its core and on the night of November 26, a bus with Andriy, Ihor and other Lviv EuroMaidan participants was blocked by traffic police when trying to leave for Kyiv.

A participant in the Kyiv EuroMaidan and at the time a history student at the Borys Hrinchenko Kyiv University, Vitaliy Kuzmenko, also says that at first he protested with classmates or friends who had the same views. On the night of November 30, Vitaliy was by the Independence Monument on the Maidan. He was beaten by members of the Berkut special police under the pretext of clearing the square of people to erect the Christmas tree. Now, Kuzmenko is recorded as a victim in the respective criminal case.

"After November 30, we formed a student coordinating council, the Hrinchenko Society. Activists of the protest movement joined it, including representatives of student government. I was then elected as the coordinator of the society. We set a few main priorities. Firstly, to combine our efforts and support students of our university and secondly, to cooperate with other Maidan student movements and the university administration," says Vitaliy.

From the very beginning, the student campaigns did not have a centralised leadership. When strike committees and other organisational structures were formed at universities, they united into the so-called Student Coordination Council of the Maidan (SCC). However, the SCC never became a clear structure. Formally, it included representatives from the largest universities whose students were taking part in the protests. However, there were no leaders of the SCC and hardly anyone would be able to recall at least one representative of this council. For the general public, the SCC existed as an impersonal account in social media. Additionally, at first there was some confusion regarding demands to the government. Following the November 29 summit in Vilnius, the demand to sign the Association Agreement there became meaningless. However, a night later the protesters were assaulted and a request to punish the perpetrators was added. On December 5, the SCC issued its demands, which were divided into four "immediate", four "systematic" and three "main" ones. Subsequently, the function of representing the protesters was almost entirely taken over by the National Resistance Headquarters led by Batkivshchyna's Oleksandr Turchynov, UDAR's Vitaliy Klitschko, Svoboda's Oleh Tiahnybok, Front Zmin's Arseniy Yatseniuk and other politicians.

However, at the beginning ordinary protesters tried not to link themselves to politicians. After the first large-scale demonstration on November 24, when more than 100,000 people took to the streets of Kyiv, the Maidan practically split in two: the "po-

litical" one stayed at Yevropeyska Ploshcha (European Square), while the "non-political" or "student" demonstration stayed on Independence Square. The unwillingness of students to stand alongside politicians and, conversely, the desire of the latter to take advantage of youth protests is a common feature in all times.

According to Doniy, in 1990 their relationship with politicians, even the then opposition, was also far from serene: "Some People's Deputies came (to see the student protesters – Ed.). There were not so many of them and most of Narodnyi Rukh (People's Movement) members were actually jealous of our campaign. A group of MPs headed by Stepan Khmara came to support us. Our conditions were as follows: here are your tents and sleeping bags, you can go to the microphone and say what you want, but you have no influence on the leadership. To the honour of these deputies, roughly 12 of them, they agreed to these demands."

As for the lack of coordination and structuring in the Ukrainian student movement at the beginning of the EuroMaidan, the problem actually arose long before that. Myron Hordiychuk was one of the coordinators of EuroMaidan at Shevchenko Kyiv Nation-



AS FOR STUDENTS' PROTEST POTENTIAL IN GENERAL, IT IS OFTEN EXAGGERATED IN THE PUBLIC IMAGINATION. ACCORDING TO SOCIOLOGISTS, YOUNG PEOPLE ARE NOT THE MOST PROTEST-MINDED GROUP IN UKRAINIAN SOCIETY

al University. Prior to that, he had a long history of participating in various protests as a member of the Vidsich [Rebuff] movement. In particular, Hordiychuk participated in the Anti-Tabachnyk Campaign for the resignation of then notorious Minister of Education and Science Dmytro Tabachnyk serving in the Yanukovych Government. He does not recall any completely coordinated student action since 2009. "Even the anti-Tabachnyk movements included representatives from three parts of the political spectrum: Vidsich, whose members did not have a set ideology and were non-partisan, the left wing with its so-called Direct Action and "right-wing" youth – mostly the youth movement of the Svoboda party, who also joined the campaign for one reason or another. Many people had different motivations," Hordiychuk says.

Among the reasons for this situation he lists the apathy and disappointment in society after the breakup of the "orange" camp and comeback of the Party of Regions following the Orange Revolution. He adds as an example that the number of people who went out to protest the controversial Kivalov-Kolesnichenko language law was paltry for a city the size of Kyiv.

"Even during the Revolution, the student movement was not fully coordinated: there was no single structure or authority that everyone could agree with. This caused many unpleasant moments and quarrels. However, they somehow managed not to air their dirty laundry in front of the cameras. The unity of the student movement in 2013 was rather hypo-

thetical. When students entered the Ministry of Education and Science building in February, there were people from the SCC, anarchists, several students from Belarus and the right wing. There was a big risk that the right-wingers would fight the left-wing students already inside the ministry. Frankly, it was like a playground squabble," adds Hordiychuk.

The USU and Student Brotherhood, which played a decisive role during the Revolution on Granite, had lost their credibility by the 2000s. Asked why this happened, Doniy replies that there were several parties interested in this. After a successful campaign of the students, the authorities tried to take control of the organisation by changing its leadership. This succeeded in putting Kyiv and Lviv activists at loggerheads.

"Not only the secret services, but also our competitors were interested in this – not only communist political forces, but also, strangely enough, some of the Narodnyi Rukh. At that time, we were actively discussing the creation of a political force based on the student movement. In March 1991, at the USU congress, we even adopted a resolution on the foundation of such a party. However, a wedge was then driven between the student leadership of Lviv and Kyiv," says Doniy. Subsequently, the Verkhovna Rada adopted the first Ukrainian law on the election of People's Deputies. It included raising the age limit for candidates from 18 to 25, which effectively excluded student leaders from participation in the political struggle. This law was adopted by Parliament prior to the 1994 parliamentary elections.

As for students' protest potential in general, it is often exaggerated in the public imagination. According to sociologists, young people are not the most protest-minded group in Ukrainian society. For example, a survey by the Kyiv International Institute of Sociology in February 2017 suggests that protest potential of different age groups is roughly the same. Similarly, the figure for those who are not prepared to participate in any mass protest actions at all is similar – 42-45% in different age groups (only the 70+ group has more such people – 56%). In addition, the figures are not very different from the perspective of education. Although among those with incomplete higher education (3 years or more) there are actually slightly more people willing to collect signatures, participate in legal demonstrations and strike.

"I remember that from 2009 the only thing that united students was the introduction of some tuition or fees in education, their "vested interest". This made it possible to mobilize 1,000 students, while targeted resistance against Tabachnyk or the Law On Higher Education* was attended by 200-300 students from the Kyiv-Mohyla Academy and several dozen more activists from around Kyiv," says Hordiychuk.

Pryimachenko from UCU remembers that upon arriving in Kyiv during the EuroMaidan, they and other activists went to Kyiv high schools with appeals to join the protests. He says that many students did



The critical assault. The beating of students by the Berkut in the first phase of the EuroMaidan turned the local protests of young people into a massive social movement against the government

not understand this. "They did not believe that anything depends on them. Well, it's true that if you're taught how to bribe lecturers with food and drink at university and pay to pass exams, then why should you show initiative?" he says.

During the EuroMaidan, the position taken by university administrations was also very significant. For example, the leadership of UCU, the Kyiv-Mohyla Academy and Hrinchenko University supported the protesters, and sometimes representatives of the administration participated in demonstrations themselves. The administration of Taras Shevchenko National University did not adopt a clear position, but often also helped student activists on a personal level.

The Ukrainian Week's sources named different reasons why students were unable to organise a single structure and definitively lead the 2013 protests. In addition to the apathy and contempt in society at the time, as well as the passivity of students, it is also because over the past 20 years Ukrainian politics and society have undergone dramatic changes.

"The point is that we could make a revolution relying on our own funds and could earn additional money by selling newspapers and badges. It sounds strange, but then was a time of relative financial well-being," Doniy says about the 1990s and adds that today, society has no financial means to independently support public movements and parties. Therefore, in order to participate in politics, it is necessary to make a compromise with some financial-industrial group, which then dictates its conditions and puts its own leadership in charge of the country. This, he said, is what is catastrophic about the current situation. Another problem is often the excessive ambitions of some civic activists who cannot put their personal goals aside for a common purpose.

However, the lack of a single structure and clear demands did not stop dozens of people from joining protests in 2013. They subsequently turned into rallies attended by thousands. Under such conditions, the student movement, albeit not too organised, serves as an excellent indicator of the average temperature of public sentiment. ■

*The education reform initiated by then Minister Dmytro Tabachnyk was intended, among other things, to cancel the Independent External Testing, a system pushed through by his predecessor to help combat corruption in the process of enrolment to universities. This triggered a protest campaign titled Against the Degradation of Education. In September 2014, a new law on education was passed giving Ukrainian higher education institutions academic, financial and administrative autonomy, the power to introduce own education and research programs, open accounts, get loans and run their property, establish R&D parks and innovation companies. Also, it requires them to report transparently on their spending and budgets on their websites

Between Komsomol and protests

Arseniy Sitnikov

The trajectory of student movements in former USSR countries over more than 25 years

Students in general in the former Soviet Union countries and the movements that emerge involving them are a sort of symbiosis of the new, ambitious trends typical for modern youth around the world and the archaic paternalism inherited from Soviet times.

A typical contemporary protest in Russia looks roughly like this. Moscow or Saint Petersburg, a location agreed with the authorities or if not, then a march with a creative attempt to get round a ban, but not actually too effective. Then protesters, mainly moderate representatives of the intelligentsia, are arrested and take selfies in the police van – a must-have for any member of the opposition. Another option is the monstrations, which usually end in the same way with arrests (because a person carries a poster), selfies and posts on social media. This picture was unquestionably changed by the anti-corruption protests that swept Russia after the publication of an investigation into President Dmitri Medvedev entitled He Is Not Dimon to You. Arrests, photos, posts, the inability to rally together in order to protect the protest as a whole – all this had happened before, so at first glance there was nothing new.

What was surprising was, first of all, the geographical reach of the protest, because this time the capitals were joined by almost all the regions, of which there are many in Russia. It is clear that the main electorate of Vladimir Putin and pro-government parties is not concentrated in the two large cities that have a larger amount of progressive people. Therefore, protests on the streets of Yekaterinburg, Tomsk, Vladivostok and other places distant from the centre of the country and its civil society were more unacceptable for the regime than the usual opposition in the capital for which familiar police vans were carefully prepared in advance. The second and perhaps main difference of the anti-corruption protests was their core demographic, which was made up of young people – unorganised, without an established goal and ways to achieve it. It was a certain display of banal outrage at the huge theft to which the eyes of young people who have a high sensitivity to injustice were opened through a medium accessible to them – a YouTube video. Nobody knew what to do with this outrage, because if it was manifested previously, then only because of niche issues and on a small scale. Due to their lack of experience, the participants who found themselves on the squares of their towns after scaring the authorities and the leadership of their educational institutions did not have much to do other than chant unclear slogans and climb lampposts to mock the policemen who were trying to arrest them. This is a telling moment, because the situation with protests in general is more or less equally hopeless – they sort of tried, but there is no result or other options than obeying the regime.

The authorities used not only the usual physical methods, but also their traditional administrative pressure. But again, the internet left no chance for such behaviour to remain within the walls of the auditoriums or offices where the most active were called to account. Students quickly

recorded talks the lecturers and university administrators were giving them on the disgrace and harm of participating in protests, the fact they were organized by America and other absurdities, posting them online. However, a harsher method – expulsion – was used on them. Indeed, Oleg Alekseyev, the coordinator of anti-corruption protests in Kaliningrad, was recently expelled from university. Not for his political activity, officially. He was expelled for corruption, as he allegedly tried to give a bribe to his physical education teacher. Others were intimidated, and the nature of the anti-corruption protests was discredited.

When the situation in the Russian Federation is looked at, one cannot ignore numerous pro-government student organisations, youth wings of political parties and other tools of administrative leverage to create a picture worthy of the Soviet past: everyone in the same uniform with the same flags and posters, some, perhaps those more true to



STUDENTS IN THE FORMER SOVIET UNION COUNTRIES AND THE MOVEMENTS THAT EMERGE INVOLVING THEM ARE A SORT OF SYMBIOSIS OF THE NEW, AMBITIOUS TRENDS TYPICAL FOR MODERN YOUTH AROUND THE WORLD AND THE ARCHAIC PATERNALISM INHERITED FROM SOVIET TIMES

the idea, carrying portraits of Putin. This includes Nashi [Ours] created by the Presidential Administration and Young Russia linked to the ruling United Russia party. They also have some more aggressive formations up their sleeves, so that it is not always necessary to involve the police in fighting the opposition. These can hardly be called student movements as a demonstration of the collective aspiration of the young for change. It is merely yet another example of manipulation and exploitation of the concepts stolen from healthy societies. An average TV viewer, when looking at the coverage of such rallies, is supposed to think that "we also have everything, everything is the same as in the West, only better!"

While the Russians still try to disguise some things as democracy, playing around with wording, interpretations or the illusion of open dialogue (which boils down to Direct Lines with Vladimir Putin with rehearsed "unexpected" questions), the Belarusian regime does not wear any masks. There is a pro-government youth organisation named the Belarusian Republican Youth Union whose name and symbols allude to the Soviet Komsomol. Jokers have even dubbed it "Lukomol" after the dictator's surname, Lukashenka. Alternative ideas are not simply unwelcome, but are actively suppressed. During protests on Freedom Day in March 2017, the world was shocked by the brutality of the militia, which subjected demonstrators to extreme force. It is difficult to imagine how much time it took to bring together such a large number of people under current Belarusian



Leading the young. Those in power in Russia seek to bring up a loyal generation that is no different from its soviet predecessors

circumstances. These were not people who naively believed opposition politicians and went out "for a walk" with posters. It was completely obvious that the reaction of the authorities would be extremely harsh, so the world – and the Belarusian leadership – was surprised by the number of the marchers who took it to the streets nevertheless. They were not afraid and made a conscious decision to take part. One of the main forces of the protest were student organisations, which were branded "extremely radical", although they have so little in common with radicalism that it is not worth mentioning. Among the most well-known is the Student Bloc, whose activists were also arrested on Freedom Day. It is important that this was one of the first demonstrations of public and open resistance by students.

A prominent example for Kazakhstan was rallies against leasing land to foreigners in spring 2016. This, obviously, has nothing to do with students, but the authorities still decided to apply all possible preventive methods against them. On the day of the protest, the halls of residence were all locked and everyone had to sign a pledge not to participate in the rally, in addition to the usual lectures on the disadvantages of any discontent. All this because of a protest on a non-student topic. In the past Kazakhstani students only took to the streets when tuition fees were increased. By the way, after the land protests Nazarbayev ended up making concessions on the issue. But more importantly he showed his great fear of students becoming a driving force in his country – however unlikely that may be.

In Ukrainian politics and on the streets of the government quarter, more and more Georgians can be found trying to make noise and apparently aspiring to become the professional frontline of protests against the "wheeler-dealers". Previously they came to Ukraine as overseas reformers. Meanwhile, in Georgia itself, local student organisations have no intention of giving up their status as the vanguard of protest movements to any renowned and experienced revolutionaries from abroad. There are many options: left, right, green and others – in short, one to suit every taste.

Though Tetiana, a student at the Free University of Tbilisi who I got to meet during her visit to Kyiv, has no link to our political processes – she just came to the Ukrainian capital as part of a student delegation to establish contacts

with Taras Shevchenko National University. Our guest admitted that she does not usually even take part in demonstrations at home. And the majority of students will never be activists. Even in countries with a long and proud tradition of powerful student movements, this figure is far below 50%.

But this is not a problem, because the most important thing is that knowledge about certain movements reaches broader student circles. When the interest of the students goes beyond the curriculum, dorms or tuition, the mobilizing organization is well-known among the students of many educational institutions around the country and is even part of a certain network, then the movement can have the real power and strength. That means there is a certain passive reserve that periodically joins large protests depending on the degree of interest in a particular problem.

The specific character of Georgia as a small country with an active civil society gives grounds to speak about such organisations that have a real impact on the socio-political situation. This is a bright example that stands out against the general background of the post-Soviet countries. The country has the Green Fist, which started its activities in 2013 with a campaign against the maximal use of natural resources. Or the relatively new Auditorium 115, which was started a year ago to fight against student government representatives at one university that were accused of corrupt practices and is now a general movement for reforms to the education system. Not to mention feminism, movements for equality and a group pushing for new drug policy with the interesting name White Noise.

The only thing that was able to make Tetiana stop being a simple observer were recent protests against Russia's creeping occupation and the tacit consent of the Georgian authorities, which pretend not to notice more and more instances of "borderisation" in the occupied territories of Abkhazia and South Ossetia. Students do not let others forget about the events of almost a decade ago and insist that it is necessary to continue fighting for their territories, rather than simply accepting the occupation as a fact, which they accuse the government of doing. This is an interesting example of students' real influence (the campaigns got a great deal of media attention) on issues not regarding the educational process, tuition fees or student government. ■

To leave, or not to leave

Michael Binyon, London

The Brexit process splits UK's political establishment

Britain is today like a ship drifting into a storm with no one in charge. As the government begins negotiations to leave the European Union, ministers have started arguing with each other about what Brexit will mean. Without a majority in Parliament and dependent on the fickle support of 10 members from Northern Ireland, the government appears paralysed. Almost no legislation is being put forward to deal with growing social problems. The Prime Minister, Theresa May, is openly mocked by some of those in her party, and is not likely to last in office more than a few months. And instead of governing, ministers are now jockeying for position to succeed her.

All this is not only making the negotiations over Brexit extremely difficult, as the British side seems to have little clear idea what it wants; it is also prompting the beginnings of a backlash against Brexit. Every day brings news of fresh challenges that will be caused by Britain's withdrawal from the customs union and the single market. Manufacturers speak of falling investment, falling business confidence and falling order books. Hospitals say overseas nurses are leaving in large numbers and few are being recruited from Europe to replace them. Farmers worry that crops will rot in the fields this year as seasonal East European workers will no longer come over to pick them. Inflation is rising, the pound has fallen in value and house prices are stagnating as uncertainty takes hold of financial markets. And in a report designed to upset the wealthy middle class voters who backed the Leave campaign, one newspaper said that Brexit would stop all au pairs coming to Britain, so that there would be no nannies or cheap domestic help for the wealthy in the future.

Few voters so far have seen much discernible difference, although holidays abroad are becoming more expensive, food prices are rising and some three million EU citizens living in Britain are becoming anxious about their status. But more and more, consequences unforeseen by those who voted to leave the EU are apparent. One recent report said that if Britain left Euratom, the EU agency that regulates the use and shipment of radioactive materials, it would be unable to import the vital radioactive substances for use in cancer treatment. No one who voted to leave in last year's referendum had that in mind. But the government insists that Britain must leave Euratom, as it is overseen by the European Court of Justice, and Mrs. May has declared that Britain will not accept the court's jurisdiction over any part of Britain's national life.

Some opposition politicians have begun to question the very idea of Brexit. Vincent Cable, soon to take over as leader of the small Liberal Democratic party, said it may never happen. Tony Blair, the former prime minister, has suggested starting a movement to reverse the Brexit vote. A few rebellious Conservatives are openly opposing leaving the single market because of the effect on exports and jobs.

Blair has little credibility now, especially not in his own Labour party, and the Liberal Democrats are not a big force. But the opposition Labour party, although still committed to abiding by the vote to leave, are now exploiting the government's difficulties. So are the Scottish Nationalist MPs and the few from Welsh parties, who threaten to oppose the legislation being drawn up to translate all former EU regulations over the past 40 years into British law. They say the so-called "Great Repeal Bill" will threaten the rights of workers and others. But if it is defeated, then almost all the regulations



SENSING THE CHANGE IN PUBLIC OPINION, AND THE GOVERNMENT'S INCOHERENCE, THE SO-CALLED REMAINERS ARE BECOMING BOLDER. AT THE SAME TIME, THOSE PUSHING FOR A TOTAL SEPARATION FROM THE EU ARE BECOMING NERVOUS

that govern British public and commercial life, as well as trade and manufacturing standards, will be null and void.

Sensing the change in public opinion, and the government's incoherence, the so-called Remain-ers are becoming bolder. At the same time, those pushing for a total separation from the EU are becoming nervous. Boris Johnson, the foreign secretary and a leading campaigner for Brexit, dismissed the claims by Brussels for Britain to pay a large sum in EU contributions already promised by saying the reported sum of 60 billion euros was extortionate. He told Brussels that it could "go whistle". Michel Barnier, the suave and acerbic lead negotiator for the EU, retorted: "I am not hearing any whistling, just the clock ticking".

The big question, however, is whether the Brexit train can now be halted. The wording of Article 50 of the Lisbon treaty, which allows two years for divorce proceedings, is unclear. Its British author, Lord Kerr, who originally drew up the wording of the treaty, said it was possible to halt proceedings during negotiations – assuming the other EU



PHOTO: REUTERS

Signs of change. Every day brings news of fresh challenges that will be caused by Britain's withdrawal from the customs union and the single market. Manufacturers speak of falling investment, falling business confidence and falling order books

members agreed – but impossible to remain in the EU at the end of the two-year negotiation period.

Calling a halt to the Brexit negotiations at this stage would be a humiliation for Britain, would open it to mockery by other EU members and would leave London in a far weaker position if it asked to remain a full EU member. It would also be politically unacceptable in Britain and would cause a split and possibly a complete collapse in the Conservative party.

Could there be a compromise? This is now the point of contention between leading British ministers. Some, especially Philip Hammond, the finance minister, argue that Britain must not quit the single market and the customs union, as the EU takes about half of all British exports and the economic consequences would be disastrous. But that would mean still accepting the authority of the European Court of Justice in case of trade disputes. Other hardline pro-Brexit ministers, including Mrs. May, vigorously reject this. The result is that the cabinet is torn apart by the feuding, with each side leaking hostile reports against their colleagues. And Mrs. May has no authority to stop the bickering.

The man leading negotiations for Britain, David Davis, is himself a contender to succeed Mrs. May. He has already made big concessions to Brussels, agreeing to settle the divorce proceedings first before discussing new trade ar-

rangements. Last week he also conceded that there would need to be a transitional phase after March 2019 to allow Britain to remain in the EU temporarily while details of a new treaty to leave were sorted out.

Some pro-EU politicians have now seized this as a possible long-term arrangement. Could Britain not remain a “temporary” EU member forever? Other transitional agreements have never got beyond the halfway stage, such as the reform of the House of Lords. But political realists say this would never be acceptable to the EU, and would leave Britain unable to seek any trade deals outside.

Simon Fraser, the former head of the Foreign Office and now an adviser on Brexit, says that Britain needs to feel more pain before it is politically possible to reverse the referendum decision. That may take several years. Meanwhile, the feuding inside the Conservative party will continue until Mrs. May quits. So far, there is no apparent successor. And with no authority and no strategy to impose her version of Brexit on her ministers, Mrs. May cannot make any big decisions. The only thing the Conservatives all know they would oppose is another general election – the third in three years. That is because all the polls show that Labour would win an overwhelming victory. So if the Conservatives do not destroy themselves in civil war, they could be destroyed at the ballot box. ■

A close-up portrait of Karl Schlögel, a middle-aged man with short, graying hair and glasses. He is wearing a dark suit jacket, a white shirt, and a dark tie with a small pattern. He is looking directly at the camera with a slight smile.

Karl Schlögel:

“We have to fight for Ukraine to once again get in the center of attention in European affairs”

In his interview with *The Ukrainian Week*, German historian Karl Schlögel spoke of the need for the Germans and Europeans to return the issue of Ukraine to their mental map, overcome the monopoly of “Putin’s friends” in the representation of the Russian culture, and of the challenges of the new historical situation that have to be dealt with.

Can we claim that Western countries, shocked by the annexation of Crimea, the start of Russia’s aggression against Ukraine in the Donbas and the tragedy in Syria, still lack a clear understanding of what future they want and are not ready to act decisively or take risks for it?

Interviewed
by **Hanna
Trehub**

— I have to say that this situation is not unique: it was similar in 1989 when many felt like the ground was slipping from under their feet. But no tectonic catastrophes have happened. Psychologically, the world went through something similar on September 11, 2001, when, weary of aggression, nobody could think of two passenger airplanes hitting the Twin Towers in New York.

In my view, Western Europe had a thought entrenched in it for some time that things would stabilize somehow after the turbulence of 1989 and return to their natural course. Not without troubles and worries, but those would somehow be possible to tackle.

In fact, the current situation has new outlines. It's something new for Ukraine, Europe, USA. The way Donald Trump behaves is not just his whim brought about by internal impulses, but a symbol of superpower that is trying to find a place for a new world order. This is also true about the post-imperial Russia. Everything is so fragile today and has to be defined once again. This is a complex problem, and not only for the political elite, but for the entire society, the intellectual circle and opinion makers.

All countries today, including Germany that is seen as a solid and stable state, need to deal with the new unusual situation. How Germany will respond is an open question. I have some optimism, but I need more serious reason to have more of it. I can say with confidence that the upcoming election campaign in Germany will not be an average one because a number of important topics will be activated. These are euroscepticism, Brexit, immigration crisis, as well as the Russian factor. A silent majority of the Germans support a quiet re-establishment of relations with Russia and a return to business as usual economically. This is not about the biggest political parties, i.e. the Social Democratic Party and the Christian Democratic Union that are trying to seek solutions for the issue. The Germans often lack an understanding of why they should risk stability and peace because of developments in Ukraine. "Let Ukrainians solve their problems on their own, and their problems are not in the epicenter of our attention anyway," is the opinion I'm talking about. I don't want to overplay it but such sentiments exist. If the election takes place as a competition between the conservatives and the center-leftists, Germany's conduct about Russia will be the determinant factor.

Another important point is the discord between Germany and Turkey. For instance, a situation where 1.5 million people born in Turkey can participate in referenda and elections in Germany. These people are loyal not only to the country that is paying them money but to the country of their origin as well, and more loyal to the latter. This should be kept in mind. People with two passports are yet another issue for Germany. These include the Germans who also hold a Russian passport. Again, the number of Russian speakers in Germany is the highest among all EU member-states. I am sure that there are multiple things on which Putin's Administration plays. A desire for normalization, renewed opportunities to do business together, as well as closer cultural ties between Germany and Russia, getting rid of problems on the periphery etc. We have to fight for Ukraine to once again get to the center of attention in European affairs after Brexit and the war in Syria have moved it aside. Returning it back to the mental map, the solution of the Ukrainian problem, Ukraine's resistance to the Russian aggression should become the core of European thoughts.

A full-fledged attack of Russia against Ukraine, Baltic States and Poland remains an open option still. Is there recognition of this threat on the mental map of Europeans, including Germans?

— If Ukraine faces a full-fledged aggression, yet another shock after the annexation of Crimea, most will unanimously support defensive action, the idea that something has to be done. I don't demonize Vladimir Putin. But he is a demon, an evil genius of modern times who

is working on sinking the countries around Russia, the former soviet republics that gained independence. This is a matter of the future: Putin's people, his agents and colleagues are provoking conflicts such as the one in the Ukrainian Donbas. But if he has an opportunity to undermine his neighbors without direct military intervention, then his goal is to get direct factual control over a given country.

I am confident that the West will counteract such intentions. There is no going back to a situation like the one that took place 25 years ago. Ukraine is mobilized today. It's no longer the unarmed post-soviet country with no army. You have your army and volunteers; the country is ready for possible battle action. If Russia goes for a full invasion of the Ukrainian territory, then Ukraine will truly be in fire, but Eastern and Southern Europe will burn similarly. Russia's current leader can take such actions after he deeply analyses and finds an internal weakness of those he has attacked. As we see in the past few years, he is fairly good at this. And yet, his intentions have also failed. All interferences with the French and American elections, and even the Syrian crisis have not played into his hands.

Sometimes there is an impression that the Ukrainian discourse revolves around the fact that there is stable government in Russia. But this is not a de facto situation even if 80% of Russia's population support Putin. It is important to watch carefully what is happening there. The residents of various Russian cities, from Smolensk to Vladivostok, have taken it to the streets in a very long time. This is not a full-fledged protest, but there is no coming back to the Soviet Union.

Is Putin a sole conductor of the current developments? Or is it more of a command center of decision making in the top echelons of the Russian government, a system of its own that does not care much about who is at the top?

— It is difficult to forecast what Putin will do next. It is much easier to be prepared for any course of events. Putin as such is not a specific individual. He is a symbol of a certain political system. Obviously, there is demand for him in the Russian society. The 80% support of him as President among the Russians reflects their sentiments and aspirations. Then comes the matter of psychology: I don't think many psychologists could tell with certainty what is going on in the head of Russia's current leader. I don't believe that the rallies in almost 60 Russian cities which we have seen this year can somehow change the situation in Russia towards democratization. The plans that Putin is harboring have their limits. Sometimes he succeeds in implementing them, and sometimes he makes mistakes. Like any player, he is not omnipotent.

In Ukraine's case, despite the Russian aggression, somehow contact should be maintained with the "other Russians" (although I now cannot imagine how this could be done). How this is done is an open question. Don't think that you are the only ones facing this difficult task. Germany has an urgent need to ruin the monopoly of so-called Putin's friends in representing the Russian culture. The contact should not be with the empire, the FSB or the oligarchs. It should be with the alternative, including in culture. I don't mean romantic things or expectations, nor Akhmatova or Shostakovich. I mean people working at Levada Center, Novaya Gazeta and the like.

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The image of the “other Russians” shaped in the eyes of Ukrainians is of what we call Russian liberals. Indeed, they want to see a Russia without Putin. Yet they see Ukraine not as a separate sovereign state with its own development agenda, but a platform for the creation of a new Russia or a part of a new Russia. Is constructive dialogue possible in such circumstance?

— The question is whether Kyiv can be imagined as an epicenter of the Russians in exile. In 2014, I had a feeling that many Russians saw the capital of Ukraine not only as a place for comfortable emigration, but as a place where they could create something. Today, I see many of them heading farther, to Berlin for instance. I don't know what this will lead to. But there is a critical mass of those who have left Russia by now.

I agree that this group includes Russian liberals who don't recognize a self-sufficient and independent Ukraine. The paradox is that when they think of Ukraine's independence, national autonomy, it somehow limits the project they are working on.

But Russia is not Putin alone. The entire huge country is not only about him. There are other voices and people, and they should not be ignored.

After World War II, people like Bohdan Osadchuk and Jerzy Giedroyc were working on the Ukrainian-Polish reconciliation. Does it make sense to draw historic parallels and seek intellectuals who could do something similar in the current Ukrainian-Russian situation? Is this necessary?

— There are people who treat this problem with all due seriousness and depth. They are few. One is Lev Shlosberg who was trying to dig into the fact of the death of the Russian military in 2014, apparently, in the Ukrainian territory.

I think it would be incorrect to recommend Ukraine anything or decide something for it. It's Ukraine's business. But if we speak about European historians and writers, their task is to speak out and explain our societies about what's going on here today. They have to create an image of the current developments that has to be placed and kept on the mental map of the Europeans, and to protect that stable solution from Russia. That would be more effective than merely to say something good about Ukraine somewhere. For Germany and Europe overall, it is important to keep sanctions against Russia in place and to recognize that these are thought-out ultimate decisions and actions.

I am not a politician. I'm a writer and a historian. I have limited capacity. My dream is to show Ukraine to the world. It is important for Ryanair and other low-cost carriers to fly from Berlin to Odesa, Lviv and Kharkiv, for young Germans and Europeans to be able to come here and see for themselves that it's a comfortable place for traveling, friendship and various contacts. It is important to show more cultural centers, not just the capital; to discover Ukraine rather than do propaganda. You have what I call the “alternative Europe”. Not everyone understands why I love Kharkiv, for instance. I do because it's one of the most important cities in Europe in terms of the 20th century architecture. But Ukraine is not working with this.

I would like a Munich Oktoberfest to somehow take place in Kyiv. You know, it's not just a feast where people drink beer. It's the most important cultural event of Munich that can offer many opportunities for cooperation and stabilization. What you need is the artists and writers

Karl Schlögel was born in Hawangen in 1948. A German historian focusing on Eastern Europe, he researches the 20th century Russia, Stalinism and the theory of history. He studied history, philosophy, sociology and Slavistics at Freie Universität Berlin, as well as universities in Moscow and St. Petersburg. Since the early 1980s, he has been working as an independent researcher, expert on history and sociology of culture in Eastern Europe. Prof. Schlögel was Professor of Eastern European History at Universität Konstanz since 1990, Professor at the European University Viadrina in Frankfurt (Oder) since 1994 and Professor Emeritus at that University since 2013. His essays are published in Germany's top publications. He has authored a number of books, including *Terror und Traum. Moskau 1937* (2008), *Entscheidung in Kiew: Ukrainische Lektionen* (2015). In 2014, he rejected the Medal of Pushkin, the Russian state decoration for writers, artists, representatives of humanities and education, because of Russia's aggression against Ukraine.

who come to your country for a few days upon the invitation of the Ministry of Culture of the MFA, not on their own. You need people who have their interest in the country, work with the locals. How to do this is the question.

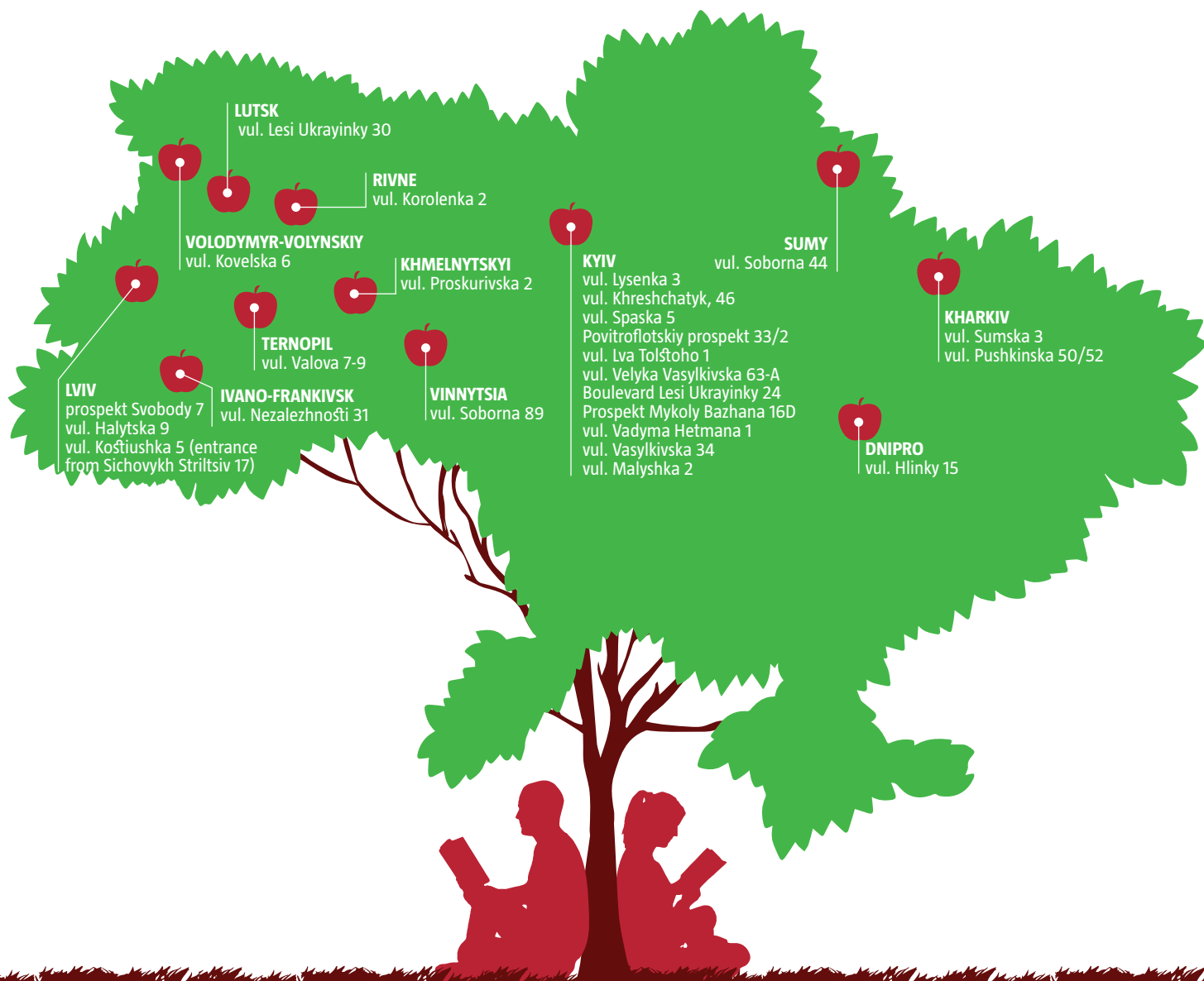
The visa free regime with the EU is very important for Ukraine. The main thing is not to turn this chance into a trouble for it. The Baltic States are now facing a situation where the most active people who are the most needed in the economy or politics have already left or are leaving. That's a tragedy. The freedom to travel is an important thing. But I would like to see the energy necessary for reform and regeneration of your country to not be washed away from it.

The intellectuals who were shaping public opinion in the 20th century, the creators of powerful narratives didn't have social media at hand. Are blogs, tweets and Facebook posts enough today to explain and analyze reality? Do we need a turn towards a new type of comprehensive narratives?

— I think that the long narrative remains important. 25-30 years ago, the discourse was centered around the thought that the time of grand narratives was over. The epoch of post-modernism allowed us to understand certain things, to revise them. We are not going back, but moving ahead towards grand narratives. I don't know who makes the grand narrative today. The old generation has done its cause. Sometimes quite well. It cleared the space in many ways. The interim generation to which I attribute my generation of historians, it was important to determine certain things. But we don't have a loud enough voice to define the world that is emerging today. WWII was followed by the Cold War and post-Soviet world. What world will come now is still unclear. We are entering an entirely new situation. And we need to find a language that will meet the demands of time, of this post-modernism. I can only outline what new approaches are necessary. Realism is one. My generation has left the safe postwar world, pacification and guarantees of nuclear peace. Today, things are different because the phenomenon of violence has returned. My generation has no experience of violence. Yours does. People of my age have learned about civil war and revolutions from TV and news, not from their personal experience. The generation before us had this firsthand experience, and the current one does too. I'm sure that the current confrontation will forge a world reality that will bring something new. ■



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Vladimir Lenin: A view from 2017

Stanislav Kulchytskyi

A historian looks at the crucial cult of the Soviet Union

Lenin's works have been printed in 125 languages and 653 copies. Leniniana, meaning all the literature about Lenin, is impossible to count. Yet, it is worth noting that almost all of it had as its object of analysis or propaganda not a real historic figure, but a mythologized and canonized Leader. After the Soviet Union collapsed, the flow of the worthless apologetic works stopped. But works on Lenin continued to appear. These are most often viewed from a predetermined perspective, positive or negative.

The figure of Lenin is fading gradually in the Russian public opinion. This year's survey by Levada Center discovered the top five historic actors that are the most popular among the Russians. These included Joseph Stalin with 38%, Vladimir Putin with 34%, Alexander Pushkin with 34%, Vladimir Lenin with 32% and Peter I with 29%. In a similar survey of 2012, Lenin and Peter I were second and third with 37% while Stalin was leading with 42%.

The index of popularity on which Levada's assessments are based is not worth much as it allows people like Putin on the top. Even if the real weight of a historic figure should be assessed by his influence on the history of humans regardless of whether that influence was negative or positive.

It is impossible to evaluate Lenin's figure in a short text. This article, however, provides individual details, small at first glance, that can help one shape that evaluation.

COMPLEX GENEALOGY

The future leader inherited diverse national traditions. The authors of multiple pseudoresearches on him now tend to play on this fact. Lenin's paternal great-grandfather, Vasilii Ulianov, had been a serf released under a pledge to pay a sort of tax. He bought himself out of serfdom long before the respective law was abolished. Lenin's grandfather, in a late marriage to the daughter of a Christianized Kalmykian, had two sons. His father went to the Kazan University and became a state councilor, an equivalent of the general, and got a hereditary noble title.

On Lenin's maternal side, his great-grandfather was a wealthy Jewish merchant who got married to a Swedish woman. His grandfather graduated from the St. Petersburg Medical Surgical Academy and got baptized to marry later a German. He obtained a hereditary nobleman title in 1847 and bought the village of Kukushkino with the serfs in Kazan Gubernia. His wife had five girls, including Lenin's future mother Maria. After his wife had died, Lenin's grandfather entered into a civil marriage with her sister Katerina von Essen who had no children of her own.

Lenin spoke French and English thanks to his education reinforced by his long stay in the respective language environments. But his mother tongue in his childhood years was German. Foreign researchers of Lenin's gene-

alogy discovered that his family along the German line included Hitler's field marshal Walter Model, Lieutenant General Hasso von Manteuffel, a commander of the tank division SS Großdeutschland, and German President Richard von Weissäcker. With representatives of various groups in his family, Lenin never missed a chance to mention his hereditary noble title in his correspondence with the Tsar's officials.

In the first years of his underground activity, Lenin used many pseudonyms. The N. Lenin one emerged in December 1901 and became his second last name.

In July 1903, a convention of Russian social-democrats opened in Brussels where Lenin and his long-time ally Julius Martov had sharp disagreements. When the delegates of the Bund (the General Jewish Labor Bund in Lithuania, Poland and Russia intending to become a newly created party, in vain) left the convention, the supporters of Lenin prevailed in terms of numbers and rushed to call themselves bolsheviks.

LENIN'S ACTIONS LEAVE AN IMPRESSION THAT HE UNDERSTOOD THE UTOPIAN NATURE OF "REVOLUTIONARY MARXISM". YET, HE DECLARED COMMITMENT TO IT IN WORDS

A VIP PASSENGER

Unlike Leon Trotsky who, after the 1905 Bloody Sunday Massacre immediately got to St. Petersburg, Lenin had not arrived at the revolution-engulfed Russia until November 1905. He settled down in Kuokkala, a town in Finland 60km from the then Russian capital that was good because there was no police surveillance there. The defeat of the revolution sent Lenin into migration again. World War I caught him in Poronino, a summer house town near Krakow. The police arrested him in the nearest prison in the town of Nowy Targ. The door of the prison cell was opened thanks to the protection from Victor Adler, the leader of Austrian social-democrats. When asked whether he firmly believed that Ulianov (Lenin) was the enemy of the statist government by then Minister of the Interior, Adler responded: "Oh, yes, stauncher than Your Excellency!". Lenin, however, left the Austro-Hungarian Empire and settled down in Switzerland.

When a new revolution kicked off in Russia, the emigrants in Switzerland faced a problem of how to get to their country. Lenin was not going for a bypass sea trip. On the one hand, he was afraid of German submarines. On the other hand, he believed that the Entente Powers would try to prevent the leaders of socialist parties from getting into Russia as they would undermine the army. Therefore, he decided to organize the trip from Switzerland to Russia by rail through Germany. The position of the Central Pow-



PHOTO: UNIAN

Lenin, good bye! It took 20 years for the independent Ukraine to clear its space of the monuments to the soviet No1 idol

ers in these issues would understandably be opposite to that of the Allies. The formalities of the Russian emigrants' trip through Germany in a sealed train were agreed with the assistance of the German social-democrats. Wilhelm II personally saw to make sure that no difficulties would arise. The German military leadership proved ready to let the emigrants pass through the Germany army units on the frontline, were they denied entrance to Sweden.

On April 16, 1917 (April 3 under the Julian calendar), Lenin arrived in Petrograd. Ever since, his life had been intertwined with the life-changing developments that boiled in the revolution-engulfed country. Lenin's intellect, tactic and strategic skills played the crucial role in these developments.

MASKING A DICTATORSHIP

The essence of the concept of the communist revolution developed by Lenin can be outlined in two sentences. Firstly, a party dictatorship aimed at the communist revolution, i.e. the party of the bolsheviks, was to be established in the country under the guise of the dictatorship of proletariat. Secondly, the communist revolution had to be carried out through reforms imposed by the dictatorial government.

Similarly to his predecessors in the Russian revolutionary movement, Lenin did not wish to use exotic meth-

ods of conspiracy and individual terror to gain state power. His party had to come to power on the wave of the revolution and mask its dictatorship as that of the proletarianized masses. Leaning on the proletariat was a natural thing for the party that based its platform on the need to liquidate private ownership of property. Only those who were losing nothing in the revolution because they had nothing could become its allies.

The Russian Empire was more than half a century behind its European neighbors in terms of the revolution. For this reason, the objective development of market relations pushed the masses of people oppressed by the tsarism (jointly with the bourgeoisie) to the forefront of the revolution, not the bourgeoisie that had the support of the imperial leadership. This pre-determined the organizational weakness of all political parties involved, including the bolsheviks. They could not put the activity of the soviets ("people's councils"), the self-organized entities of the insurgent masses, into some framework. Both Lenin, and the top tsarist officials whose task was to prevent a revolution were taking this into consideration. In an early 1913 letter to writer Maxim Gorky, Lenin noted: "A war between Austria and Russia would be very useful for the revolution (in the entire Eastern Europe), but it is unlikely that Franz Joseph and Nikolasha could do us such a pleasure." Meanwhile, former Interior Minister Piotr Durno-



PHOTO: REUTERS

Leninists then and now. The current friendship of China and Russia is reminiscent of the early 1950s images. Both countries preserve the model of the state initiated by Lenin

vo warned Nicholas II in February 1914 about the danger of war with Germany. If the war failed militarily for Russia, it would lead to social turbulence, Durnovo assumed: “Russia will be thrown into endless anarchy the outcome of which is impossible to imagine.”

When the revolution started, the bolsheviks did not join the camp of the revolutionary democracy. In a directive for the party fellows returning from emigration, Lenin formulated his tactics in a few words: full no-confidence to the Provisional Government, no closer ties with other parties and arming the proletariat. He did not rely on a possibility of peaceful transfer of power to the bolsheviks. As early as April 1917, the units of Red Guards bolsheviks started appearing in Petrograd, Moscow, Odesa, Kharkiv and other big cities. Soon after Lenin returned from emigration, Provisional Government leader Alexander Kerensky expressed willingness to meet with him to establish cooperation. The bolshevik leader declined the meeting.

WRAPPED IN IDEOLOGY

We have now come to a seemingly strange question: was Lenin a communist?

It is possible to state only two undeniable facts. One is that he created a party based on the foundations of “democratic centralism”, i.e. full subordination of the lower ranks to the upper. In the hands of the leaders, such party was a useful tool of getting and keeping power. The second fact is that he had invented an own formula for establishing political power back in 1905, when the soviets of workers’ deputies first emerged, that was an equivalent to autocracy in terms of the fullness of power it gave. This formula had three key aspects:

- maximum support to the soviets in taking over state power;
- squeezing rival political parties out of the soviets to make sure that they are only comprised of the bolsheviks and the sympathetic non-aligned deputies;
- preserve organizational independence of the soviets without merging them with the party of the bolsheviks.

The mainstream development of the humanity went through the transformation of the traditional state headed by the monarch as the bearer of sovereign power into a

constitutional monarchy or a democratic republic where the holder of sovereign power was society. In crises, grassroots power could come to the surface that would be able to establish total control of societies. That was how fascism emerged, followed by national-socialism later. In Russia, the first replacement to come on the historic arena was the bolshevism based on Lenin’s formula of power wrapped in the guise of communism.

Why did bolshevism gain this deceptive guise of communism? Why did Lenin use the revolutionary Marxism of the Manifesto of the Communist Party era (1847) as an ideological wrap for his formula of power?

In their Manifesto, the young revolutionaries Karl Marx and Friedrich Engels called for the establishment of proletariat dictatorship and giving the means of production expropriated from private owners into the hands of the people. These calls were doomed to fail from day one: unstructured human communities, such as classes, societies and peoples, were unable to exercise dictatorship or own means of production, unlike the structured entities, such as parties, states and so on. The “scientific communism” of the founders of Marxism was as utopic as the earlier communist doctrines.

Lenin’s actions leave an impression that he understood the utopian nature of “revolutionary Marxism”. Yet, he declared commitment to it in words. Meanwhile, he labeled pragmatic Western European social-democrats who stopped referring to themselves as communists after the 1848-1849 revolutions yet remained Marxists as revisionists and defectors.

WAYS OF EXPROPRIATION

From day one, Lenin’s formula of power had nothing communistic about it. But disguising it as a commune-state (as per Lenin’s own phrasing) helped to provide ideological justification to the expropriation of society by the state, i.e. to supplement political dictatorship with economic dictatorship. The concept of proletariat dictatorship and community ownership as in the Manifesto went from utopia to reality as the formula of power invented by Lenin combined an unstructured community (society) with a structured one (party).

The Soviet Russia saw the dictatorship of the Communist Party leaders establish itself under the guise of the proletariat dictatorship. These leaders also established essentially private ownership of the means of production and natural resources, presenting it as community ownership.

Shortly upon his arrival in Petrograd, Lenin formulated the April Theses, the platform of the Bolsheviks. The document outlined the party's actions to take over the power: Bolshevik social-democrats had to rename their party into the Communist Party, pass a new platform that would be communist in essence, build a "commune state" and establish a new Communist International.

The Bolsheviks had their own slogans in the revolution. Yet they realized, albeit not immediately, that they had to borrow the slogans of the soldiers' and workers' soviets as the most influential political player. "We recognize no separate peace with the German capitalists and are not entering any talks," Lenin declared at the I All-Russian Congress of Soviets in June 1917. He had been promoting the slogan "Let's turn the imperialistic war into civil war" from the very beginning of the world war. At the end of August, however, he took over the people's demand to stop the war immediately.

When the party of SRs (Socialist Revolutionary Party) included the demand of the peasants for equal distribution of farmland in June 1917, it faced sharp criticism of the Bolsheviks. The latter wanted to preserve large manufacturing in the countryside shaped as soviet community farms based on the confiscated landlord assets. In August, however, the Bolsheviks expropriated the "Land to the peasants" slogan of the SRs, and initially the peasants. The councils of soldier deputies were comprised primarily of peasants, the workers were mostly employed at defense facilities. The tsarism had collected the peasant masses, always dispersed thanks to their working conditions, into military units, gave them weapons and taught them to use it. For the first time in history, peasants in soldiers' uniforms became the most influential power in the revolution.

"Factories to workers", a popular slogan among the workers, was supported by the Bolsheviks from day one. But the latter interpreted it differently. The workers' deputies demanded that the factories were transferred into collective ownership of the staff. After Lenin came to power, he declared the following: "It is a huge distortion of the foundations of soviet power and full rejection of socialism to directly or indirectly legitimize the ownership of specific production by the workers of a respective factory or respective profession."

Using the soviet slogans, the party of the Bolsheviks overturned the government of Alexander Kerensky and established its dictatorship. The Russian Revolution ended with the dispersal of the Constituent Assembly.

PATERNALISM AND GENOCIDE

The type of the commune state invented by Lenin was radically different from totalitarian states of other types. A commune state could be described as double or triple totalitarian. With its three hierarchies of power – party, soviet and cheka – it penetrated the people's mass and de facto merged with society. Being inside the society, the Lenin-Stalin state could organize any "all-people" movements it wanted: from collective farms to Stakhanov movements and many others.

The availability of the organizationally separated Communist Party and soviet verticals of power (the aux-

iliary cheka vertical was a material embodiment of the leaders' dictatorship) helped the Kremlin solve a huge national issue to benefit its interest. The leaders were initially building the occupied Ukraine as an independent state, then as an allied state with the constitutional right to leave the Soviet Union. However, it had no powers of its own along the Communist Party lines and was trapped in the supercentralized multinational commune state like an insect in amber.

Before the socio-economic transformations under the misleading communist slogans began, Lenin set the following task for the soviet authorities: "Everyone should have bread, everyone should walk in durable shoes and non-ragged clothes, and everyone should live at a warm place." Like a dual-faced Janus, the government was showing the society its complementary faces: repressions in case of resistance (up to genocide) and attractive paternalism.

The majority of Soviet people did not view the backbone of the commune-state entrenched into society as something alien. The society remained a living organism and affected the functioning of the state apparatus. All the more that the apparatus was comprised of the staff coming from the grassroots masses. A huge amount of facts prove that the Soviet government was taking care of the people, the committed officials working in their offices. Yet, a no less huge amount of facts show the aggressive face the government sometimes turned towards the people. The leaders that enslaved the people with their "new type" party could be doing anything they pleased with the country.

THE SOVIET RUSSIA SAW THE DICTATORSHIP OF THE COMMUNIST PARTY LEADERS ESTABLISH ITSELF UNDER THE GUISE OF THE PROLETARIAT DICTATORSHIP. THESE LEADERS ALSO ESTABLISHED ESSENTIALLY PRIVATE OWNERSHIP OF THE MEANS OF PRODUCTION AND NATURAL RESOURCES, PRESENTING IT AS COMMUNITY OWNERSHIP

LENIN'S CAUSE ALIVE?

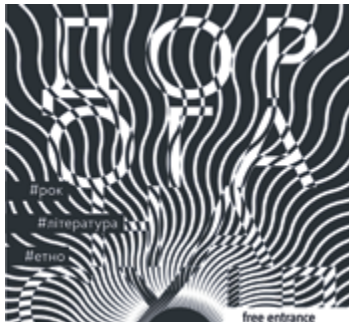
It seemed that the collapse of the Soviet Union and market reforms in China were the end of the states referred to as communist. But the rejection of the communist ideology did not affect the political essence of Russia or China. This once again proves the secondary role of the communist doctrine which the "new type" party merged with the state used to add economic dictatorship to its political dictatorship.

In today's world, the euroatlantic civilization is opposed by the Islamic world founded by Muhammad. It is far weaker in terms of technological and economic development but it has the demographic weapons: the ability to increase its population quickly through the oppressed position of women. However, it seems that a bigger threat to the planet's leading civilization comes from the countries that have different historic traditions and similar societies deprived of sovereignty, Russia and China. Having the second most powerful nuclear arsenal that is not controlled by society, both of these states are being constructed following Lenin's formula of power. Therefore, Lenin's cause is alive and will be alive for many years to come. ■

August 18-19

A Road to the East Izium, Ivanivka village (Kharkiv Oblast)

The second literature & music festival will take place at Fazenda Vynohrad (Grape Estate) on the beautiful banks of the Siversky Donets river. The headliners of the main stage include rapper Tartak, pop reggae band The Vio, and Zhadan & The Dogs, a music&poetry project from one of Ukraine's best known poets, Serhiy Zhadan. On the second day three stages will work. The first one will host poetic readings, the second one will be located in downtown Izium along with a fair and feature folk bands, while the third one will offer ska punk, pop reggae, funk and ethno rock.

**August 20, 7 p.m.**

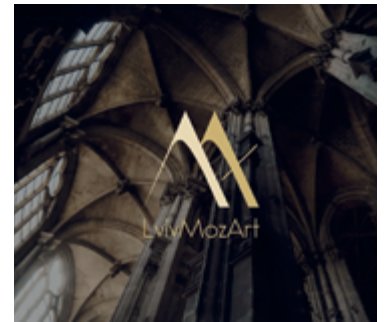
The Great Comeback National Opera Theatre (vul. Volodymyrska 50, Kyiv)

I, CULTURE Orchestra is a group of virtuoso musicians from Poland, Ukraine, Armenia, Azerbaijan, Belarus, Georgia and Moldova directed by the brilliant Kyrylo Karabyts. This year, the orchestra of 104 musicians, including 18 from Ukraine, will play in Kyiv as part of its European tour with conductor Andrey Boreyko. Julian Rakhlin will perform as soloist on violin. The program of the concert includes works by some of Ukraine's top composers, including Mykola Lysenko, Valentyn Sylvestrov, Polish composer Witold Lutoslawski and Ludwig van Beethoven.

**August 18-25**

LvivMozArt (Various locations in Lviv)

Franz Xaver Mozart, the son of Wolfgang Amadeus Mozart, was a well-known teacher, pianist, conductor and composer. In 1808-1838, he resided in Lviv and was part of its music environment, founding the Saint Cecilia choir that became the first music community in the city. This year, Lviv celebrates his legacy with a week program of exhibitions and lectures, Baroque vocal music, and organ and a chamber concert. On August 25, the Lviv Opera House will host Oksana Lyniv, currently chief conductor of the Graz Opera, with Bundesjugendorchester and the Youth Symphonic Orchestra of Ukraine.

**August 24**

Independence Day Parade Khreshchatyk (vul. Khreshchatyk, Kyiv)

This year's parade of the Ukrainian military will show some new elements from history: the flag of the Bohdan Khmelnytsky First Ukrainian Cossack Regiment that had been featured in the parade on Khreshchatyk in 1917, as well as the symbols of the Ukrainian National Republic. The orchestra will play the Zaporizhian March for celebrations composed by Mykola Lysenko that had been used by the UNR Army. Units from nearly 10 NATO member-states and Georgia will join the Ukrainian military in the parade.

**August 24, 9 a.m.**

A Run in Vyshyvankas Rusanivska Riverwalk (Rusanivska Naberezhna 12, Kyiv)

The run has expanded over the three years of its existence: thanks to its organizers, the Federation of Sports Fans, the run will take place in Lviv, Odesa, Kherson, Rivne, Mykolayiv and Dnipro, in addition to Kyiv. The diaspora will be running too in New York, Philadelphia, Chicago, Toronto, Munich and elsewhere. The goal of the annual run is to promote a healthy lifestyle in Ukraine, bringing Ukrainians together through sports.

**August 10-27, 7 p.m.**

Antroposphere White World Contemporary Art Center (vul. Pushkinska 21, Kyiv)

The exhibition features the works of some of Ukraine's brightest young artists. They spent a plein-air painting session in Koroštyshiv, a town where granite has been mined for centuries while some quarries have turned into serene lakes. The artists reflect on the territory of nature that was transformed by humans to fit their needs but remains a destination for cultural pilgrims and tourists.





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