

# The Ukrainian Week

International edition

#12 (118) December 2017

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## The Ukrainian Week

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BRIEFING

# New players, same broken game

Roman Malko

The nature of Ukrainian politics has been, both by tradition and by nature, a dog and pony show—because that's the best way for those in power to manipulate voters while satisfying their own interests. This has been going on for nearly three decades since the country became independent, and it could go on for another three. Changing the actors, the sets, the concepts and the technology matters not as, below the surface, nothing really changes. Anyone who steps into this mud ►

PHOTO: UNIAN

will end up behaving just the same, because habits and traditions are very hard to break.

The situation today with Mikheil Saakashvili, a brilliant actor, or the tug-o-war between various enforcement agencies—the Prosecutor General’s Office, MIA—and NABU and the Special Anti-corruption Prosecutor’s Office is hardly original. There have been plenty of showmen in the arena already and everybody likes to draw comparisons. It’s easy enough to dig into the details and look for what NABU did to whom and why, to engage in heated debates in Facebook while looking for traitors and patriots, to transfer all of this into the real world, to call on soldiers at the front to leave their positions and go beat up “criminal government officials,” while the “criminal government” tries to out-shout everybody, claiming that those who fail to support it are collaborators or traitors at Kurchenko’s beck and call—only what might be achieved by this?

TODAY, ALL PATHOS AND THE ARMY OF BUREAUCRATS IN THE COUNTRY STILL DON’T CLEARLY DEMONSTRATE A CHAIN-OF-COMMAND AND JUNCTURES AT WHICH DECISIONS ARE MADE. NOT AT THE LEVEL OF THE PRESIDENT WITH HIS AUTHORITY AND RESPONSIBILITY, OR AT THE LEVEL OF THE HEAD OF GOVERNMENT, THE LEGISLATURE, THE MINISTRIES OR OTHER EXECUTIVE BODIES

Even if the pieces on the board are changed, the nature of the game will remain the same. It’s not important whether Petro Poroshenko remains at the top of the pyramid—or Saakashvili or Kolomoyskiy or Tymoshenko. The fundamental problem in Ukraine is that, after the collapse of *homo sovieticus*, nothing was done to design a new form of government, meaning a real government with a clear administrative chain-of-command and points at which decisions are made, together with accountability for such decisions. Under the communists, this kind of structure existed—highly hierarchical and corrupted, but nevertheless structured. The one-and-only Party generated decisions and then delegated their implementation to soviet bodies—endless chains of councils and executive committees. And security agencies carefully monitored all this. After the communist chain-of-command was taken over, nothing was organized in its place. The soviet government that effectively remained in Ukraine was only slightly modified and so was unable to become a proper government structure because of its very nature. The soviet system, that is, the government of councils, was so designed that it could not represent both the power and the chain-of-command.

Remembering how things were under the soviet regime, Leonid Kuchma tried to construct his own chain-of-command, but failed for a variety of reasons. Viktor Yushchenko never even tried. The only one who managed, however temporarily, to turn back the clock to an imitation of the past was Viktor Yanukovich. He plastered together something like the bolshevik system only the party was replaced by a mafia. The role of leading and managing was handed over to bandits who made it possible for the chain-of-command to function. How it functioned was a different matter altogether.

As long as the basic principle remained the same, it won’t matter who is sitting at the very top. And as long as the system remains semi-functional and no one really wants to change it from communist times, it will never work properly. Those on whom all this depends seem to either not understand or not want to understand why nothing works the way it should, why the system worked back then but doesn’t

work now. Intuitively, these people probably understand that something’s missing, some key part is missing. But all the attempts to make it work have so far failed. Think of the presidential secretaries that Kuchma set up, the overseers Yanukovich had, or the planned but not effected presidential prefects Poroshenko has talked about. The variations on this theme are many and what they’re called is irrelevant. The main thing is for the government structures to actually work and clearly carry out the functions delegated to them. Then things won’t flounder the way they are doing today. Then it will be clear who makes decisions and answers for them. Today, all pathos and the army of bureaucrats in the country still don’t clearly demonstrate a chain-of-command and junctures at which decisions are made. Not at the level of the president with his authority and responsibility, or at the level of the head of Government, the legislature, the ministries or other executive bodies.

All the tugs-o-war between enforcement agencies that we can see going on today are the latest manifestation of this disease and are actually inevitable. But they needn’t be. When power is scattered, this is what happens. For instance, if, in those enforcement agencies that seem to be multiplying daily, new elements are introduced that are embedded in the system, such as NABU, and become an irritant, there’s no decision-making point, no individuals who approve such decisions, no posts with responsibility for such decisions, then there is quite naturally no hierarchy among these non-existent points and everybody starts jockeying for position. Having this kind of foundation among enforcement agencies automatically leads to war over cases, mutual conflicts, and the wrong kind of competition. After all, what’s written into the Constitution and the laws of the country is only good intentions. Everyone plays his own top cop—and not only when it comes to the obvious and the visible.

But all this leads inevitably to the thought that, overall, the government is inadequate, and Poroshenko himself as well, sitting at the top of this power pyramid. Meanwhile, the pyramid lives its own life, regardless of who crowns it. Clearly, as long as this kind of government structure is in place, anyone at the top will be without a chain-of-command and will not be able to operate this system, because that’s the way it’s been built.

And so, the president will look helpless, like some cartoon usurper or schemer, even if he were in reality a super Messiah. Meanwhile, the idea of statehood and a state will continue to be devalued while all the sworn “friends” keep babbling about Project Ukraine not being viable because these Ukrainians supposedly are not a people capable of being a state.

Needless to say, a return to the soviet model of government is not an option today. This would be the height of idiocy and would ignominiously fail. The decommunization process needs to be taken to its logical conclusion. Not through monuments alone, although monuments are needed, but through a new model for governing the country. Ukrainians themselves appear to be ready for this transformation, but not those who govern them. This can be amended, but they need incentives.

Only when this chaos is cleaned up and it becomes possible to build a real system of responsibilities will the circus show finally come to an end and the clowns leave the stage. Only at that point will it be possible to talk about Ukraine’s return to the bosom of Europe and the society of civilized countries. Only this revolution is capable of finally launching the process of developing the country, which has stood at the edge of survival for decades and stumbles like some cursed creature from one Maidan to the next. ■



# The language of instruction as a key to unity and security

Why Ukraine cannot yield to the pressure from its neighbors and how it can protect the state language

**Volodymyr Vasylenko**, Judge of the International Criminal Tribunal for the former Yugoslavia in 2002-2005, former Ambassador to Benelux countries, EU and NATO

For a long time, Ukraine's language policy in the field of education was in line with the obsolete provisions of the Law of Ukraine "On Education" adopted on May 23, 1991 (No. 1060-XII). In July 2012, in violation of the Constitution of Ukraine and the Law of Ukraine "On the Regulations of the Verkhovna Rada of Ukraine," the Law of Ukraine No. 5029-VI "On State Language Policy," also known as the Kivalov-Kolesnichenko Law after the names of its alleged authors, Serhiy Kivalov and Vadym Kolesnichenko, was adopted. Under this essentially anti-constitutional bill, Art. 7 of the Law "On Education" dated 1991 was worded as follows: "The language of instruction is defined by Art. 20 of the Law of Ukraine On the Principles of State Language Policy."

## A RETURN TO SOVIET PRACTICES

The model of the language of instruction set in Art. 20 of the K-K Law stipulated that, along with Ukrainian as the state language, regional or minority languages may be languages of education in Ukraine, and that the free choice of the language of instruction is an essential right of Ukrainian citizens. These provisions contradicted Art. 10 and Art. 53 of the Constitution of Ukraine, as well as the Verdict of the Constitutional Court of Ukraine No. 10-rp/99 dated December 14, 1999 concerning the interpretation of Art. 10 of the Constitution of Ukraine. Under the Constitution of Ukraine, Ukrainian as the state language is the language of instruction in Ukraine, while in educational establishments for national minorities their mother tongues may be used and studied as part of the academic activity, alongside Ukrainian. Art. 20 of the K-K Law, incorporated into the 1991 Law "On Education", became the basis for reviving and justifying the soviet practice of opening numerous schools with Russian as the language of instruction in various regions of Ukraine and reducing the number of schools with instruction in Ukrainian. As a result, Ukrainians were forced to send their children to schools with the Russian language of instruction. At parents' request, students of Russian-language educational institutions were exempt from studying the Ukrainian language. The imbalance between the number of students in Russian schools and the percentage of Russians in the ethnic composition of the population was striking. Institutions with the Russian language of instruction

turned into a powerful tool for the Russification of Ukraine.

In schools for other national minorities, teaching was conducted exclusively in minority languages, while Ukrainian was taught as an academic subject. In practice, such schools were an instrument for suppressing the Ukrainian language from the education sector in some regions of Ukraine, primarily, in Zakarpattia and Bukovyna.

The anti-Ukrainian model of language regulation in the education system introduced under Viktor Yanukovich was abolished by the new Law of Ukraine No. 2145-VIII "On Education" adopted by the Verkhovna Rada on September 5, 2017 and effective as of September 27, 2017, when it was signed by the President of Ukraine.

## PROGRESSIVE STANDARDS

The new Law "On Education" aims to depart from the detrimental soviet and post-soviet educational practices in Ukraine, eliminate the devastating impacts of the corrosive activities of Dmytro Tabachnyk, Ukraine's Education Minister under Yanukovich, and mitigate the disastrous results of the Russification of education in Ukraine.

THE ALLEGATIONS REGARDING THE VIOLATION BY THE NEW LAW OF THE BALANCE BETWEEN THE USE OF THE STATE LANGUAGE AND MINORITY LANGUAGES FOR EDUCATION PURPOSES **DOES NOT TAKE INTO ACCOUNT THE IMBALANCE TO THE DETRIMENT OF THE UKRAINIAN LANGUAGE THAT EXISTED IN THE SOVIET UNION AND WAS PRESERVED BY INERTIA AFTER THE RESTORATION OF THE UKRAINIAN STATEHOOD**

The law establishes progressive foundations for the modern national education system, which could not exist and function properly without the use of the Ukrainian language in the academic process.

In compliance with the provisions of the Constitution of Ukraine, Art. 7 of the new Law "On Education" declares the state language to be the language of instruction in educational institutions of all levels throughout the territory of Ukraine and guarantees every citizen of Ukraine access to instruction in the state language.



**On the diplomatic front.** The new law has already passed the test of PACE and the Venice Commission

Besides, this Article guarantees to persons belonging to national minorities the right to study in public pre-school and primary education institutions in the language of the respective national minority, alongside the state language, while the indigenous populations of Ukraine are guaranteed the right to study in public pre-school and primary education institutions in their language, alongside the state language.

The law also guarantees the right to study the language of the respective national minority or indigenous population in public general secondary education institutions or through national cultural societies.

The provisions of the language article of the Law “On Education” are the result of a long and complicated process of making a compromise agreement. However, these provisions caused considerable dissatisfaction of some radical citizens of Ukraine, as well as aggressive protests of some neighboring states. In Ukraine, both during the finalization of the bill on education and after its adoption, there were vocal, albeit solitary, demands to limit as much as possible the rights of national minorities to education in their mother tongues, including the notorious proposition to amend the Law “On Education” No.3491-d as follows: “The language of instruction in Ukraine shall be the state language only.”

It is easy to imagine the reaction of the national minorities of Ukraine and the Western democracies in case this amendment to the law was adopted, when even the very balanced provisions of its language article caused total resentment in Russia, Moldova, Hungary and Romania, as well as some critical remarks from Poland, Bulgaria, and Greece. It should be noted that the most vocal protests against this article were issued by the states where political forces profess irredentism, i.e., the policy of expanding a state's boundaries by including the territories of other states with the respective national minorities. The most hysterical reaction was observed on the part of Hungarian politicians suffering from the Trianon Treaty syndrome and dreaming of restoring the “Greater Hungary.”

#### WHO IS AGAINST?

Hungary's Minister of Foreign Affairs stated that his country would “block any initiatives beneficial to Ukraine in international organizations, especially in the EU.” It is symptomatic that the official Budapest, despite the protests of the Ukrainian Ministry of Foreign Affairs, has organized and implemented a massive campaign of issuing Hungarian passports to ethnic Hungarians living in Ukraine, while the participants of a protest that took place in September 2017 in front of



the Ukrainian Embassy in Budapest demanded to establish a Hungarian autonomy in Zakarpattia.

Another country that voiced strong protests and staged diplomatic demarches is Romania, which has a political party Great Romania (România Mare). Its purpose is to expand the territory of Romania through the accession to it of Romanian-inhabited territories of neighboring states, including the Ukrainian Bukovyna and a part of Odesa Oblast. The official Bucharest does not present explicit territorial claims to Ukraine; however, it encourages the issuance of Romanian passports to Ukrainian citizens of Romanian origin.

And, of course, Russia, where the Ministry of Foreign Affairs and the State Duma responded to the language article of the Law “On Education” with great resentment and clearly inadequate assessment. For instance, in a statement issued by the Russian State Duma, the Law of Ukraine “On Education” was qualified as an act of “violent Ukrainization” and “genocide of the Russian people” in Ukraine. Russia is a state that not only openly expresses its territorial claims to Ukraine, but also launched and continues an armed aggression against it. It began under the pretext of protecting the Russian-speaking population and resulted in the occupation of the most russified parts of Ukraine: Crimea and some districts of the Donetsk and Luhansk oblasts.

It is worth noting that, unlike in Hungary and Romania, Russia grants Russian passports to all Russian-speaking citizens of Ukraine, irrespective of their ethnic origin. This, obviously, is based on the baseless revanchist idea deeply rooted in the minds of the majority of Russian political elite, as well as ordinary citizens, that Ukraine is a part of Russia.

The issue of the language of instruction in Ukraine, thanks to the efforts of Hungary and Romania, has become the subject of debate at a session of the Parliamentary Assembly of the Council of Europe (PACE) that was hastily held on October 12, 2017 under an emergency procedure. Based on its results, PACE adopted Resolution No. 2189 (2017) under a clearly biased title “The new Ukrainian law on education: a major impediment to the teaching of national minorities’ mother tongues.”

110 out of 318 PACE members took part in the vote. The resolution was supported by 82 deputies, including a member of the Ukrainian delegation Mustafa Dzhemilev. 11 votes were cast against its adoption, while 17 deputies abstained.

During the discussion, the language article of the new Ukrainian Law “On Education” was accused of violating a number of European conventions, of limiting the rights of national minorities to instruction in their mother tongues, of aiming at closing schools with minority languages of instruction and their assimilation, etc. However, no speaker managed to bring either clear examples or at least references to a specific article or articles of any international treaty violated by the provisions of Art. 7 of the Law of Ukraine “On Education.” No specific proposals were made on amending it, either. The resolution itself stated: “Various neighboring countries claimed that this act infringes upon the rights of persons belonging to national minorities and raises sensitive legal issues also under the Ukrainian legal order” (p. 2).

So, it deals with some kind of non-specific infringements outside the context of specific international agreements.

Paragraph 3 of the Resolution stresses the importance of fulfilling the obligations stemming from the European Convention on Human Rights, the Framework Convention for the Protection of National Minorities and the European Charter for Regional or Minority Languages, without any reference to specific countries.

The key statements of the resolution are its paragraphs 8 and 9. Paragraph 8 states that “the new legislation does not appear to strike an appropriate balance between the official language and the languages of national minorities,” while paragraph 9 establishes the following: “In particular, the new law entails a heavy reduction in the rights previously recognised to “national minorities” concerning their own language of education.” These national minorities, who were previously entitled to have monolingual schools and fully fledged curricula in their own language, now find themselves in a situation where education in their own languages can be provided (along with education in Ukrainian) only until the end of primary education.”

The resolution warns against “hasty changes prejudicing the quality of education provided to pupils and students belonging to national minorities” and believes that “a three-year transitional period may prove to be too short” (pp. 10, 11).

At the same time, the resolution states that “the Assembly is aware that Ukrainian-speaking minorities in neighboring countries are not entitled to monolingual education in their own language” and recommends that these countries “show readiness to offer to the Ukrainian communities resident in their respective countries similar arrangements to those that they claim for their own minorities (p. 12). At the same time, the recommendation “that Ukraine examines best practices in Council of Europe member States in the field of teaching official languages” is addressed only to Ukraine. Finally, “the Assembly asks

THE NEW MODEL GUARANTEES THE NATIONAL MINORITIES INSTRUCTION IN THEIR NATIVE TONGUES AND FURTHER STUDY OF THOSE TONGUES IN THE SCOPE SUFFICIENT TO MAINTAIN THEIR ETHNIC IDENTITY AND PROTECT THEM FROM FORCED ASSIMILATION

the Ukrainian authorities to fully implement the forthcoming recommendations and conclusions of the Venice Commission and to modify the new Education Act accordingly.”

## PREPARE FOR DEFENSE

In the light of the events unfolding around the Law “On Education,” Ukraine needs to pay extraordinary attention to protecting its position concerning the language of instruction, given the strategic importance of introducing a state model of using the Ukrainian language and minority languages in the education system to strengthen the national identity, consolidate the society, and ensure the security of Ukraine.

Every State has a sovereign natural right to create, develop and shape its own system of education, and choose the models of using languages in the process of education as fits its needs and the international commitments undertaken voluntarily.

International law has no binding norms stipulating that all states must use in their national education sys- »

tems any one, unified and specific model of language instruction. Various international instruments and legally binding agreements, such as the Convention for the Protection of Human Rights and Fundamental Freedoms (1950); Council of Europe's Framework Convention for the Protection of National Minorities (1995); European Charter for Regional or Minority Languages (1992); UNESCO Convention against Discrimination in Education (1960), as well as reference documents, such as Document of the Copenhagen Meeting of the Conference on the Human Dimension of the CSCE (1990); Charter of Paris for a New Europe (1990); The Hague Recommendations Regarding the Education Rights of National Minorities (1996), the provisions of which govern the use of languages in education, are non-mandatory, i.e., they define several models of language regulation and let the state choose one of the them. Only the model chosen by the state and documented in its legislation is legally binding on it.

**WHAT IS NEEDED FOR THE EFFECTIVE APPLICATION OF THE PROVISIONS ON THE USE OF NATIONAL MINORITIES' LANGUAGES IN EDUCATION IS NOT AMENDING THEM FORMALLY, BUT BUILDING A CONSTRUCTIVE DIALOGUE BETWEEN THE REPRESENTATIVES OF THE GOVERNMENT AND NATIONAL MINORITIES**

However, the analysis of the contents of the above laws and the practice of their enforcement indicates that the international law has certain general and generally recognized binding principles that the State has the right and obligation to strictly follow when selecting a specific model of language regulation in the education system.

These include the following principles:

- a language that is a state (official) language in the country is the language of its education system;
- the status of the state language means that it is mandatory for all levels of education, and all citizens of the State regardless of their ethnic origins should properly learn and master it. Meanwhile, the status of the language of an ethnic group allows its members to be educated in and (or) learn their mother tongue only in education facilities for the minorities in keeping with the procedure and the amount established by the State's national legislation;
- regardless of their ethnic origin, the State's citizens have an equal right to be educated in the state language;
- individuals belonging to national minorities have the right to receive education in their native language or to learn it in the amount that is necessary to maintain their ethnic individuality;
- the process of exercising the right to receive education in the native language or to learn the native language by the individuals from national minorities should not undermine the status of the state language as the language of the education system at all levels and across the State's territory;
- the recognition of the state language as the language of the education system cannot serve as a reason to reject the rights of individuals from national minorities to receive education in their native language or to learn it;

- a balance of proper knowledge of the state language by all of the State's citizens and the knowledge of their native language by national minorities should be secured to prevent enforced language assimilation on the one hand, and language segregation on the other hand;
- the balance between the knowledge of the state language and the languages of national minorities in the process of exercising one's right to education is established based on the understanding of the state language priority as an instrument of social integration for individuals from national minorities into the wider society, as a way of full-scale use of all human rights in social life, and as a mechanism of strengthening political unity and national security of the State.

Provisions of Art. 7 of the Law of Ukraine "On Education" are formulated with the observance of these principles and violate no international obligations of Ukraine. The allegations regarding the violation by its provisions of the balance between the use of the state language and minority languages for education purposes does not take into account the fact of the imbalance to the detriment of the Ukrainian language that existed in the Soviet Union and was preserved by inertia after the restoration of the Ukrainian statehood. This happened because under pressure from Russia, the Russia-oriented and dependent political forces blocked the implementation of Art. 10 of the Constitution of Ukraine and the decisions of the Constitutional Court of Ukraine and prevented changes to the outdated discriminatory, anti-Ukrainian and anti-state models of linguistic regulation in the area of education.

Today, at the demand of the Ukrainian majority, the new Ukrainian Parliament elected after the Revolution of Dignity adopted a law, Art. 7 of which is aimed at eliminating the imbalance in the linguistic regulation in the area of education that is detrimental to Ukraine. The priority is the de-Russification of the education system and the elimination of unjustified and ungrounded preference for languages of other national minorities, which, by and large, affect their representatives, while creating a threat to the national security of Ukraine.

### SMART BALANCE

The issue of the balance between the use of the Ukrainian language and the languages of national minorities in education may not be reduced to just the mechanical comparison of the number of academic subjects taught in Ukrainian and in native languages of national minorities at different levels of education, outside the context and without regard to the social, economic, political, humanitarian, security and other factors contributing to the development of the society and the state.

The old model of using minority languages in the educational system of Ukraine, on the one hand, helped preserving, if not strengthening, the dangerous level of Russification of the country, and on the other transformed some of its regions into linguistic ghettos, the residents of which were deprived of the rights guaranteed by the Constitution of Ukraine and of the chance to live a full-fledged life.



The very low level of Ukrainian language proficiency of the pupils of schools for national minorities, including Hungarian ones, is also alarming. According to official statistics of the Ukrainian Center for Educational Quality Assessment (UCEQA), in 2016, more than 36% of their graduates in Zakarpattia scored 1 to 3 points on a scale of 1 to 12 during standardized external testing in the Ukrainian language, and in Berehovo county, the area of compact settlement of the Hungarian community, the same result was shown by 75% of graduates.

Art. 7 introduces a model of instruction in minority languages that launches a process of deep de-Russification, the natural completion of which will make irreversible the development of Ukrainian Ukraine. At the same time, this model guarantees the national minorities instruction in their native tongues and their further study in the scope entirely sufficient to maintain their ethnic identity and protect them from forced assimilation. Different variations of this linguistic model are used by the education systems of such European countries as Austria, Serbia, Slovakia, and Romania, which have numerous minorities, including Hungarian one, living in their territories.

According to the educational law of Austria, instruction in the native tongue of the Hungarian minority living in Burgenland, as well as other minorities, is possible only in elementary school. In bilingual schools, all subjects are taught in the language of the respective minority and in German in approximately equal scope.

Ukraine's new Law "On Education" does not provide for the closure of schools with instruction in the languages of national minorities. It is only aimed at expanding the teaching of the Ukrainian language for the protection of graduates from discrimination in the future. The linguistic model defined in Art. 7 is aimed not at limiting the rights, but at creating opportunities for the full-scale and full-fledged exercise by national minorities of all the rights provided for by the Constitution of Ukraine, including the right to education. Properly mastering the state language opens access not only to higher education, but also to active participation in all other important areas of public life of the country through the exercise of the right to be elected, work in the territory of Ukraine, in legislative, executive and judicial sectors, law enforcement agencies, security services and Armed Forces of Ukraine, to use cultural legacy, etc.

Critics of Art. 7 of the Law "On Education" seek to grant the national minorities the right to not know the Ukrainian language, thus subjecting them to self-discrimination, condemning them to political, social and cultural isolation, and denying them the opportunity to integrate into the society.

Maintaining the old model of instruction in the languages of national minorities will deepen their discrimination and isolation; reduce the use of the state language in an extremely important and sensitive area of public life; strengthen segregated linguistic enclaves in the border regions of Ukraine; threaten the unity of the country and create the basis for political separatism; undermine the economy in view of the use of budgetary funds for the training of labor resources for neighboring countries; weaken the sector of traditional security through the impossibility of employing citizens who do not speak Ukrainian in law enforcement agencies.

It is important to note that the language article of the Law "On Education" has a framework function. On the basis of its general provisions, various models of the practical use of minority languages in the education system can be introduced. It is necessary to take into account the wishes of local communities, national and cultural societies and associations of national minorities, and individual citizens. It is also necessary to consider such objective factors as the population size of national minorities, their compact or dispersed settlement in specific regions, cities, towns and villages, availability of material resources and professionally trained staff necessary to create and ensure the proper functioning of educational institutions with instruction in minority languages. The language article of the

IT IS IMPORTANT TO NOTE THAT THE LANGUAGE ARTICLE OF THE LAW "ON EDUCATION" HAS A FRAMEWORK FUNCTION.

ON THE BASIS OF ITS GENERAL PROVISIONS, VARIOUS MODELS OF THE PRACTICAL USE OF MINORITY LANGUAGES IN THE EDUCATION SYSTEM CAN BE INTRODUCED

new Law "On Education" aims to create optimal conditions for the proper exercise of all human rights by national minorities, consolidate the society, strengthen national identity and political unity of the state, while eliminating and preventing threats to the state security.

So, what is needed for the effective application in the education system of the legislative provisions pertaining to the use of national minorities' languages is not amending them formally, but building a constructive dialogue between the representatives of the Government and national minorities. This is important for the adoption and formulation of specific practical decisions that would take into account both the legitimate minority interests and the vital national ones.

The language article of the Law "On Education," together with the previously approved laws On State Service, requiring Government officials to master Ukrainian; On Television and Radio, increasing the share of songs in the state language in music programs and radio broadcasts; On Amendments to Certain Laws of Ukraine Regarding the Language of Audio-visual (Electronic) Media, which greatly increases the quota of TV programs and movies in the Ukrainian language, is an important step towards implementing Art. 10 of the Constitution of Ukraine and ensuring the comprehensive development and functioning of the Ukrainian language in all areas of public life throughout the country. However, both previously adopted and new regulations designed to promote the use of the Ukrainian language in some areas are not and cannot provide an alternative to the uniform, systemic and comprehensive legislation on the Ukrainian language. A draft of such a law has been developed and registered in the Verkhovna Rada of Ukraine as the Law of Ukraine On Ensuring the Functioning of the Ukrainian Language as a State Language No. 5670-d. Its adoption as early as possible will provide a solid legal foundation for consistently exercising the linguistic rights of both the Ukrainian majority and representatives of national minorities and improving the protection of national security.■

# Better parliament than the street

What challenges and tasks is Ukraine's legislature facing?

**Andriy Parubiy,**  
Speaker, Verkhovna Rada of Ukraine



**The years of storm.** The most responsible and key period for this parliament will nevertheless be in 2019, in the time between the presidential and parliamentary elections. This means that 2018 and 2019 will see the greatest political emphasis being placed on the work of the Rada

Ukraine and Ukrainians have a history of parliamentarism that goes back more than a millennium: the tradition of *viche* or town meetings that started in early Kyivan Rus, the *kozak* councils, the substantial representation of Ukrainians, first in the Sejm of the Rzeczpospolita Polska or Polish Republic and then in the Austro-Hungarian legislature, and later the Central Council or Rada during the national liberation movement period at the time of WWI and later the Ukrainian Main Liberation Council during WWII.

Parliamentarism has been key in the conflict between society and monarchs as a stabilizing factor for cooperating and as a counterbalance that prevents the concentration of power in one pair of hands. A parliament is that place where compromise and consensus are constantly being sought. On one hand, it cannot be the epitome of a heavy hand or dictator, and on the other, the source of anarchy and arbitrariness. It must properly reflect the interests of an entire society.

As one philosopher put it, when the parliament does its job, there's no need for revolutions. In other words, since they are represented, different social groups can find their way to compromise over disputatious issues through the platform of the parliament.

In Ukraine, where there are those who favor a strong hand and those who tend towards an anarchic freestyle approach, the position of Ukrainian society as a whole favors compromise and the harmonious development of the country. Sociological surveys have consistently shown this, time and again. The greater part of society, the so-called moral majority, wants reforms, a better life, and a European choice. And the Verkhovna Rada, by its very nature, should reflect its interests, rather than resorting to extremes. It should search for what can bring all Ukrainians together rather than sowing discord and divisiveness. When parliament is silent, the street will speak. When parliament works, society can keep moving forward. This means that those who are looking for a "firm hand" sim-



ply have no proper understanding of what they are thinking of and the purpose of a parliament: to ensure stability and to seek consensus, compromise and ways out of potential political crises.

How well is Ukraine's parliament, the Verkhovna Rada, executing this role today. It's worth remembering just three key stages in its history:

1. *The declaration of an independent Ukraine.* This key decision in modern Ukraine was approved by the parliament, which became the body that took on responsibility during a soviet-wide crisis and announced the formation of an independent Ukrainian state. What more important decision can a state make than declaring its own existence?

2. *The crisis of 2004 and the Orange Revolution.* During the presidential election, the transfer of power provided for in law did not take place because Ukrainians themselves found the ways and means in which the election was taking place unacceptable. Who took the country safely through this crisis? The Verkhovna Rada by making the decision to hold a repeat runoff election and allow Ukrainians to elect a legitimate president, and allowing Ukraine to survive this very difficult period.

3. *The trials of the Euromaidan.* The only entity that was able to hold the Ukrainian state together and take the country through a profound domestic and external crisis was, once again, the Verkhovna Rada. Moreover, this was at a time when the Russian Federation was doing everything in its power to destabilize the situation, when enemy troops were already on Ukrainian soil, beginning to occupy Ukrainian territory. Within its competence, the VR was able to overcome the crisis, sometimes by making extraordinary decisions. What's more, in the final tragic days of February 2014, it was able to stop the violence. The decision to order all police and military units to go back to their bases was decisive.

So when people accuse Ukraine's parliament of not working or acting very effectively, my response is that, despite everything, this is the key governing body in Ukraine, and when the country was in its most critical moment, when it was being challenged the most severely, it was the only entity that helped Ukrainians go through these challenges and difficulties.

As to the effectiveness of its work, let me simply count the number of reforms that the Rada has legislated just in the last three months, starting on September 6, 2017. Education: nearly 2,000 amendments; judiciary: over 5,000 amendments; pension: nearly 2,000 amendments; and healthcare: nearly 1,000 amendments. What's more, every one of these pieces of legislation went through the entire procedure—wherein lie the power and protection offered by parliamentarism. At the time, I was told that this was “impossible.”

Still, I believe that the parliament is not there to approve “someone's” bill, because every deputy is a participant and takes responsibility for passing every decision made by the deputy and by the entire Rada. Incidentally, some of the key provisions of these reforms were formulated right there in the Rada, such as Art. 7, the language article, in the Law “On education.”

Many would like to see the parliament as a convenient and submissive machine that simply rubber-stamps decisions. But the complete, open lawmaking procedure and the fact that we follow it properly provide the basis for confirming the Rada's key role in making national policy. In addition to these four reforms, a law on cybersecurity was passed and changes were made to the budget and tax code that enabled the critically important revival of Ukrainian cinematography.

Every parliament, not just Ukraine's, faces the same problem, that little love is lost on it—our European colleagues have often joked about this with us. Not only that, other branches of government love to point fingers at this collective body for

anything that is going wrong. However, I can confirm that the Ukrainian parliament is not only working, but is bringing results. Results that are the best measure of its performance. All the anti-corruption agencies were set up by it, as well as the anti-corruption infrastructure, and all the transformations in every single sphere are also its doing. The fact is that no reform could be taking place in Ukraine without the Verkhovna Rada's approval.

Of course, there are well-deserved criticisms of deputy discipline. This is definitely one of the problems facing the Ukrainian parliament. But it's important to understand just why this is. When people in a riding vote for UAH 200, their elected deputies feel that the debt has been paid off, that the seat is theirs, that they have immunity, and that's the end of that. Responsibility has to be mutual, both on the part of the voter and on the part of the person being elected. Immunity must be withdrawn from MPs so that this is no longer the reason why people decide to run, but rather the desire to engage in making laws and organizing reforms. And yes, the electoral system must be changed. The Code on open lists that the Rada has already approved was drafted by me because I believe it could go a long way to establishing effective social lifts and improving the quality of work of Ukraine's elected representatives.

Going ahead, Ukraine faces a difficult period, with 2018 a pre-election year. At a briefing in early fall 2017, I mentioned that we have a lot to get done during this session, that this autumn had to be the autumn of reforms, because this will all be much more difficult to accomplish in summer of 2018, when emotions are on the rise and no one wants to take on responsibility for an unpopular policy.

IMMUNITY MUST BE WITHDRAWN FROM MPs SO THAT THIS IS NO LONGER THE REASON WHY PEOPLE DECIDE TO RUN, BUT RATHER THE DESIRE TO ENGAGE IN MAKING LAWS AND ORGANIZING REFORMS

I expect debate over the Electoral Code to be long and hard. I understand how much the presidential race will affect the parliament as well. There will be several MPs running for that office and each one of them will be trying to take advantage of being in the legislature as a spotlight for presenting their campaign platforms and ideas.

Still, the most responsible and key period for this parliament will nevertheless be in 2019, in the time between the presidential and parliamentary elections. This means that 2018 and 2019 will see the greatest political emphasis being placed on the work of the Rada. Personally, I'm absolutely convinced that even under these circumstances, the issues of security, European integration and integration with NATO will remain the only serious ones and the ones that will bring members of all political stripes together in the Rada. This parliament has gained considerable institutional experience, which is very important. It has learned how to act in different situations, and has managed to do so without unnecessary shoving and fisticuffs. This new experience offers us an opportunity, even in the hardest moments, to find a way out, a compromise and consensus and to keep working productively.

I think the Verkhovna Rada is adequately prepared to respond the biggest challenges that might face both it and Ukraine. The key is policy-making. And this is why so much effort is going into destabilizing and discrediting it. Russia understands that to destabilize Ukraine, it has to destabilize the legislature. A functional parliament means a stable country. Nevertheless, I believe the level of responsibility among national deputies is sufficiently high today to survive any amount of testing that might come our way. ■

# Learning to use opportunities

What prospects does decentralization open up for local communities?

Ivan Halaychenko

“All politics is local” – this phrase associated with former Speaker of the House of Representatives Tip O'Neill would be a good motto for those who believe in the ability of local communities to manage their daily lives without guidance from above. Numerous polls show that Ukrainians mostly share this belief.

Above all, Ukrainians trust their friends, friends and neighbours – much more than they do socio-political institutions (except for perhaps the army and Church). They invariably support the principles of non-interference in public life, relying on themselves and, as one sociologist put it, “A variety of it-has-nothing-to-do-with-me.” Such ideas were popular in Ukrainian society for long historical periods and were reflected in both the legal practices of local life and social theories.

Today, the confidence and support ratings of local self-government (local mayors and councils), who find it easier to show the evident results of their work, are significantly higher than those of national politicians. About 70% of the population support the idea of decentralization itself (although everyone has their own understanding of the concept).

Local budgets have grown by more than **UAH 100 billion** – from **69 billion** in 2014 to **170 billion** in 2017

It is therefore not surprising that almost all leading politicians and political forces are promising “decentralization” in one way or another as an abstract benefit towards which Ukraine must strive. However, in post-Soviet Ukraine decentralization slogans were often heard against the background of actual centralisation as a means of overcoming ungovernability, as protection against corruption or even as a way of constructing a power vertical. If decentralization was mentioned, then only, for the most part, to justify fundamentally different actions: the redistribution of resources in favour of certain regions or industries (through benefits, subsidies, etc.) or even justification for depriving Kyiv of any type of control.

The situation changed after the Revolution of Dignity and the beginning of Russian aggression. On the one hand, the redistribution of funds and powers in favour of local communities objectively facilitates public administration, removing unnecessary functions and making it possible to focus on security priorities. On the other hand, a consensus on the need for decentralization emerged among the political forces that came to power.

The Ukraine-2020 Sustainable Development Strategy introduced by presidential decree in early 2015 sets the goal of “ensuring the capabilities of local self-government

and building an effective system for the territorial organisation of power in Ukraine, fully implementing the provisions of the European Charter of Local Self-Government”.

In a 2017 speech to the Verkhovna Rada, President Poroshenko noted that the share of local budgets in the consolidated budget of the country is rapidly approaching 50% and is likely to cross this threshold. In other words, local budgets will receive more money than the state treasury. This has been achieved through a series of conscious steps, such as the redistribution of local and assigned tax revenues to benefit communities, the promotion of consolidated territorial community (OTHs, as per the abbreviation in Ukrainian) and the launch of mechanisms for co-financing local projects from the state budget, such as the Regional Development Fund.

As a result, local budgets have grown by more than UAH 100 billion – from 69 billion in 2014 to 170 billion in 2017, which will most likely turn out to be an underestimation by the end of the year. Community budgets have doubled or tripled, and when merging into OTHs they can grow four to seven times. Local budgets have been transformed from “payroll funds” into a resource for local development capable of supporting the repair and building of roads, in addition to upgrading infrastructure, transport, schools and hospitals.

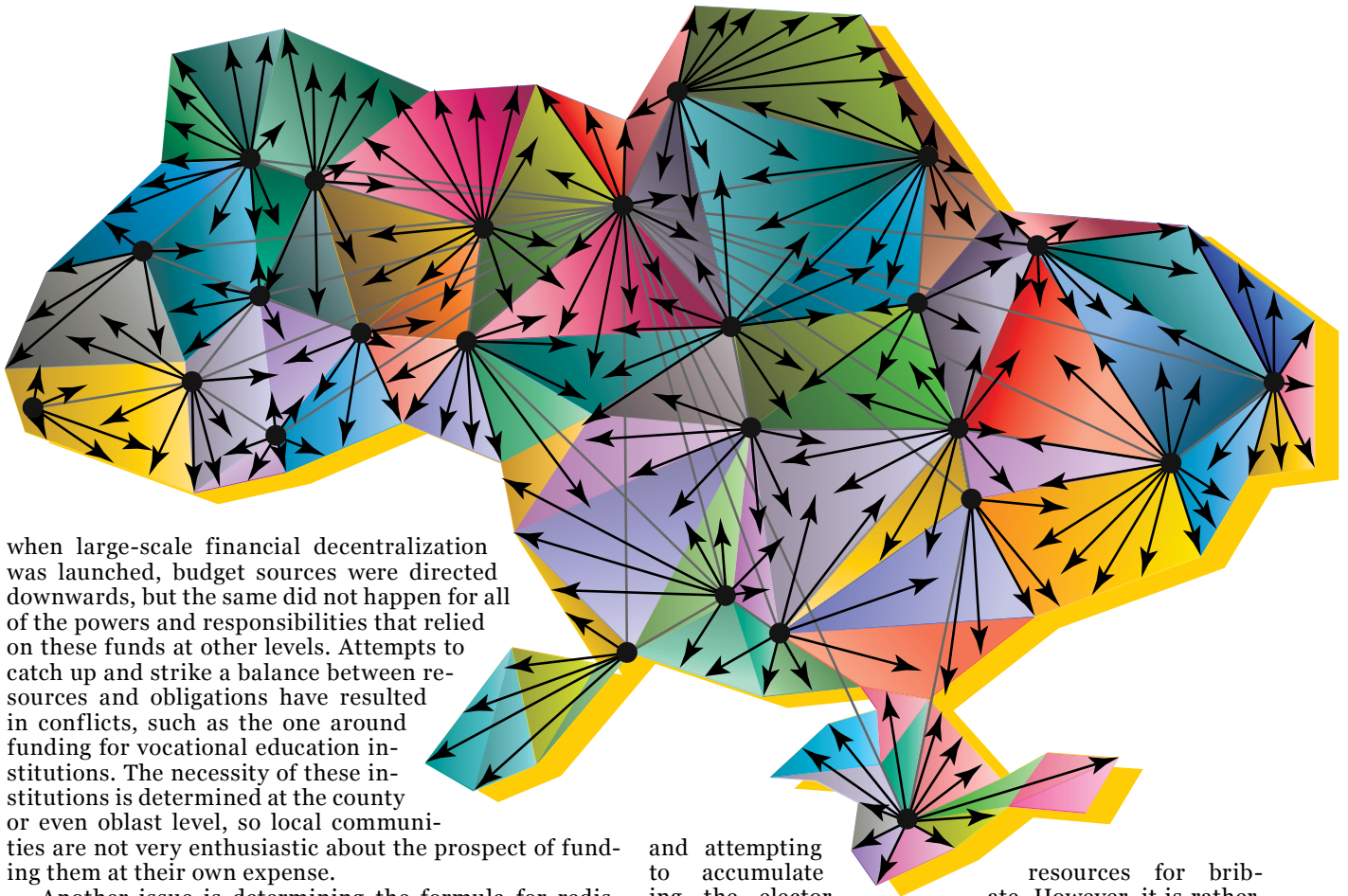
Communities that have their own resources can become full-fledged partners of central government in large-scale projects to improve the quality of life, such as the initiative announced by the President on the development of rural medicine or the government road construction program.

The Central Office for Reforms at the Ministry of Regional Development called their presentation featuring these statistics “Financial Decentralization in Ukraine: The First Stage of Success”. It seems that the reform really has become capable, meets the expectations of citizens and provides an opportunity to realise the potential of communities.

The experience of other countries that have followed this path, such as Poland, shows that decentralization is indeed an effective development tool. And not only an economic or infrastructural one, but also social. Indeed, it is much easier to influence and monitor decision-making (in particular regarding the budget) at the local level. In Ukraine, experts also note the growth of civil society organisations focusing on local issues: from the adoption of community statutes to monitoring budget expenditures and from the formation of participatory budgets (budget items that are carried out on a competitive basis) to the provision of social services.

However, this does not mean that there are no misunderstandings. Some government officials say that in 2014,





when large-scale financial decentralization was launched, budget sources were directed downwards, but the same did not happen for all of the powers and responsibilities that relied on these funds at other levels. Attempts to catch up and strike a balance between resources and obligations have resulted in conflicts, such as the one around funding for vocational education institutions. The necessity of these institutions is determined at the county or even oblast level, so local communities are not very enthusiastic about the prospect of funding them at their own expense.

Another issue is determining the formula for redistributing budgetary funds. Critics of the decentralization reform point out that often rich communities get richer and nothing changes for the poor ones. Indeed, the poor ones have the chance to unite in OTHs and get out of poverty together, but this is a separate process. Instead, attempts to equalise opportunities by revising the formula for allocating budget funds have been confronted with resistance from communities, especially those that are large and successful.

The mayor of Dnipro even warned MPs from the region not to count on the support of local authorities if they vote for a budget with such redistribution – a thinly veiled “don’t come back”. The mayor of Kyiv also often complains about the city’s considerable expenses, as well as the depreciated state of bridges and other infrastructure. The Prime Minister, however, rejects allegations that decentralization will be curtailed, calling them “fake” and stating that decentralization will “remain and be developed” in the draft budget for 2018. According to the government, the draft budget envisages the growth of community incomes by 36% in 2018 and also puts UAH 8.1 billion in the Regional Development Fund for the implementation of specific projects in the regions.

The central government also accuses local authorities of wasting resources, claiming that the allocation of additional resources brings not only opportunities, but also the responsibility to use it for the benefit of communities. As of September 1, UAH 13.5 billion hryvnias were not working for local development at all, but were sitting in commercial bank accounts. Typically, the leaders of such communities are accused of preparing for elections

and attempting to accumulate resources for bribing the electorate. However, it is rather a question of unsuccessful local development planning, when priorities are not correctly defined, the procedures for using funds are too complex at the local level or local authorities do not have the necessary skills and abilities to do this effectively. In this context, local authorities are often accused of corruption.

IN UKRAINE, EXPERTS NOTE THE GROWTH OF CSOs  
FOCUSING ON LOCAL ISSUES: FROM THE ADOPTION OF COMMUNITY  
STATUTES TO MONITORING BUDGET EXPENDITURES,  
THE FORMATION OF PARTICIPATORY BUDGETS  
AND THE PROVISION OF SOCIAL SERVICES

The answer could be broader cooperation between local authorities and communities, businesses, academia and educational institutions. In many developed countries, the cluster approach is used locally, implying cooperation between different sectors. Community development councils are created that bring together representatives of local government, investors, community activists and academics. Such councils plan development as the achievement of clear quantitative parameters and determine what is needed to meet these goals. More local activists from different sectors cooperate to implement the adopted decisions. In Ukraine, elements of this approach are applied by investor councils, in addition to various public or coordinating councils. But only a transition from advising to cooperation in the planning and implementation of local development will make communities truly successful. ■

# A future with or without rules?

**Pavlo Klimkin,**  
Minister of Foreign Affairs



2018 could be a decisive year, even a tipping point in Europe's realization of the risks of co-existing with Russia on one continent. The Kremlin has violated all formal rules of the international community expressed in international law and ruined basic trust in international relations. This has made our world uncertain and dangerous.

Russia is taking large-scale and systemic attempts to weaken and fragment democratic institutions of the West. This is accompanied by its strengthening position in Syria and North Africa, which increases its power to influence migration flows from the Middle East to Europe or in reverse in case the situation in Syria stabilizes.

Meanwhile, European political establishment is developing a clear divide into those who comprehend the Russian threat and are ready to counter it, and those who believe that the appeasement of Russia will allow them to live the way they used to. Look at the current attempts to return Russia to PACE! These can erode trust in the institution established specifically for the purpose of protecting democratic and humanistic principles and values. I hope that those who do not let themselves be fooled win. In this sense, the words of the UK Prime-Minister Theresa May addressed to Russia inspire optimism: "We know what you are doing. And you will not succeed." However, it is extremely important for the world to echo this.

The West should shed the stereotypes and illusions of the past. It should clarify for itself the real nature of the processes we are witnessing. It is often said that mutual deterrence and

Over the last years, the West has not managed to find effective and comprehensive answers to these challenges. Nobody knows what methods the sides will use in the near future. But all of us understand more or less what needs to be done: we should consistently defend international law and resist the dilution of its foundations, prevent manipulations of multilateral institutions. Political declarations and sanctions are no longer enough. We need a new quality partnership of the democratic world that could fend off the offensive of totalitarianism. This means creating an effective platform to counter the entire range of hybrid threats. We need to act now and be proactive.

This platform should serve as a powerful and all-encompassing network of all elements of democratic states and societies, from public and political entities to NGOs and opinion leaders, from businesses to culture and art actors, from security agencies to modern IT. It should rest on the fundamental principle of absolute commitment to international law and our common democratic values.

We cannot allow the accomplishments of the past decades be diluted and ruined under the guise of multipolarism and similar concepts. Their supporters use them in order to be able to comply with the general rules or not, or to come up with their own rules in the manner that best fits them.

Let's look at the UN Security Council where Russia openly abuses veto to block the condemnation of its aggression against Ukraine. The Council should be reformed so that it learns to perform its functions regardless of whether an aggressor state is part of it, or so that it makes Russia stick to international law. Both options are acceptable and can intertwine. Not doing anything, however, means pushing the problem further into dead end in which we are today.

The West should realize that Ukraine is on the frontline of the fight against the expansion of Russia's imperial totalitarianism. Respectively, the international community should not support Ukraine as a "poor relative", but as an organic part of the Western democracy that is taking the biggest hit of the Russian aggression.

We belong to the transatlantic space and the Western civilization regardless of whether we are formally a member of international unions that embody that civilization. Ukraine's official membership in them is a matter of time.

Let me note that we are ready to interact with those who have a different system of values. That is necessary for coexistence in the modern world. But that interaction should be based on principles and rules, not threats and blackmail.

Over the past years, Ukrainians have gained this experience at a huge price. So, we have a lot to share with our partners. We are not afraid to struggle for our future and the values of democracy (unfortunately, this has largely gone out of fashion over the years of prosperity in Europe). We know that the world will be more predictable and reliable with those who resist evil, than a world with those who are only capable of self-deceit, maneuvering and appeasement. I hope that the first group will define the future. ■

**WE NEED A NEW QUALITY PARTNERSHIP OF THE DEMOCRATIC WORLD THAT COULD FEND OFF THE OFFENSIVE OF TOTALITARISM.**

**THIS MEANS CREATING AN EFFECTIVE PLATFORM TO COUNTER THE ENTIRE RANGE OF HYBRID THREATS. WE NEED TO ACT NOW**

strategic balance were the phenomena inherent to the Cold War state. By inertia, some analysts refer to the current stand-off between the West and Russia as a new Cold War. Being in the epicenter of the conflict, we, Ukrainians, probably see better what it is about. Personally, I would not treat Russia's systemic and aggressive undermining activity as something identical to the Cold War.

It looks like we are witnessing and participating in a new type of a non-conventional world war, the hybrid one. Interference with elections, cybercrimes, mass propaganda are just some of its methods, albeit the most visible and palpable. The threat also lies in that these methods can now be used not only by Russia.



# In aggressive surroundings

Ukraine's strategic position in the run-up to the 2018 presidential election in Russia

Yaroslav Tynchenko,  
Deputy Director of the National Museum of Military History



PHOTO: REUTERS

**No good signs.** The recent armed rebellion in Luhansk could have been a rehearsal of the "LPR" and "DPR" unification

"When will the Russian Federation break up?" – this question is often on the lips of patriotic Ukrainians. They traditionally associate the return of the Donbas and even Crimea to Ukraine with the collapse of Russia. Some hope that the 2018 presidential elections in Russia will weaken the position of current Russian leader Vladimir Putin, who will run again.

By all indications, these hopes are in vain: Vladimir Putin will be re-elected president and there will be no surprises. His victory will mean further pressure on Ukraine, perhaps even more than now.

Ukraine's current geopolitical position is extremely vulnerable: 80% of the state border (or the line of contact in the Donbas) is adjacent to the Russian Federation or its ally Belarus, as well as Transnistria, Crimea and the self-proclaimed "LPR" and "DPR". Ukraine has diplomatic conflicts with other neighbours: with Poland over historical memory and with Romania and Hungary over the use of language in education.

Recent developments in Luhansk, where troops and special forces of the "DPR" were brought in during the conflict between ex-"LPR" leader Ihor Plotnytsky and other groups in the self-proclaimed quasi-republic, pose a direct threat to the future of Ukraine: if the two "republics" are unified, a different unrecognised formation will arise. It will not be a revived "Novorossiya" (literally New Russia), nor the "Malorossiya" (Little Russia) mentioned earlier this year by the "DPR leader" Oleksandr Zakharchenko. There will be talk of an other Ukraine as an alternative to our own.

In fact, right now, an anti-Ukrainian coalition is being formed, whose next step could be a like of the "Molotov-Ribbentrop Pact" with the partition of Ukraine at stake. No matter how significant the contradictions between Poland and the Russian Federation are, if there is talk of taking control of Western Ukraine (even on some very abstract federal basis, for example), Polish nationalists could forget about their problems with Moscow. Romania and Hungary would not be opposed to getting their "pieces" of Ukraine either.

Some radical Russian politicians announced their plans to divide up Ukraine in 2014: they claim everything except the western regions. The rest, obviously, would belong to a newly created superstate consisting of the Russian Federation, Belarus, a large part of Ukraine and, quite possibly, some other fragments of the former USSR.

These plans are utopian at first glance. But in early 2014 we did not believe that Crimea would go to the Russian Federation without a single shot fired and with the tacit consent of the UN, NATO and the European Union before a war broke out in the Donbas that is continuing to this date.

Implementing these plans for the partition of Ukraine would not be so much about direct military intervention as about creating a new revolutionary situation within the country. In this context, the following steps of our opponents are easy to predict:

a) The creation of an "alternative Ukrainian government" in the occupied Donbas that would gain credibility in the international arena with the assistance of the Russian leadership.

b) Stirring up the situation inside Ukraine, primarily on a social and national (linguistic) basis. The ultimate goal would be a civil war in which troops from the unrecognised republics would play an active role.

c) The introduction of "peacekeepers": in the East and South from the Russian Federation and in the West from Poland, Hungary, Romania and other NATO countries. At the same time, Central Ukraine with its capital in Kyiv would remain without peacekeepers, but be forced to seek reconciliation with the Russian Federation and the "alternative Ukrainian government" in Donetsk.

For Ukraine, however, there is also a positive scenario. Vladimir Putin is 65 years old and has not yet identified a single successor to the post of president of Russia. At the same time, none of the politicians that surround Putin has sufficient authority to unconditionally occupy the president's position and take the rudder in case of his illness or death. As soon as the current (and re-elected in 2018) president of the Russian Federation grows weak, a fierce struggle will begin around him. At this time, the candidates will not care about Ukraine. For us, this will be a favourable time to solve the problem of the self-proclaimed republics.

Therefore, the Armed Forces of Ukraine should be prepared for active offensive actions. And in order to break up the potential anti-Ukrainian coalition and remain in a win-win situation, Ukraine must reconcile with Poland and have it as a permanent and loyal ally. ■

# Kremlin Hostages: The key is not with Putin

For Ukrainians incarcerated in the occupied territories and in the Russian Federation itself, things could get much worse in 2018. Only serious international pressure is likely to make Moscow release these political prisoners

**Oleksandra Matviychuk**, Center for Civil Liberties



PHOTO: KYRM/REALU

**Crimean routine.** Crimean Tatar Bekir Dehermendzhy, 65, was arrested on November 23. As this article goes to press, he is at the hospital in serious condition resulting from several days in jail with severe asthma and no medical assistance

On Independence Day, 19 year-old Pavlo Hryb travelled to Gomel in Belarus to see his girlfriend, whom he had got to know through the Russian social net called vKontakte. Hryb crossed into Belarus without any problems, as the bus driver later told Pavlo's father. Hryb had planned to return home that same day, but instead, he disappeared. After a week of searching, he was found in a detention cell in Krasnodar, in southern

Russia. He had been arrested and accused of being involved in terrorism. Everyone could think of one thing only: Why on earth did Russia's FSB need to undertake an entire special operation in order to capture an ordinary student? Authoritarian regimes clearly operate according to their own logic. In the hybrid war Russia is waging against Ukraine, the television plays a very special role.



After Russia's aggression began in April 2014, the Levada Center, a top Russian polling organization, ran a nationwide survey and discovered that 94% of Russians got information about events in Ukraine primarily from their TVs. And so television in Russia naturally has to show Ukrainian terrorists, spies, bandits and saboteurs on a regular basis in order to create the image of an enemy. How else can Moscow explain to its own people why so many fresh graves, some of them unidentified to this day, have appeared in the Rostov-on-Don cemetery near the Ukrainian border? And this is despite the leadership's insistence that "Russia is not warring in Ukraine," while the Russian equipment and Russian military uniforms seen by various observers were "bought in military surplus stores."

The informational dimension is a very big aspect in this war and anyone can fall victim to it, as we can see with the arrest of someone like 73 year-old pensioner Yuriy Soloshenko when he was visiting Moscow. Or the dramatic story of Stanyslav Klykh who seems to mainly have been needed in order to repeat the name of the then-PM of Ukraine, Arseniy Yatsenyuk, 228 times in reading the charges against him. According to the Russian investigation, the two of them ran around together killing Russian servicemen during the First Chechen War. How this was "invented" can be understood from Klykh's appeal to the European Court of Human Rights: "... In Vladikavkaz, I was tortured at 2-3 day intervals so that I could recover and I was fed well during that time, then they started torturing me with electric shocks again... Meanwhile, I was kept in the prison yard for several days without food or water. Between these two methods of torture, I found myself in a dystrophic state where I could not hold a spoon or a pen in my hands because the wrists had been twisted out from being chained to the grate..."

The greatest threat faces those living in the occupied territories, people who publicly decry the annexation. The LetMyPeopleGo list being run by Euromaidan SOS includes the names of nearly 50 individuals who have been imprisoned for political reasons. And that's just the tip of the iceberg. Back in summer 2016, according to figures tracked by human rights activists, at least 2,200 citizens of Ukraine had been tried and illegally transported to carry out their sentences in the farthest corners of Russia. Getting access to all these individuals and the materials of their cases is simply impossible.

Despite determined statements from international organizations, Russia tossed Ilmi Umerov, the deputy chair of the Crimean Tatar Medjlis, behind bars without hesitation, declared journalist Mykola Semena guilty for simply having a different opinion, and shipped filmmaker Oleh Sentsov off to its northernmost labor camp, situated in the permafrost. Only after the personal appeal of yet another authoritarian leader, Recep Erdogan, did Vladimir Putin pardon two Crimean Tatar leaders. Russia is demonstratively ignoring the terms of the resolution. The number of those arrested for political reasons in Crimea keeps growing.

These days, the list is added to on a regular basis by the prisoners' lawyers and people who bring them care packages. This means that the barometer

of unfreedom in the occupied peninsula has already reached a critical point. Every month, the Our Children (Bizim Balalar) foundation collects donations to support more than 100 children, most of them Crimean Tatars, who have been left fatherless because of this kind of policy. The occupation government has punished their parents for non-violent resistance and has declared the children themselves "children of terrorists."

In the part of Donbas occupied by Russia some 140 people are currently imprisoned. Among them are service personnel, civilians and even minors arrested for patriotic graffiti. International organizations have little or no access to them. To keep the local population submissive, practices associated with terror and fear-mongering are used.

In May 2017, a "military tribunal" jailed a renowned religious scholar Ihor Kozlovskiy, who has been recognized by Amnesty International as a prisoner of conscience. He was accused of illegally possession of two grenades that were supposedly found during a search.

EVERY MONTH, THE OUR CHILDREN FOUNDATION COLLECTS DONATIONS TO SUPPORT MORE THAN 100 CHILDREN, MOST OF THEM CRIMEAN TATARS, WHO HAVE BEEN LEFT FATHERLESS BECAUSE OF THE OCCUPATION GOVERNMENT'S POLICY

According to the Minsk accords, all these political prisoners were supposed to be immediately released. Instead, many of their families have now been waiting for several years for them to be free again.

The Kremlin has no need of exchanges. For an authoritarian regime that wants political concessions such as a total amnesty for war crimes and elections while a military dictatorship is in place in order to legitimize it, people have no value. The despair of their families is used as another source of pressure on Ukraine.

The prospects for 2018 aren't cheering. Everything points to a sharply worsening situation. New forms of persecution have emerged and already in summer 2016, people were being placed in psychiatric wards against their will. Repressive legislation and the deep-seated practices of Russia's law enforcement agencies offer a very broad field for mass repression. It's just a matter of capacity to handle all the "potentially disloyal population." In that sense, we can consider all 5.5 million people who live in occupied Crimea and Donbas as hostages of the Kremlin.

It's useless to expect some kind of legal resolution to this situation. For these prisoners to return home, the top leadership of Russia needs to make the necessary political decision. What form this takes legally—whether pardons, extraditions or exchanges—is little more than a secondary issue and a technical detail. For Putin to take this step, it has to become inconvenient for him to hang onto these people. This means intense international pressure and sanctions against Russia that can really hurt it. People often say that the key to releasing these prisoners is in Putin's hands. In fact, Putin is holding people illegally. The key to releasing them lies with the West. ■

# Reform as scheduled

## What transformations in Ukraine's healthcare system are slated for 2018?

Ulena Suprun, acting Healthcare Minister

On October 19, the Verkhovna Rada passed the Bill “On state funding guarantees for medical services and medications,” the main document for reforming Ukraine's medical system, thus launching healthcare reforms in the country.

### FIRST THINGS, FIRST

The big change will be medical insurance. Plenty of people like to theorize that the new system is not really an insurance-based system. At the request of a number of MPs, we even crossed out any mention of insurance in the text of the bill. However, this is just a war of words. In reality, the situation is no different than buying a medical insurance policy.

If an individual has medical insurance, then they always know what kind of coverage they get based on their insurance policy: what the insurance provider pays for and what it does not. Similarly, the National Healthcare Service of Ukraine will provide a package of basic coverage to all citizens, what we call the program of healthcare guarantees that are enshrined in Ukrainian law. Every person will know what exactly the state will pay for in monetary terms. Typically, the Ministry is asked how much this insurance policy will cost, because everyone understands

that there's nothing free in this world, except, of course, Ukrainian medical services over the last 25 years.

The good news is that the insurance policy costs quite a bit but Ukrainians have already paid for it. We are introducing a model under which the system will be funded from general taxes—VAT and excise tax. Every time a Ukrainian buys something, 20% goes to the state budget. Every liter of gasoline that a Ukrainian buys includes UAH 6.70 for the budget, UAH 0.60 from every pack of cigarettes, and UAH 127.00 from every liter of pure alcohol. Even when Ukrainians buy medication, 7% goes to the budget. All this, Ukrainians are already paying today, even if they aren't officially employed anywhere.

The changes that begin in 2018 involve primary care: family doctors, pediatricians and internists.

### THE TIMELINE

In January 2018, a three-month preparatory phase kicks in, during which medical facilities are to start the process of becoming autonomous and prepare to join the new system. Meanwhile, work also begins on setting up the National Healthcare Service. In April, a consolidated nationwide campaign called “A



**An upgrade for patients.** Autonomous hospitals will receive more funding, including to buy new equipment



doctor in every family” starts. Under this campaign, every Ukrainian will choose a family doctor and sign a statement with them to that effect.

In July 2018, the first wave of communities—counties, cities and OTHs—comes on board in the new funding system and begins to get funding according to the new model. In October, the second wave of communities comes on board. By the end of 2018, the rest of the country’s medical facilities and communities should all be connected to the new system.

## WHY AUTONOMY?

In voting for healthcare reforms, MPs added one important change: both systems of funding will remain in place during a two-year transition period. In practice, this means that medical institutions will be able to join the reform process only in groups: at the county, municipality or as a consolidated territorial community (OTH). To do this, the local community council has to pass a resolution making all its facilities autonomous, after which they can join the reform process and sign a service contract with the National Healthcare Service.

In effect, the local council has to pass a resolution switching all local medical institutions from community healthcare facilities to non-commercial community enterprises. This change is fundamental as budget institutions, which is what healthcare facilities currently are, are only allowed to do what they are directly permitted to do, while a community enterprise can do anything that is not expressly prohibited.

After becoming autonomous and signing a contract, the medical facility will immediately gain 50% more funding for those patients who are registered on paper and 100% more for all patients that have personally signed a statement with their physician.

The Ministry’s position on autonomy is that it means moving away from the procedure of approving staff wages in the healthcare departments and administrations of local executive committees and administrations. Ukraine needs to establish a market of healthcare services with independent community enterprises. The critical detail is here that these are non-commercial enterprises, that is, the purpose of their work is not to make a profit but to care about the health of the residents of their community.

As non-commercial entities, these facilities will not be paying any profit taxes and will be able to direct all the funding they receive for their staff salaries. The main contractor for these autonomous facilities will be the National Healthcare Service. This model for organizing non-commercial community healthcare enterprises has worked well all over the world because it ensures three basic outcomes: physicians who are genuinely concerned about their patients, quality treatment and service, and the maximum possible salaries for doctors.

Autonomy means that organization, documentation and accounting all need to change. But this is common practice for all Ukrainian businesses and there is plenty of experience to draw on, meaning that there should not be major hold-ups in this area.

## ADMINISTRATOR VS PRACTITIONER

One more important change that the Ministry is preparing for and is ready to announce is the division of the post of head physician into a hospital administrator and a chief medical practitioner.

In keeping with world practice, the hospital administrator need not be a specialist with a medical degree as this individual will be working with contracts, logistics, organization of labor, finances, and so on. The position will be filled via an open competition following the standard procedure approved by the Cabinet of Ministers. The main job of the hospital administrator for the upcoming year will be launching the facility as an enterprise, instituting eHealth, and renovating the premises.

## Phasing in the new system

Changes to Ukraine’s healthcare system aren’t all going to happen tomorrow. The system will slowly transform itself over the course of a few years.

In 2018, the Ministry will start instituting primary care reform: family doctors, pediatricians and internists.

In 2019, plans are to start reforming outpatient specialists: cardiologists, otolaryngologists (ENT), gastroenterologists (GI) and so on.

In 2020, the law on healthcare reform will fully be in effect and changes will affect specialized treatment, that is, hospitals.

The director of medical practice, by contrast, has authority over all medical and healthcare issues in the facility. The main job of the director of medical practice in the upcoming year will be to institute a treatment system based on international guidelines and the ICPC-2 European system of diagnostics. The medical director will be engaged in consulting, training doctors, and maintaining professional oversight. The Ministry believes that this person should be elected via secret ballot by the physicians at the facility.

A future goal is to institute a system of self-government among the junior medical personnel.

## MY MAIN DOCTOR

Meanwhile, it’s not just the healthcare facility that should choose a physician, but every individual patient as well. In 2018, the Ministry will reboot the primary care network, which is the most important level of healthcare services for a long and healthy life.

Right now, there is no such service in Ukraine. Family doctors, pediatricians and internists lack the necessary resources to engage in effective treatment. Few Ukrainian doctors engage in diagnostics or treat according to international guidelines. Primary care physicians too often pass the buck by sending patients to specialists.

Next summer, the National Healthcare Service will begin to contract one set of services from autonomous medical facilities: patient care, diagnosis and treatment of common ailments, and support in the healthcare system. The main component in this set will be care, something that is quite new for Ukraine. Today, no one really looks after the health of ordinary Ukrainians.

From now on, the state will be paying for doctors to be interested in preventive care and to diagnose illnesses at earlier stages. Primary care is the foundation for the entire system to work well

## WHAT NEXT?

When Ukrainians see the advertisements for the campaign called “A doctor in every family” in their area, they can go choose a doctor and sign a declaration with that physician. The best way to choose this physician is the way people do it all over the world: recommendations. The idea is for people to ask friends and family, people whom they trust. The primary care physician is the person who will help them maintain their health for many years and will know an awful lot about them, so this doctor needs to be chosen with care. If recommendations don’t offer anything, then the next best thing will be for people to visit the nearest healthcare facility and talk with the doctors there.

There are three main criteria for choosing a doctor: interest in the patient’s specific issues, no advertisements or trademarks on any prescriptions, and a desire to keep improving as a physician. The individual should be able to tell their physicians what makes their life miserable, to look at their prescriptions, and to ask what they learned that was new in the last while. ■

# Three pillars of optimism

The Verkhovna Rada may have laid the foundations for pension reform in 2017. But that means we are only at the very beginnings of the transformation

**Pavlo Rozenko**, Deputy Prime Minister of Ukraine



**Shifting the legacy.** Ukraine has 12 million individuals paying into the Pension Fund, but 12.5mn pensioners. Reforms have a target of increasing the number of those paying into the Fund to at least 17mn in the next 30 years

First there is a gradual switch to a three-pillared pension system, which means that the current paygo or standardized state-run system will operate in parallel with accumulative pension plans, and private pension insurance. So far, the legislature has only managed to bring some order to the paygo system: pensions have been modernized, especially for those who have retired in the last 10 years. In the future, the updating process will take place at regular intervals that are legislated. The role of insurance seniority in calculating pensions has been increased, which means that legal employment is on the rise in Ukraine and the level of pension benefits will be directly related to insurance contributions, as well as salary levels.

I believe that legalizing wages is the main challenge for the government in 2018. We need to persuade people of all the advantages of legitimate wages. Thanks to a smart communication policy on this issue, the government should be able to add another 4 to 8 million individuals to its pension insurance rolls. Right now, Ukraine has 12 million individuals paying into the Pension Fund, but 12.5mn pensioners. This is clearly not a good situation and reforms have a target of increasing the number of those paying into the Fund to at least 17mn. That's the basic program for the next 30 years.

Real reforms will take place when both business and government begin to take the necessary steps to legalize employment. It's not just a matter of pension benefits but also of the labor market. By bringing labor out of the shadow economy, we will be able

to draw back those who have left Ukraine in search of better pay: Ukraine will be able to compete with foreign employers for qualified workers.

As of January 1, 2019, the accumulative pillar of the pension system will kick in. This will also be a major signal to the economy and to ordinary Ukrainians. This issue has been under discussion now for 15 years, but the short-sightedness of previous generations of politicians meant that the necessary steps were never taken. This left tens of thousands of Ukrainians with no way to earn a decent pension. Now that the decision has finally been made, there can be no turning back. The Verkhovna Rada has enough reform-minded deputies today to offer all the necessary conditions for Ukrainians to get additional pension insurance in 2019. Meanwhile, the economy will get an injection of funds that can be used over 20-25 years—which is extremely necessary to ensure sustainable development in Ukraine. This why, in my opinion, 2018 will be dedicated to establishing the necessary legislative base and to work up the accumulative system.

The third pillar of insurance in the pension system is already up and running. There are dozens of fairly successful private pension funds today. But the system is still not fully operational because too many Ukrainians are unaware of the advantages and benefits of this solution. However, it will become more widespread when the accumulative system is working properly. It looks like even in 2018 a substantial number of individuals and companies will start contributing to non-government pension funds. ■





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# Education as part of national security

What will change for teachers and students

**Lilia Hrynevych,**  
Minister of Education  
and Science

2018 should see the implementation of real reforms in public schools get underway. Starting this upcoming year, we will be developing the new standards of the New Ukrainian School, standards under which all children who enter first grade will study. This will mark the transition from schooling that stuffs children with theoretical information to an education that teaches children the kinds of skills that they need in the 21<sup>st</sup> century. All 22,000 of the country's pedagogues will have to undergo professional development courses. Today, the Ministry is working on the concept of this new teachers' education because new schools can only become a reality through new teachers.

## STEP BY STEP

In 2018, the Ministry will also be developing a mechanism for voluntary external independent certification of teachers that will grant those teachers who achieve it a 20% raise in salaries over the following three years. The Law "On public middle school and secondary education" and related Cabinet resolutions will contain the details. Another objective is to liberalize the process of improving qualifications so that teachers have more choice as to where and how they will do this: in post-degree institutions or in community organizations that specialize in innovative teaching methods.

WE NEED TO MOVE FROM THE TOP-DOWN, AUTHORITARIAN STYLE OF TEACHING TO A MORE HORIZONTAL SYSTEM:

TO A LEARNING PARTNERSHIP INVOLVING PARENTS, TEACHERS AND PUPILS

The social status of a teacher is one of the top priority issues for the Ministry. This year, teachers' salaries were raised 50% across the board and next year they will go up another 25%. Here, it's also important that the press talk about successful teachers and not only about scandals involving the profession.

Another objective for 2018 is the printing of textbooks. Pupils in first, fifth and 10th grades will all get new books. One of our challenges is to make them contemporary as to both content and presentation. For instance, Ukrainian history textbooks should include events that the country has lived through in the last four years. It's also important for books to be written in such a way that pupils can critically evaluate the information, question it when necessary and look for reliable sources of additional information. It's important to keep in mind that they, too, have been subjected to the hybrid war.

The new Law "On education" for the first time includes the requirement that children have access not just to the paper textbook but to the electronic version as well. The Ministry intends to develop proper e-books: competitions to produce literature for first graders will be announced. The e-textbooks that we have today are only PDF versions of the paper originals. A real e-book is more than just a digitized version but a multimedia resource with video materials, games, tests, and much more.

Electronic content is especially important for children in annexed Crimea and the occupied parts of Donbas, who are not sitting at desks in Ukrainian schools. Together with CSOs, Prometheus, EdEra and the Open Policy Foundation, the Ministry has developed courses to make it easier for pupils to take the external independent evaluation or ZNO exams by building the necessary skills.

One more objective for 2018 is to set up a State Service for Quality Education (SQE). Ukraine is in the process of decentralization right now. According to the new Law, local governments will be responsible for providing the educational process and establishing a learning environment, yet they have lost their oversight authority. International practice shows that the higher the level of decentralization, the more centralized quality control becomes. This is the reason for establishing the SQE out of the old State Inspection of Public Schools, with regional departments and the authority to control the quality of education.

In order to develop more inclusive education, the Ministry will set up a network of inclusivity resource centers in 2018. It will also be involved in the process of reorganizing boarding schools for children from poor families.

## THE LANGUAGE ISSUE

Further on, the agenda includes the implementation of the language provisions of the Law "On education." One factor that genuinely was not fully considered was the characteristics of ethnic minorities in Ukraine. It's one thing when the minority language belongs to the Slavic group and it's easier for children to master Ukrainian. It's another altogether when other ethnic groups, such as the Hungarians and Romanians, need more time to learn it. Starting in the 2018-19 school year, new textbooks in the Ukrainian language will be introduced in public schools where children from ethnic minorities are studying—at least in the first, fifth and 10th grades—and new teachers' guides to teaching this subject. The details of this aspect are going to be written into the Law "On public middle school and secondary education."

At the moment, the so-called Kivalov-Kolesnichenko version of the Law "On the foundations of state language policy" is still in effect. The Venice Commission concluded that this





PHOTO: VLAD KRAVCHUK, DOBA ONLINE NEWSPAPER

**A new foundation.** The concept of the reform aims at making responsibility for one's own life, choices and country one of the most valuable results of the Ukrainian school of the future

law degrades the status of the state language. The current edition of this language statute has remedied this situation. The Ministry would like to give more weight to Ukrainian as the state language, the main factor in the basic harmony, cohesiveness and integration of society.

As Minister, I believe that education is a factor in national security. When the territory of Ukraine includes homogeneous linguistic environments where the majority of the residents does now know or understand the state language, this reduces educational options for children and limits their development within the country. Such people become easier to manipulate. This is, in fact, what happened in Crimea.

One final objective for 2018 is setting up the National Agency for Quality Higher Education (NAQHE), which has been thwarted until now. Lacking such an institution means that there is no proper monitoring of the quality of post-secondary education. The Ministry also wants to change the financial model for higher education to be based on a formula that will take into account both the cost of training people in various specializations and the quality of education provided at a given institution. Meanwhile, the Ministry will complete the process of approving new competencies in educational standards that should go into effect as of Sept. 1, 2018. Last but not least, a repository of academic texts will begin to operate next year.

### POTENTIAL ROADBLOCKS

What could potentially block these plans? Understandably, laws are adopted in the legislature and so it's not easy to predict how quickly deputies will rework them. This is where the biggest risks lie.

The essence of the changes to Ukraine's education is that the Ministry wants to move away from a system that crams theoretical knowledge to a system that teaches the skills that are needed for life in the 21<sup>st</sup> century. Competence is the core of knowledge—the ability to solve life

and professional problems—and values. Ukraine needs to renew the content of education, establish a new kind of learning environment and, most importantly, new approaches to teaching and new models of pedagogical behavior. Pupils today easily lose the desire to learn if the information is not part and parcel of the process of resolving specific problems or group projects. This means that the teacher has to expend more energy, prepare more for lessons, and be able to manage the class at a high level. The success of the individual today depends on a slew of competencies that include civil and social competence, the ability to communicate with others, to maintain one's own health, and to control one's emotional state, to engage in cultural activities, in lifelong learning, critical thinking, enterprise and innovation.

To achieve this, education needs to move from the top-down, authoritarian style of teaching to a more horizontal system: to interaction among parents, teachers and pupils—in short, a learning partnership. This is probably the most challenging objective as it depends not only on teachers learning new pedagogical techniques and technology but also on teachers altering their awareness. Unfortunately, this could be the source of the most resistance to educational reforms. Our slogan is very simple: Change the Ukrainian school into a school for contemporary life.

An elite not only needs to be brought up, it also needs to be maintained. Right now, Ukraine's intellectual potential is moving from the country abroad because young people see the opportunities to develop themselves there, both in academia and in business. And, of course, opportunities for a better life. To change this, Ukrainians need to adopt their own country. This doesn't mean yelling "Traitors!" at every step but proposing real options for changing the situation, looking for solutions. Responsibility for one's own life, for one's choices and for one's country will be one of the most valuable results of the Ukrainian school of the future. ■

# When there are too many cooks

Prospects for Ukraine's cyberspace and recommendations for those who want to protect it

Sean Townsend,  
spokesperson, Ukrainian Cyber Alliance

The fact is that Ukraine has no cyber security at all. And, as it often happens in other sectors, the state's response to threats comes down to adding useless new regulations, instituting bans and expanding powers for law enforcement agencies. Sometimes there are attempts to replace employees who are supposed to do the job with expensive software or equipment. Endless declarations and doctrines are issued. "Don't know what to do? Let's try prohibiting something!"

Over 2017, Presidential Decree #133 "On the application of personal special commercial and other restrictive measures (sanctions)" not only introduces in commercial restrictions but also online censorship. Furthermore, Bill #216a, which has passed first reading, designates the SBU, MIA, State Special Communications and Data Protection Service (SCDPS), CERT-UA, the Defense Ministry and the Cabinet, all as "cyber security entities." Yet none of these agencies can even secure its own systems, as was evident during the last massive virus attack in Ukraine, so how are they supposed to protect others?

SECURITY CANNOT BE ORDERED FROM ABOVE OR BOUGHT AT THE MARKET. IT'S A PROCESS IN WHICH RANK-AND-FILE WORKERS NEED TO UNDERSTAND THAT THEY ARE RESPONSIBLE FOR THE INFORMATION ENTRUSTED TO THEM.

DEREGULATION COULD HELP IMPROVE THE SITUATION

The Ukrainian Cyber Alliance is engaged not only in protecting national data resources but also in attacking the enemy's network. After the adoption of the bill, the Alliance wanted to learn how those state entities responsible for security would actually defend themselves. In the process of this research, only non-intrusive, legal methods were used. Unfortunately, what the Alliance came up with was that, even after the destructive viral attacks involving NotPetya and BadRabbit, nothing changed. CERT-UA, individual departments of the National Police—including the cyber security unit!—and units of the Interior Ministry have been broken or remain vulnerable to hacking.

For instance, the data resources of the National Academy of Internal Affairs were placed on an e-disk with open access, which meant that anyone who wanted to could access confidential and personal infor-

mation without any obstacles or passwords. The disk included lists of computers on the NAIA's intranet, including the bookkeeping and command departments, a database of passwords and lists of student officers—everything on a silver platter if you just knew the address. Certain critical infrastructure items also remained without protection, including the water supply system. If there were a coordinated attack, Ukraine's data resources wouldn't last even 24 hours.

Frankly, the government is trying to manage what it doesn't even have and new legislation regulates a void. Security cannot be ordered from above or bought at the market. It's a process in which rank-and-file workers need to understand that they are responsible for the information entrusted to them and then to choose a coordinator or facilitator for the exchange of best practice. Logically, CERT-UA should be this kind of intermediary. In practice, SCDPS simply sends confused instructions down the line that it doesn't even carry out itself. Officials think that problems with computer systems affect anyone and everyone, just not themselves. In fact, it's the exact opposite and deregulation could help improve the situation. If an instruction bears no relation to reality, it has to be withdrawn. If workers have been unable to ensure the protection of information, they should be let go and the function outsourced. If no one visits the site of a given government institution, the site should be closed.

Every company should have an employee who is capable of responding to any kind of computer security breach and able to answer any questions that specialists and the public might have. If no such person can be found, then a private or state company can support this function in several enterprises or institutions under contract. The main thing is not pretending all along that everything is hunky-dory.

In 2018, as before, Ukraine could see massive cyber attacks on the country's data resources. This is something the country must both get used to and prepare against. Interestingly, none of those that have taken place so far has been unusually complicated. The main entry point for the hackers was infected Office documents that contained Trojan horses and phishing. This means that to counter hacker attacks in the future, the perimeter of an organization's networks needs to be protected and all users need to follow basic security rules: don't just open things indiscriminately; don't





**Get ready!** In 2018, as before, Ukraine could see massive cyber attacks on the country's data resources. This is something the country must both get used to and prepare against

trust links in mail from unknown sources; and regularly upgrade your system and antivirus programs.

This also applies to smart phones, whose security functions should never be disabled. The end-user's level of computer savviness plays a very major role, of course, but for the necessary level to be reached, memorandums, workshops and cyber education are not enough. Employees need to hear honestly about any incidents that have happened without pretending otherwise. Only in this way will others learn on the basis of specific real-world examples.

Individuals need to understand that everything that is on their computers is their personal responsibility and that of the system administrator of their organization if the equipment belongs to it—most certainly not of the SBU and MIA. But so far, this widespread irresponsibility and the inability to communicate with the public is Ukraine's Achilles' heel. Instead of remedying the latter, the government often tries to use the legislative whip. What additional powers should the MIA or other state agencies gain in order to

stop leaving their passwords to mail servers in practically open access?

As to Ukraine's enemies, their hacking activity has always been half-accidental and unorganized in nature and is now the cause of endless scandals, from cyber espionage to interference in elections in various countries. These scandals do little except to get in the way, because those who caused them are themselves not very happy that they've created such messes. But given the very low level of security in Ukraine's public sector, attacks will continue to come. Moreover, they could well be larger scale and more destructive than before.

Ukraine keeps stepping on the same rake, over and over again: phishing, corrupted documents, Flash installers that imitate the upgrading of a program or have plug-ins that install dangerous software, supply chain programs, where the virus is built into legitimate software and gets to the user during an upgrade, as in the case of M.E.Doc in Ukraine or Kaspersky and the NSA in the US. ■

# Debt and uncertainty

What financial risks await Ukraine next year

Lyubomyr Shavalyuk



**Ups and downs.** The main risk is connected to whether Ukraine will continue its cooperation with the International Monetary Fund and receive new loan tranches

2017 was productive for Ukraine: education, health care and judiciary reforms were passed, preparations for privatisation showed some progress, so did road repairs and a number of other areas.

The adherents of the old system that are making every effort to keep everything how it used to be have no reason to be dissatisfied either. Corrupt officials are not punished and the operations of anti-corruption bodies are constantly impeded. A legal vacuum has given space to a massive wave of corporate raiding and other economic injustice.

Both the triumphs and failures of Ukraine in 2017 had a common feature: they came about amidst macroeconomic stability. The economy grew, interest rates declined and the hryvnia grew in value over most of the year. The number and scale of national crises have reduced. That left proactive people with some free time to spend at their own discretion: some created new things and tried to make changes for the better, while others developed a variety of corrupt schemes and implemented them. The year turned out to be a busy one for all areas of the economy.

In 2018, this will probably not be the case. The country is returning to a phase of high debt payments. None of the available sources of funds seem reliable in the current circumstances. Whether the money will come in or not is the unanswered question that will keep Ukrainians anxious in 2018 and hang a sword of Damocles over the economy threatening to quash the few weak green shoots of growth.

The main risk is connected to whether Ukraine will continue its cooperation with the International Monetary Fund and receive new loan tranches. The April IMF memorandum refers to four tranches worth a total of US \$3.8 billion that will be allocated to Ukraine in 2018. The National Bank (NBU) recently released a slightly lower estimate of US \$3.5 billion from two tranches of US \$2 billion and US \$1.5 billion. If the history of Ukraine's relationship with the IMF since the Maidan is any indication, Kyiv is quite unlikely to receive these amounts.

Firstly, over the past two years, Ukraine managed to receive only one tranche per year. Objectively, this is a result of the low institutional capacity for carrying out reforms. This factor will not go anywhere in 2018.



Secondly, Ukraine received more than US \$2 billion from the IMF only in 2014 and 2015, when the country would have fallen into chaos without this money. Even now, it cannot do without IMF loans to the extent that Ukraine's politicians believe.

Thirdly, presidential and parliamentary elections are scheduled for 2019. The election campaign has de-facto already begun: all key politicians and parties have directly or indirectly expressed their willingness to run. Under these circumstances, the best tactics for the opposition aimed at increasing its rates next year would be not to vote for or support any government initiative, then publicly criticise it for not doing anything. Even members of the parliamentary coalition are not immune to such escapades: the latest congress of the Yatseniuk-led Narodnyi Front (People's Front), a partner in the coalition, attended by Prime Minister Hroysman, suggests that the coalition could regroup in a way that will impact the ability of the Verkhovna Rada to make important decisions. So it is very likely that in 2018 parliament will be deadlocked and unable to pass reform bills. If there are no reforms, there will be no money. At least, that is the principle that has been followed by the IMF so far.

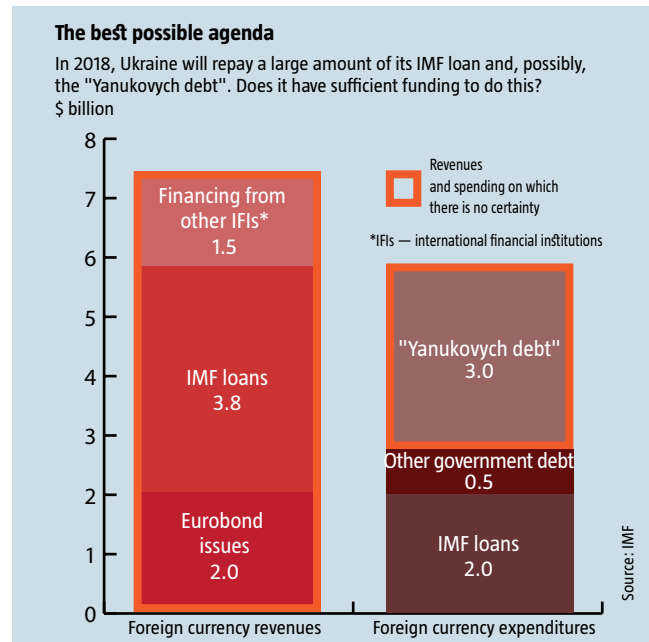
After the Maidan, Ukraine gained powerful geopolitical partners, including the European Union and the U.S. It seems that they are becoming more and more aware of what needs to be done to get Ukraine out of this hole. In this context, the IMF can be seen as their tool: while the latest two tranches were not a present to Ukraine, a number of unfulfilled promises were still ignored. It may well be the case that, wishing to support the current trajectory of Ukraine and the politicians who are guaranteed to follow it, the United States will help the IMF continue to allocate funding to Ukraine. But hardly to the tune of US \$3.5 billion.

If there are no new loans from the IMF, then money will not be received from other international financial institutions (IFIs) either. That is the way it has been thus far. The IMF estimates this funding to be worth about US \$1.5 billion, of which US \$0.5 billion should be allocated by the World Bank.

A new hope emerged at the end of 2017. The European Plan for Ukraine has been billed as an analogue of the Marshall Plan. If implemented, Ukraine would receive €5 billion annually from the EU for development projects in return for progress in reforms. The plan is intended to motivate Ukrainian authorities to change the country and move towards the European Union. According to the Lithuanian politicians who initiated the plan, they are not lacking in resolve. Now it is only necessary to win over those European politicians who are sceptical about Ukraine, which is fully justified in view of the history of its relationships with Western partners. If the plan can be approved, the first funding may well come to Ukraine in 2018. But for now, Ukraine can only hope – 2018 will show if this is justified.

Another significant risk is related to whether US \$2bn can be raised by issuing government Eurobonds, as the IMF predicted in its April memorandum. A few months ago, the government received US \$3 billion by releasing Eurobonds for the first time in more than four years. If you look at the situation through the prism of this event and the euphoria it caused in certain circles, then US \$2 billion does not seem like such a large amount. But if you look closely, in 2018 the situation will be radically different.

First of all, elections are approaching and it is customary for foreign investors to put off important decisions during the pre-election period. In addition, the longer its break in cooperation with the IMF, the more Ukraine itself and its



ability to service its own debts will be doubted, and the less demand there will be for Ukrainian government's bonds. Finally, this year's bond issue took place at a time when everyone who were seeking to raise money on international financial markets, even if highly risky, could do that. It is hard to say whether this will persist in 2018. In any case, even if Ukraine is able to raise funds on global capital markets in 2018, the cost of these loans will be significantly higher than in 2017. In this case, the very fact of issuing Eurobonds could be a signal of desperation for investors, rather than a sign of the government's success.

Uncertainty about external sources of financing raises another question: will it be possible to obtain more than US \$7 billion in 2018? The government is showing off its confidence, including through 108 billion hryvnias, or nearly US \$4 million, of new external debt in the draft budget. If it turns out that the state is unable to receive this amount in debt, all the above-mentioned risks could surface as the budget is implemented.

The last but not least financial risk is Viktor Yanukovych's debt. The US \$3 billion that Russia de-jure lent to Ukraine and Putin de-facto gave Yanukovych at the end of 2013 has not gone anywhere. The court in London could make its final decision very soon. Then Ukraine will probably have to repay the debt. If this happens in 2018, a commitment that has been hanging in the air will come crashing down at a most inappropriate time.

In the worst-case scenario for 2018, Ukraine's debt payments will exceed US \$5 billion. The situation is complicated by the fact that the current account deficit in the balance of payments is increasing and foreign currency income from direct investment and private debt is low. This black hole could consume one third of gold and foreign currency reserves. Then the demonstrative confidence of Ukrainian government officials and MPs will no longer be enough for investors: they will queue up to leave and the country will go back to where it started. A few months before the election, this could have a serious impact on the fate of the country. Even if that does not happen, all of 2018 will be marked by the risks and fears that it is possible. ■

# A non-disposable issue

How the refusal to recycle waste ruins Ukraine

Blerta Cela, Deputy Director of UNDP Ukraine



**Overflown.** Ukraine produces 45 million m3 of waste per year – roughly 50 full Olympic-size swimming pools per day. A mere 6% of this waste is recycled

Ukrainian communities, especially rural ones, have few opportunities to safely dispose of waste. Waste collection and treatment in isolated areas is challenging given the cost of transporting waste to treatment facilities. This has resulted in toxic, unsafe waste heaps that continue to grow after years of illegal dumping. Critical water supplies got poisoned and tracts of farmland became unsafe for crops.

Ukraine produces 45 million m3 of waste per year – roughly 50 full Olympic-size swimming pools per day. A mere 6% of this waste is recycled, a shockingly low

ing for waste indifferently strewn alongside roadsides, in forests or wherever convenient. Unofficial and illegal landfills pose a major threat to human health and the environment, deteriorating the quality of drinking water, polluting the atmosphere and wreaking havoc on the sanitary and hygienic conditions of soil.

Lviv, a picturesque city in Western Ukraine, starkly illustrates the urgency of the problem. A 33-hectare landfill created in the 1960s caught fire in 2016 spreading acrid fumes throughout the area. Following the landfill's closure, the city was swamped with litter, pressurising local authorities to find alternatives.

How can Ukraine address such a complex issue?

**Greater and faster policy-level progress** is crucial. A National Waste Strategy is to be adopted in the next few months. The next step will be to ensure the Strategy is effectively carried out with the full participation of all relevant actors. Notably, Ukraine needs to continue moving forward on integrating and adopting EU laws on waste management as part of the EU-Ukraine association agreement. Such policies should strongly capitalise on what has proven successful in Europe, such as the Extended Producer Responsibility (EPR), as included in the National Waste Strategy. The EPR allocates responsibility to manufacturers for the return of products, their recycling and final disposal.

**Waste collection charges need to guarantee a sustainable waste management system.** Currently at 0.35 % of monthly household charges, current household waste collection charge is approximately US \$1 for a family of four in a 2-bedroom apartment. This amount does not cover waste management providers' basic operating costs. Policymakers should increase the waste collection charge to the global average of 1 % of monthly household charges, as it is currently under discussion.

Developing an efficient and effective/functional waste management system in Ukraine will require **assembling robust and reliable baseline data on features such as waste composition, quantities, sector breakdowns and geographic distribution.** A high-quality comprehensive dataset is also necessary to attract private-sector interest for the market potential of waste management. Adequate policies and legislation are urgently needed to develop adequate data and research capacity in Ukraine.

**A favourable market environment** is crucially important to attract private sector investment - which could develop the necessary infrastructure for waste collection and treatment. Ukraine needs more sanitary landfills meeting technical standards to isolate waste from communities – and water supplies – until it safely degrades. Another option, **Waste to Energy (WtE)**, is a widely-adopted solution to waste management. Generating energy and/or heat from the

DEVELOPING WASTE TO ENERGY INFRASTRUCTURE IN UKRAINE WILL NOT ONLY REQUIRE A PARADIGM SHIFT IN WASTE HANDLING, TO SEPARATE WASTE INTO APPROPRIATE STREAMS, BUT ALSO BILLIONS OF DOLLARS OF INVESTMENTS

amount compared to EU countries' average of 40% of municipal solid waste (and targeting 65% by 2030). Much of Ukraine's waste is spread across 7,000 legal landfills, a number dwarfed by an alleged 35,000 illegal dumpsites. These illicit sites are used by upwards of 22% of the 45 million Ukrainians; there is no account-

primary treatment of waste (i.e. through burning), it is put to particularly effective use in Europe. For example, Sweden incinerates over 50 % of its waste for energy; Switzerland converts 120,000 tonnes of municipal waste into 63 gigawatts of electricity and 144 gigawatt-hours of district heating.

Developing WtE infrastructure in Ukraine, however, will not only require a paradigm shift in waste handling, to separate waste into appropriate streams, but also billions of dollars of investments. Public-private partnerships and support could help secure such investments. Engagement with the private sector will depend on progressive policies that are underpinned by transparency and a regulated, functional free market.

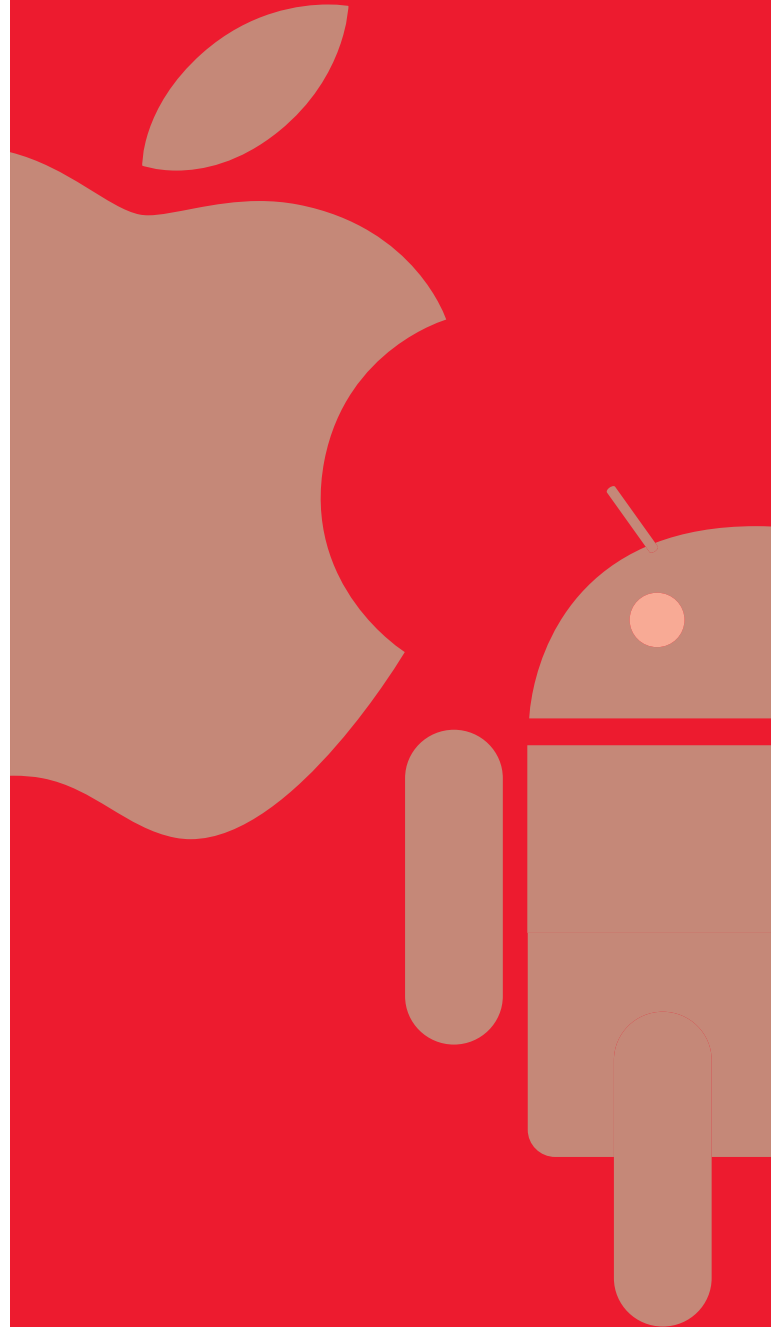
A more favourable policy environment would help small waste-management businesses to develop. For example, GaIPET is a plastic recycling business based in the outskirts of Lviv. The company purchases PET plastic bottles and converts them into pellets to make jacket stuffing, plastic vials and other products. If collection was more widespread, this company could increase production by two thirds. By increasing the number of PET collection points, making it easier and more convenient for the public to access them, instituting a deposit-refund system for plastic bottles, and changing legislation to enforce recycling of PET plastics, amounts collected would certainly go up.

Finally, to supplement infrastructure investments, Ukraine needs to **build public awareness of the waste management problem and promote a reduce-reuse-recycle culture in households and businesses**. To effectively implement the National Waste Strategy, the public must be educated on the need for recycling – and how to do it, for example, which materials can be recycled or the benefits of separating non-hazardous organic waste for fertilizer. To reap the maximum benefits of a recycling system, the public must be fully engaged, understand how the system works, and trust that their recycling efforts are not in vain.

The United Nations Development Programme has long been supporting Ukraine to help improve service provision and living conditions and make an actual difference in people's lives. When talking about waste management, UNDP can leverage its strong community presence throughout Ukraine, while bringing its global experience to speed up reforms in the waste management sector in Ukraine.

Waste-related challenges, as environmental problems in general, double as opportunities - for example to push forward the green economy agenda, providing a means for Ukrainians to improve their standard of living, as well as lifting the most vulnerable out of poverty. Sustainable change requires a holistic approach including bold policy, education, infrastructure and incentives and disincentives.

Collective commitment is needed from all partners: government, private sector, civil society, and the wider public - not to mention, a continuation of the battle against corruption that risks to undermine progress. In spite of the challenges, Ukraine can make substantial progress – but only if it finds dedication and creativity to address its waste management problems. ■





# A one-trick pony?

What, ultimately, is the essence and the purpose of Oleh Liashko, the leader of the modern radicals?

Roman Malko



**A symbol of time.** Liashko was able to launch himself politically on the field of populism

During the snap presidential election in 2014, more than 1.5 million Ukrainians wanted to see this controversial politician lead their country. At the time, Oleh Liashko picked up 8.3% of the vote, coming third among 20 candidates, although most opinion polls had given him only 3-6% support. The Radical Party leader's result was one of the big surprises of the 2014 election. With his outrageous statements and clownish manner, this man, whom few took especially seriously, was suddenly breathing down the neck of the one-time people's favorite, Yulia Tymoshenko, who had been a political prisoner under the criminal Yanukovich regime. The lady with the braid managed only 12.8%, while Liashko outran an entire pack of political greybeards.

Completely theoretically—had Poroshenko and Tymoshenko decided not to run at the last minute, Liashko might very well have won the seat, as his nearest rivals were considerably behind him. Only Anatoliy Hrytsenko, with 6.0%, might have been in a position to beat him in a second round, whereas Yanukovich-era mastodons like Serhiy Tihipko, with 4.6% and Mikhail Dobkin, with 2.7%, had no chance at all.

But by the time the election to the Verkhovna Rada came around five months later, Liashko was not doing so well. This time, predictions that his party would come in with as much as 12% proved overly optimistic: the Radical Party got only 7.4% and 22 seats in the new legislature. Still, this was enough for Liashko to continue to join the political chess game and to prove quite useful.

Since then, much has changed. The Liashko “family” in the Rada has faced some stress and strain: the party went down to 20, it left the coalition, and a few faces were changed. Liashko's own ratings have also slipped somewhat: if we believe the latest opinion polls, about 5.6% of those Ukrainians who plan to go to the polls at the next election are prepared to vote for him. However, this is the same that was predicted for him in the 2014 presidential race, so there's nothing new there. What's more, much can change between now and 2019. If he manages to get a good PR team, he could surprise us all once again.

More importantly, however, does Liashko himself really want to be president? What is his real goal? Perhaps, deep down inside his soul, he wants to. Maybe he even believes such a miracle will come to pass sometime in the future. Certainly his supporters are talking in those terms. But to dream and to measure your real chances are two very different things. Liashko is both aware of this and is taking the measure. There aren't many individuals with his particular style and background. Of course, there are always exceptions to the rule, such as twice-convicted presidents and presidents who were movie stars—and Liashko is not especially worse.

Still, this role is not for him. More than likely it doesn't really interest him, and not just because it would clip his wings too much. The prize is simply not worth the effort and

PHOTO: UNIAN

the time spent. To become president is to lose the love of the people. Ukrainians don't respect their presidents and this is something Liashko understands perfectly well. Besides, Ukraine's "top radical" is probably more interested in expanding his political base than in aiming for an elusive goal.

### WHO IS MISTER LIASHKO?

The real Oleh Liashko is not at all the person Ukrainians are used to seeing on their TV screens insist those who have known him more closely for a long time. To understand Liashko, it's worth starting with his childhood. He grew up in an orphanage, which gave him a very strong survival instinct. To survive in that environment, you had to be strong, smart, and respond more swiftly than others. On top of that, Liashko is an extrovert, meaning someone who can successfully interact with the world around him for his own benefit. Everything he does is by way of surviving—only the shape shifts. To keep moving is his main impulse. Everything else is circumstantial.

Nor is Liashko lying when he says that he doesn't owe anyone anything because he achieved everything on his own. Indeed, the people who may have helped him along in some way did so not out of pity or sympathy but because they saw a rare resource in him that they wanted to use in their own interests. So it's no surprise that Liashko is quite prepared to drop the patrons from whom he took something just yesterday. His conscience does not get in the way because he agreed from the start that the only thing that mattered was mutual benefit: others for his, and he for theirs. A good example is how Liashko behaved with his faction-mate, Ihor Popov, when the other MP's son found himself in trouble. There was no empathy, no understanding, just a cold political calculus. "Get lost, buddy, and fix your problems on your own. We don't want the party's name damaged."

There are at least two Liashkos: the public face of the Ukrainian Zhirinovsky, and the real man. Comparisons to Zhirinovsky are, to be honest, not quite appropriate. The Russian MP is spiteful and schizophrenic, whereas Liashko, despite his shock value, is fairly balanced. Those who know him well say that, one-on-one, he is really quite thoughtful, practical-minded and without the kinks that his public persona displays. And if he promises personally to do something, he does it. So we have to separate this public Liashko as image from the private Liashko as real. How he manages to be constantly in these two separate roles is a good question. After all, this is hard and can only be accomplished if the person can organically combine their I and the I of their image. Clearly, Liashko has some natural artistic flair and a good dollop of what we call charisma.

Nor is Liashko one of those who absolutely and fully ignores his own ego in his public actions. The situation with Popov was a negative example, but there are also positive ones. He knows how to act the fool without overplaying it, to remain balanced at that level of his audience at a given point. He talks in that manner and about those things that his collocutors exhibit. He is able to match anyone and is not afraid of people, because he is able to approach them and to find common ground. It's this that removes the barrier that typically exists between voters and a politician. With diplomats, he won't mention pigs and cows and cleans up his rural accent: he has a good vocabulary and education.

### THE NATIONAL WEATHERVANE

Those who have watched Liashko literally grow up before their very eyes, who know him since early days when he showed up in Kyiv, say that possibly his most important trait

is the ability and desire to learn and improve himself. This appears to be the truth and seems to have helped him get ahead—even if it's sometimes been over others' bodies.

Overall, Liashko comes across as psychologically stable and intact. A real master of the populist rant, he is probably the best in the field. In the jostling crowd of domestic demagogues, Liashko is clearly the brightest star, compared to whom all the Kaplins and Korolevskas are mere amateurs. He occasionally even outshines a veteran with two decades under her belt like Yulia Tymoshenko. Of course, Liashko has a good team of political handlers who pay attention to public opinion and advise him how and what to say. In the end, though, he makes his own decisions and his speeches are by and large off-the-cuff. It makes imminent sense when nature truly gifted Liashko with many valuable qualities and skills that he has managed to develop as well as he has thanks to his assertiveness, his willingness to learn and, most of all, his desire to rise from the bottom. This is precisely what others put their money on in him—even at the risk that he will toss them. The product is clearly worth the price being asked.

Of course, if the situation in Ukraine were different and required a different approach, Liashko would probably behave differently. Given that he's in politics, he thinks in categories of scale. He appeals, he attracts support, and he

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grows his political force to expand his political reach. The key to Liashko's behavior is his response to the demands of the electorate. That's his coin and this is the only thing he spends it on. It's not so much that he shapes opinion but that he relays it in the way that others are saying or want to hear. This is, in fact, much easier than to be the leader, safer and, as it happens, more profitable. Moreover, Liashko has no desire to lead. The role of a kind of national weathervane—a populist—suits him very well. And let's face it, he plays this role very well indeed.

Ultimately, Liashko seems to have chosen the path that is best for his character and for the goal towards which he is moving. There's no other way to capture the masses that continue to long for cheap sausage and their beloved soviet paradise than through populism. Why invent the wheel when everything is running smoothly and will do so for a long time yet?

### THE LIASHKO TEAM

For the most part, the Radical Party of Liashko faction in the Rada is a group of random individuals who are not connected by one ideology or another. Without Liashko himself, the RPL faction would probably not be, likewise the Party—assuming that there is such a creature. Everything depends on him—on his ability to cut deals, and to calculate and win any bonuses. On one hand, one man in a field is not an army, no matter how clever or rich he is. On the other, this is no empty oligarchic project, either, and those who claim that Liashko is a Liovochkin project or, now, Akhmetov's, based on his opportunistic partnerships, are deeply mistaken. Liashko's Radical Party is just that—Liashko's—, and who puts money into it is not especially important.

Sponsors and fellow-travelers alike are plenty. Some of them sit next to the fearless leader in the Rada, such as well-known yachtman Serhiy Rybalko, a maker of snack foods, crackers and other crunchy stuff, property developer Serhiy Skuratovskiy, and Aliona Kosheliova, whose father runs the Kharkiv Liquor & Horilka Plant. Liashko apparently also has had some cash injections from the Volyn-based Continuum Business Group and from mid-sized landowners in Poltava. The presence of former Bionic Hill director Viktor Halasiuk shows that even the interests of one-time Kuchma man and odious oligarch, Vasyl Khmelnytskyi, are represented in this potpourri of a group.

Nor are these the most generous of the Radical Party's donors. It's definitely possible that Yanukovich's Chief-of-Staff Serhiy Liovochkin is also sponsoring Liashko and the populist's support for some positions favoring Rinat Akhmetov is unlikely to be given for free, either. It's even possible that a percentage is dripping into party coffers in exchange for certain services to Bankova, the Presidential Administration, as well. The more powerful RPL gets, the bigger the injections will be.

### A DEMOCRAT IN DEMAGOGUE'S CLOTHING?

Despite his authoritarian leadership style, in relations with his colleagues, Liashko is fairly democratic. Every one of his MPs gets carte blanche to make what they can however they can, as long as it doesn't cast a shadow on the party itself. Generally, this means lobbying for certain businesses, hiring and firing, and so on. Sometimes it becomes quite absurd, when RPL members are paid to promote the interests of obvious political rivals.

THE KEY TO LIASHKO'S BEHAVIOR IS HIS RESPONSE TO THE DEMANDS OF THE ELECTORATE. IT'S NOT SO MUCH THAT HE SHAPES OPINION BUT THAT HE RELAYS IT IN THE WAY THAT OTHERS ARE SAYING OR WANT TO HEAR. THIS IS MUCH EASIER THAN TO BE THE LEADER, SAFER AND, AS IT HAPPENS, MORE PROFITABLE

For instance, what to make of the recent scandal around the appointment of a director to the National Kyievo-Pechersk Historical and Cultural Preserve, for which one of Liashko's allies decided to try himself and even announced from the Rada tribune that the Lavra was in danger of being destroyed. RPL sources say that the MP was determined to save the shrine, not out of patriotic fervor... or at least not entirely. The sponsor of this campaign was apparently his colleague from the Opposition Bloc, Vadim Novinsky, who is very keen to preserve the old leadership of the Kyiv-Pechersk Preserve. But that's not the most interesting point. Before going ahead with this "project," the hireling decided to get permission from his boss, who supposedly said, "Fine, do what you want as long as it doesn't damage the Party's image. The minute you cross some ideological church interests and Filaret (Patriarch of the Ukrainian Orthodox Church, Kyiv Patriarchate – Ed.) calls me to ask about it, you're history."

Stories like this are actually not that rare but they are so typical for Ukraine's political class that they don't even put a dent in anyone's reputation these days. On the contrary, they are more likely to improve the cohesiveness of the team and the encircling support that is so important at difficult moments on political wars. The success of the RPL faction, which has managed to take a motley crew at the beginning and become a virtual monolith today, confirms this. True,

the desire to stay in big politics and not on the margins also plays a big role in consolidating a team. This, no doubt, is equally important for the leader and for all his fighters.

To say that the Radical Party is a completely accidental lot is also not right. Among those who have the same relationship to politics as a sea lion does to lions, there are smart and really patriotically-inclined individuals as well. Before, people might have questioned what united them other than Liashko himself, but this is no longer the case. Overall, everything is more-or-less understandable. The role of the chained guard dog, who won't let this oligarchic government sleep yet is able to support this government of oligarchs when necessary and carry out any number of covert commands is highly valued on this market and will continue to be so for a long time yet.

### THE ULTIMATE GOAL

Given all the chaos and disorder in Ukraine today, and all the talk about some social lifts and other nonsense, the political system remains fairly inaccessible. Most of its players are either direct or modified products of the soviet-muscovite world. At best, they might be the children of such individuals. Liashko clearly is not part of that cohort: he's an outsider and he knows that. It's an environment that doesn't like or respect the poor. After all, poverty is humiliating for an ambitious person, let alone someone who has clawed his way out of the very bottom of the well.

This is where we can find the answer to why the leader of the Radicals lives so well... just take a look at Liashko's estate and his income declaration. But his real goal is not money but power—the more, the better. This he can achieve only when his theatrical talents remain in demand on the political stage as long as possible. The minute Liashko becomes unnecessary or falls, he will be trampled and tossed out like so much trash.

Today, everybody has to take him into account, because that's the way it is. For now. Because you have to stay afloat and build up strength. And when you have it, you can cut deals—with Petro, with Rinat, or with whomever you want. And so movement is the key, movement and conquering political territory. When the faction is big, it has allies, it has opportunities to influence the process, to horse-trade, to raise bets. The bigger the faction, the broader its options: join the next coalition, or even take part in forming the next Cabinet, shuffling ministers, and so on. You can become premier, speaker or even president: these are all challenges that are resolved based on what's been accumulated. In wonderful Ukraine, everything is possible.

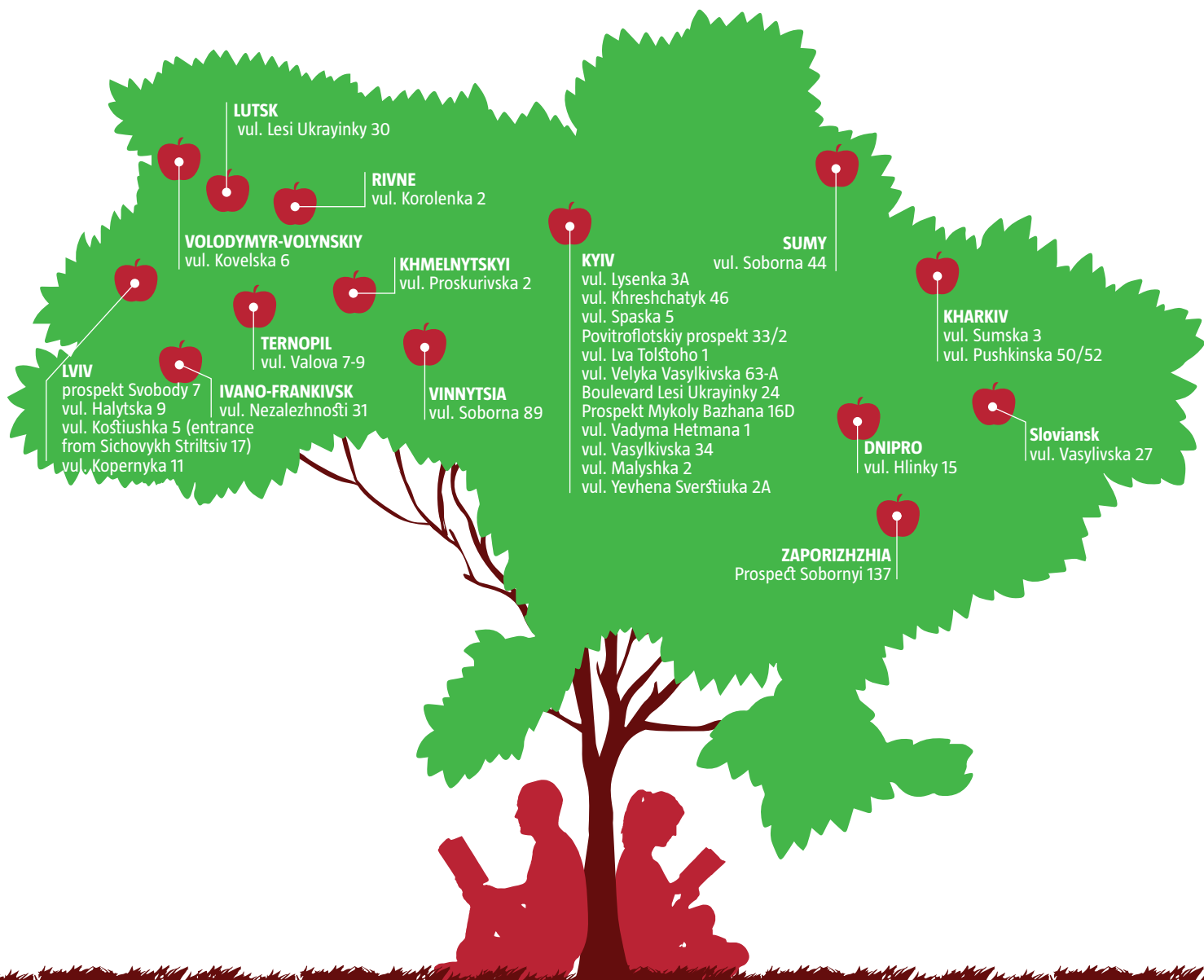
But, leaving the element of surprise aside, it's likely that Liashko cannot really expect to climb any further heights and occupying his niche firmly is the best he can hope for. The experience of others has shown that you're better off glowing for a long time as a populist than burning out as a top official. And so the main challenge is to accumulate political capital and see what happens.

Without Liashko, domestic politics would be a lot less exciting in Ukraine: he brightens the landscape considerably, although he never really adds much to it. And so the wind blows. Although the Radical's leader is very media-genic and present everywhere, visible on every channel, he's seen too often like a kind of hired clown. Still, this is a costly project—and not alone because of the appetites of the leader and his *camarilla*. As long as everyone is investing in him—and this they are—it means he's doing what he's expected to do. Liashko's playing his role, carrying out certain assignments, and, possibly, will become the gun that's fired at the designated point in the play. ■





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# Pavlo Zhebrivsky:

“We should popularize historic knowledge about the region”

Interviewed by  
**Dmytro Krapyenko**



*The Ukrainian Week* spoke to the head of the Donetsk Civil Military Administration Pavlo Zhebrivsky about the terms on which the Donbas can be reintegrated, the cooperation with civil activists and economic aspects of restoring the region.

**What does the Donbas need? A reintegration that is widely discussed today, or an integration because the region was never fully integrated with the rest of Ukraine?**

Let's begin with a discussion on how relevant the toponym Donbas is today. Bakhmut, Lyman, Sloviansk and Kramatorsk make up Southern Slobozhanshchyna. In the South, there are Mariupol, Volnovakha, Nikolske and Manhush counties — these make the Pre-Azov region. Out of all the places of Donetsk Oblast located on the Ukraine-controlled territory, the Donbas covers Toretsk, Pokrovske, Myrnohorod, Novohradivka, Selydove and Vuhledar. This means that the Donbas as a name is only relevant for two thirds of the liberated Donetsk Oblast. By the way, it's a soviet and ideological title used today in speculations aimed at keeping the proletarian myth of the region alive. It is used in political and economic manipulations.

It is important to win on the humanitarian scale. Two popular myths in Donetsk Oblast today are about Catherine the Great and the Donbas of the Sergo Ordzhonikidze era (Ordzhonikidze was a close associate of Joseph Stalin — **Ed.**). We have things to counter these: the Sarmatian period, the Cossacks. We should popularize historic knowledge about the region. That is what we are working on. We are ready to give grants to support such programs.

It is also extremely important to work with the young people. We are now building a network of core schools and

establishing youth centers. This is an extremely valuable factor in shaping the mindset of the new generation. I'll give you an example from everyday life: a child comes to a school, sees it nicely fixed, well equipped, clean and beautiful. Then he or she goes home and tells the parents: should we clean our home too? It is easier to deal with the youth than with people aged over 50. But they can be influenced through their children.

I recently hosted a hearing on the Pearl of Donetsk recreation center. I was told that 2017 was the first year when it did not receive any subsidies from the oblast budget, but it needed to do some things worth an estimated UAH 1.5bn over the next five years. What is the sense of such investment? If it's a business, the authorities should not have anything to do with it. If it's a corrupt scheme, then I have no interest in it like in any other such scam. It makes more sense to sell such a recreation center and have the money go into the budget (the center is state-funded — **Ed.**).

Investing into it only makes sense if a child spends three weeks there and can change his or her mindset. That is a statehood position; it makes sense to invest public money into it. Every public object must perform a statehood function today.

One of our initiatives is to translate signboards into Ukrainian. We have announced a competition for a respective grant. Druzhkivka won and received UAH 30mn to do repairs in the town. Pokrovske came second winning UAH 20mn, followed by others with UAH 10mn each.

**Who should be shaping that statehood position? Where would the staff come to implement it?**

I brought five people from Kyiv with me. Today, three of my five deputies are those people who came with me from Kyiv and two are locals. Initially, few understood me locally so I gave them my book to read. It's titled *Living Like a Human*, it was published in 2013. It outlines the way I see Ukraine's development. It helped many mayors understand what I expect from them. Overall, we do have a problem of staff. Many well-known figures are often losers or grant-eaters. We have not yet managed to build a full-fledged dialogue with the patriotic community.

**So you have a problem with the involvement of pro-Ukrainian activists?**

I'm criticized for distancing myself from the civil society. But let me tell you this: if the Donetsk region had a fully functioning civil society, it wouldn't have a war or occupation. The civil sector in this region is still to be nurtured. Most locals have yet to overcome paternalism which they are so prone to. The Ukrainian core in the Donetsk region today is at least 25% of the population. 20% is the hardcore separatists that hate all things Ukrainian. The rest of the population is undecided. These are the ones we have to work with.

I am looking for new models of cooperation with the civil society. We have to create a non-party civic movement Renewed Donetsk Region led by one of the local activists. This »



**Pavlo Zhebrivsky**, born in 1962 in Zhytomyr Oblast, graduated from the Law Department of the Taras Shevchenko University in Kyiv. In 1983-1991, he served at the Ministry of Interior Affairs. In 1991-2002, he worked at leading positions in various companies. In 2005, he was appointed Head of Zhytomyr Oblast State Administration. Mr. Zhebrivsky has been Member of Parliament in the 4-7th convocations of the Verkhovna Rada (2006-2012). He served in the 54th reconnaissance battalion during the anti-terrorist operation in 2014-2015. He has been Head of the Donetsk Civil Military Administration since 2015.

should not be a political party. Quite on the contrary, patriotic political forces could look into it for potential members.

I will leave the Donetsk region sooner or later. But I want the processes I launched to become irreversible. They will only become so when we manage to consolidate the local pro-Ukrainian community. For that purpose, we are now creating a network of effective civic organizations: the association of ATO veterans from the Donetsk region already exists; the association of small business is being built; the association of teachers (of Ukrainian language and history, first and foremost) is to be set up. We might be able to involve quality local activists through such networks.

I visit every county of the oblast at least twice a month. I have no security, therefore I'm pretty easy to reach. In my trips, however, I mostly meet with the local authorities and inhabitants who largely complain about some problems of everyday life. If those meetings are not enough for them to be heard, I can be reached through Facebook. I read PMs and respond to them.

One explanation for the lack of a dialogue could come from the enrooted perception of the authorities as automatically criminal in the Donetsk region. If there was an announcement in Kyiv of a grant of UAH 500,000 for something, a crowd would gather to compete for it. Here, it took us six Ukrainian Donetsk Kurkul (*kurkul* is a historical term typical for Ukraine to describe a property owner or a moderately wealthy person. The competition is a regional program to support small businesses — **Ed.**) to get 70 people to attend. Initially, there were no volunteers at all. We are now trying to share success stories of the program participants. But many still follow a prejudice whereby the authorities are seen as detached and impossible to communicate with.

#### **Do you have sufficient power to implement changes in the region?**

The powers of a head of oblast are very limited today. Previously, the appointment of chief prosecutor, heads of police, tax administration, customs and more had to be approved by the Head of the Oblast State Administration. Now, Donetsk Oblast has the third chief of police, and I meet all of them after they start working in that capacity. My only additional power now is the lack of the oblast council. We pass the budget, for instance, in a collegium that involves the civic sector. But I don't have to cower to every faction in the local council. That means less political bargaining.

Meanwhile, the situation in the region is under control. The mayors and heads of county administrations comply with the decisions of the civil military administration, even if some are described as separatists while others have links to oligarchs.

Some criticize me for cooperating with the mayor of Druzhivka, whom is seen as a separatist. But the SBU has no questions for him; he is a legitimately elected mayor. I will have no influence on the town unless I communicate with him.

#### **How is your responsibility coordinated with your powers?**

The SBU, the prosecutor's office, the National Anti-Corruption Bureau (NABU), and anti-economic crime department of the police oversee the work of civil military administration heads. This creates plenty of responsibility before the law. There is also moral responsibility which is key. I can be checked as much as necessary. I work to leave a legacy, to take every effort to prevent the disaster from happening again. The only way to do this is by setting up preventive mechanisms against it. Let me say once again: modern schools, playgrounds and youth centers are the mechanisms to return the Donetsk region into the Ukrainian space. It's counteraction to Russia's aggression.

#### **What policy should Kyiv pursue with the occupied territory once they go back under its jurisdiction?**

The key question is: how do we get there? Putin has three models to return the occupied territory to Ukraine. The first is a bloody one with a full-scale war of Russia against Ukraine. This is an unlikely scenario but we can't dismiss it entirely. The second model is to get a special status complete with elections and other attributes for the occupied territory. The third one is the unification of the two self-proclaimed republics under a working title "Ukraine 2". If the greater Ukraine thinks of itself as the successor of the Ukrainian People's Republic, then Ukraine 2 should become the successor of the Ukrainian SSR. This would be followed by "Novorossiya's" attempt to cut a bigger chunk of Ukraine through destabilization and agent work on the territory controlled by Kyiv.

An offensive of the Ukrainian side is even less likely. Look at the latest rebellion in Luhansk. Russia sent an additional battalion task force and a company task force to the "LPR", locating them between Luhansk and the contact line. That was a clear signal to the Ukrainian army: if you try an offensive, you will be fighting the Russian army. We must realize that we lose international support and fight Russia directly if we do an offensive, with all of the consequences.

A more likely scenario is the special status and peacekeepers on the border with Russia. However, we must understand now: the special status means decentralization, a transfer of powers to local communities. It will be difficult to rely solely on civil military administrations and the locals there. Therefore, we already need to shape future self-governance bodies with the IDPs. I am confident that 75% of the IDPs are ready to return to where they used to live if they have guaranteed security. This is our Ukrainian asset in the region. We must already develop a map of communities on the temporarily occupied territory. When the peacekeepers arrive, we should have a plan to help the IDPs return while parties should be ready to run in elections on that territory. Still, I believe that a transition period will take at least two years.

Civil military administrations, military headquarters can only help us control the parts of the territory we have liberated. If we enter a territory in a different status, we should rely on self-governance.

#### **What should be the conditions for the business operating on that territory?**

For now, civil military administrations are not the only institutions that set the rules for the business in the region. Count the tax administrations, the anti-economic crime department of the police, the SBU and the prosecutor's offices in. That territory must have one center of decision-making. This is the only environment in which we could offer a level playing field for the business. Its director appointed by the

president should be controlled while also having sufficient powers. It makes sense to unify Donetsk and Luhansk Oblast civil military administrations and have someone at the level of a vice-premier leading them. A separate administrator should run the currently occupied territory. He or she would report to the vice-premier. Generally, the Ministry of the Temporarily Occupied Territory is responsible for spreading Ukrainian authority in the uncontrolled territory. But it is inactive, so we are building a relevant structure within our civil defense department at the civil military administration.

### **To what extent can we restore the industrial capacity of the occupied territory?**

Let me give you some exclusive figures. Below are the budget statistics for the self-proclaimed republics: the “DPR” had RUR 13.8bn of revenues and RUR 44.5bn of spending in 2015; the “LPR” had RUR 0.4bn and RUR 28bn respectively. In 2016, the figures were RUR 29.3bn in revenues versus RUR 59.7bn in spending for the “DPR” and RUR 6.5bn vs RUR 38bn for the “LPR”. In 2017, the estimated revenues for the “DPR” and “LPR” budgets will be RUR 35bn and RUR 7.9bn compared to the spending of RUR 68bn and RUR 42bn respectively. This means that the “DPR” has to be subsidized by 65% today, and the “LPR” by 85%.

As to the companies, some of them can be restored. DonetskStal can be launched again; the Makiyivka and Yenakiyev Steel Factories are operating at a quarter of their capacity; Zasiadko Mine is running at 30% while Komsomolets Donbasu at 60%. Most mines in Horlivka are filled with water. What do we do with these assets? If the owners had not betrayed Ukraine, they should have their companies returned. However, we should also set a deadline for the restoration of the facilities, or create a mechanism of what to do next with these assets. The companies whose owners had turned against Ukraine and supported separatist regimes should be nationalized.

### **Who should administer the funding for the restoration of the occupied territory?**

We should formulate the principles of allocating the money. They should be approved by the vice-premier. When I took my office, the budget of Donetsk Oblast was UAH 15mn. Meanwhile, treasury accounts of Donetsk, Makiyivka, Yenakiyev and the likes had UAH 2.1bn accumulated. It took me a year to push through an approval of investing that money on the territory controlled by the Ukrainian government.

Then I outlined five principles to guide the distribution of the funding: schools and kindergartens (education), healthcare, water supply, heating and road repairs. After that, I summoned mayors and told them that every town or city could claim a certain sum under this principle. We decided to let local municipal authorities design the projects while the implementation would be done at the oblast level. I can't say that it was 100% successful because the projects were the key problem. Some objects were built before the projects for them were finalized.

The lack of construction capacity was another problem. Look at the neighboring Kharkiv Oblast: what would happen to the local construction industry if the oblast was deprived of its capital? That's the problem we faced in the Donetsk region. We had to get construction companies from elsewhere. Last year, we could only allocate UAH 80mn for the construction of roads. There was no capacity to do more. This year, we have spent over UAH 0.5bn. Now, that we have developed the construction industry, UAH 4bn can be allocated for the

roads next year. Over this time, Slavdorbud, a good local company, has emerged; Danko, a company that had worked in Donetsk before the war, got involved. So did Avtomagistral from Odesa. Turkish, Polish and Italian investors have shown interest.

We have rejected the services of some companies and compiled a black list of those we had negative experience with. There have been fraudsters who took the money for the materials and fled. We found out later that they had “worked” similarly in a number of regions.

I offered the Ministry of Economic Development to introduce black lists of unscrupulous subcontractors. Deputy Minister Maksym Nefiodov rejected this idea because that instrument could enable manipulations by those in power. Still, any information can be verified.

### **What do you think of the idea to create technoparks and subsidies for the investors who would come to work in Donetsk and Luhansk Oblasts?**

Technoparks and subsidies will not play a big role. What matters more is to have a level playing field for all business. Everything will work then in a sounds competitive environment. The region has qualified labor force and natural resources. Add transparent rules, and investors will come. Tax privileges only hurt economies. The only one that is necessary is a base free of corruption.

This means that the “DPR” has to be subsidized by 65% today, and the “LPR” by 85%. The Makiyivka and Yenakiyev Steel Factories are operating at a quarter of their capacity; Zasiadko Mine is running at 30%, and Komsomolets Donbasu at 60%

### **Have you seen Transparency International Ukraine's report on illegal trade across the contact line? Do you agree with the conclusions?**

You always have smuggling wherever there is a border, or an illusion of one. The question is, whether it's structured. In my view, smuggling in Donetsk region is not structured. If you look at the border checkpoints, they offer the fewest opportunities for illegal smuggling of goods. By the way, these border checkpoints make an interesting phenomenon. They report to no one de jure. We use extra-budget funds to maintain them, mostly from international organizations. I was initially criticized for “building a border”. Now I'm criticized for not constructing solid buildings there. But that kind of work is expensive and will be a demoralizing factor. Still, 200,000 people cross the contact line through the checkpoints every week. This means that their functions are fulfilled and they are not the loopholes for contraband.

Field routes are another matter. There are three key points – Verkhniotoretske, Novoluhanske and Maryinka – where illegal trade is likely. Of course, it would be impossible without the involvement of the military. In order to set up structured illegal trade, one needs to have deals on the level of the General Headquarters, Prosecutor General, SBU, Police and NABU. Such contraband schemes involving the leaders of the respective bodies operated under the Yanukovich regime. There is no such thing now. Clearly, there are some cases of goods crossing the contact line illegally. I don't need to chase every truck. When I know about specific facts, I notify the respective authorities about them. ■

# First step on the way home

**Yehor Firsov**, former MP and activist for UDAR party in Donetsk Oblast, leader of Alternative, a new party

What is right and wrong about the bill on the reintegration of Donbas



PHOTO: REUTERS

**No expiration date.** The basis for punishing a person should be their use of or willingness to use weapons. Those who took arms or were ready to use them should serve real terms in jail

Amendments to the draft law On the details of the state policy on ensuring the sovereignty of Ukraine over the temporarily occupied territories in Donetsk and Luhansk oblasts have been introduced to Parliament. This bill is better known as the Donbas reintegration law, even though it does not have much to do with reintegration itself. The initiator of the law, Petro Poroshenko, also acknowledges this. In his explanatory note, he points out the need to create a legal framework necessary to solve the problem of counteracting enemy aggression in Donbas. Indeed, the bill envisages reformatting the antiterrorist operation into a military one and creating a single command headquarters. The draft law also defines Russia as an aggressor acting through its troop formations, and generally determines the priorities of the state. The important issues pertaining to reintegration are either covered rather superficially, or generally omitted. This bill gives no answer to the question of punishment and amnesty of the militants, provides no economic incentives for the region, and offers no plan to form local bodies of government after the de-occupation.

In my opinion, this bill is too politicized and declarative, and lacks pragmatism. Rather than solving the Donbas reintegration problem, the document is aimed at ensuring the good presentation of the President, with elections in mind. Initially, the bill included provisions

on the implementation of the Minsk agreements and referred to them as the only diplomatic option to end the war. However, even the coalition MPs were not ready to vote for such bill. Later, parliamentary committees rejected the possibility of adding the provisions on suspending diplomatic relations with Russia, stating that this lies within the powers of the executive branch. At the very last meeting of the VR National Security Committee, MPs amended the text of the bill with the provisions on the occupation of Crimea and established its starting date: February 20, 2014. Besides, the bill was amended to oblige the aggressor country to provide support for the occupied territories.

In this way, the bill lost its specifics, except for mentioning Crimea and defining the beginning of the occupation. In many respects, the law on Donbas reintegration remains a set of slogans rather than a specific mechanism facilitating the reintegration of the territory and its people.

For a long time, the idea of creating the so-called contrast zone circulated in the government. It suggested improving the area adjacent to the contact line, including in Severodonetsk, Sloviansk, Bakhmut, Kramatorsk, and Mariupol. Positive changes to this area would have caused the envy of the residents of the ORDiLO and stimulated its able-bodied population to move there. However, this rather good idea was never developed, and the bill does not envisage such plans.

As I have stated before, the main drawback of the presidential bill is its lack of specifics. In my opinion, a law on the reintegration of Donbas should have included provisions on forming local government bodies, engaging skilled staff, punishing and pardoning militants, defining property rights, recovering economy, etc. I will dwell on the following issues:

## 1. FORMING LOCAL GOVERNMENT BODIES

In order to reconstruct the entire hierarchy of executive power, demilitarize the region, debunk the propaganda myths, start restoring the infrastructure and economy, and recover the education system, a special legal regime of temporary civil-military administrations (CMA) should be introduced in Luhansk and Donetsk oblasts. CMAs should ensure the operational control of the administrative and territorial units (counties, cities, towns), be appointed by the President and report to the heads of oblast civil-military administrations. CMAs should perform the functions of local councils, city mayors, and state administrations. Their term of powers should be three years. This is enough to solve key regional problems and prepare for local elections.

## 2. STAFFING ISSUES

To solve staffing issues, efficient incentives should be put in place. I think it would be possible to hire people to work in government bodies by providing them with



decent competitive remuneration. This is the most effective way. The law enforcement and judiciary, for example, as well as top management should be paid at least three times more than now, and ordinary officials at least twice more. Such wages should be paid during the three-year transitional period.

After these three years of CMA management of the oblast, local elections should be held, and local self-government bodies formed. The latter should act in accordance with the current legislation, without any specifics or exceptions. Luhansk and Donetsk oblasts should become peaceful and successful, like they were before the Russian military aggression.

### 3. PUNISHMENT OF SEPARATISTS AND COLLABORATORS

I do not support the idea of total conviction. Obviously, lots of people violated the law: they voted in the referendum, promoted separatism, paid taxes to the “LPR/DPR” budget, etc. Should we hold everyone responsible, we should also think about enforcing the criminal sanctions: we simply would not be able to deal with such number of convicts, because there would be hundreds of thousands of them. This includes protest and referendum participants, as well as the entire state apparatus, from the police (about 18,000) and penitentiary service (more than 2,500) to social service employees and teachers.

I believe that the basis for punishing a person should be their use of or willingness to use weapons. Simply put, first of all, those who took arms or were ready to use them should serve real terms, including the organizers and leaders of the illegal armed groups (Part 1 of Art. 258-3 of the Criminal Code). “LPR/DPR” army alone amounts to 35,000 people, not to mention entities such as the State Security Ministry (MGB) and other military detachments that have been disbanded. According to preliminary estimates, based on this principle alone, at least about 50,000 people should be taken in custody, whereas the current number of convicts throughout Ukraine is about 44,000. It is unlikely that our penitentiary system would be able to cope with such a large number of convicts, unless we begin to improve it now.

Talking about the amnesty law, it should apply primarily to police officers, prosecutors, and penitentiary service staff, who committed no other crimes than serving “LPR/DPR”. Besides conviction or amnesty, these people should be banned from holding public office for at least 10 years, and the defense and law enforcement officers forever.

### 4. DISARMAMENT

Disarming the population is one of the top priorities. “LPR/DPR” residents have about 1 million weapon units on their hands. They should be allowed to surrender arms voluntarily, instead of launching an aggressive campaign of forced disarmament, to avoid fears of persecution in the society. They should be given a one-year term, during which they would be able to voluntarily hand over their weapons to law enforcement officers. Even their confiscation during this period should not entail criminal liability. At the same time, arms trading and carrying weapons should be prohibited. After the expiration of this term, the law should come into force, sending “LPR/DPR” residents to jail for illegal possession of weapons, just like any other citizens of Ukraine.

### 5. EDUCATION

First of all, Russian World advocates should be removed from schools and universities. Teachers who taught the history of Russia or history of the region should be dismissed.

The new Law On Education should come into force in those regions. This means that all educational institutions must switching to the Ukrainian language of instruction. I am convinced that this would not be a problem, since the neighboring Avdiivka is already coming to terms with this law without any issues. Schools in the ORDiLO territory will have to follow the same path. It has to be emphasized that the Ukrainian language is currently still taught in the educational institutions of “LPR/DPR”.

Higher education establishments that were forced to leave their cities should return home. I have visited many of them and I know that they want to. They are 17 in total: 10 in Donetsk and 7 in Luhansk oblasts. They may leave their branches, if need be, in the cities to which they were relocated.

### 6. LAW AND PROPERTY RIGHTS

A major issue is the verification of legal relationships that are subject to state registration. This includes wills, marriages, property sale agreements, long-term lease contracts, or debts accumulated over the years and documented under local laws. All these legal relationships should be re-registered under Ukrainian laws and entered into Ukrainian registries.

THE AMNESTY LAW SHOULD APPLY PRIMARILY TO POLICE OFFICERS, PROSECUTORS, AND PENITENTIARY SERVICE STAFF, WHO COMMITTED NO OTHER CRIMES THAN SERVING “LPR/DPR”.

BESIDES CONVICTION OR AMNESTY, THESE PEOPLE SHOULD BE BANNED FROM HOLDING PUBLIC OFFICE FOR AT LEAST 10 YEARS, AND THE DEFENSE AND LAW ENFORCEMENT OFFICERS FOREVER

It is difficult, but we cannot recognize the legality of all documents. Some of them, such as birth certificates, could be issued automatically, after presenting the old ones. For that, we will need to open new efficient administrative services centers, such as HOTOVO! operating elsewhere in Ukraine.

Other legal relationships, such as the sale of movable or immovable property, will need to be confirmed. After all, there have been cases when terrorists tried to legitimize their rights to what they had illegally acquired.

Ownership titles to any property should remain as they were before the loss of control over the territories of Luhansk and Donetsk oblasts, unless there are changes to the Ukrainian legal framework.

Of course, some of these proposals, even if they become a bill, will start working only after de-occupation. However, already today, these provisions are not out of place: they tell that the state intends to solve the region's problems, sending a clear message to the ORDiLO residents: the state wants them to return, it knows how to build a stable future, and it remembers about them. We have to demonstrate to the residents of the occupied regions that only criminals will be punished, that we have a plan to restore the economy, infrastructure, and social security. The reintegration of Donbas should begin with the reintegration of its people. For this, we can and must fight already today. ■

# A distant prospect

Look to Abkhazia and Transnistria for the most likely scenario for the occupied parts of Donetsk and Luhansk oblasts

Denys Kazanskyi



**With an eye on Moscow.** Separatist leaders prepare their “republics” for integration with Russia. There have been no other instructions from the Kremlin

The reintegration of the occupied regions of Donbas into Ukraine has been discussed since the signing of the first Minsk agreement. Already in the fall of 2014, it was clear that the Ukrainian army would not be able to mop up Donbas from illegal militants, as military units of the Russian regular army entered the war at this point. However, no visible progress in the implementation of the Minsk plan has been achieved. The second Minsk agreement was signed three years ago,

but there is still no end to the negotiations. The parties could not agree on the priority for the implementation of the agreement provisions.

The global experience of such conflicts suggests that the longer an unrecognized territorial entity exists, the less likely its peaceful reintegration becomes. Frozen conflicts can last for decades, and unrecognized states can exist for years with their indefinite status, provided that such territories receive outside support.

The longer the negotiations on the Donbas drag on, the more distant the prospect of it returning under Kyiv control becomes.

The situation in the Donbas is very similar to that in Northern Cyprus, Nagorno-Karabakh, and Abkhazia. In these regions, unrecognized republics (Turkish Republic of Northern Cyprus, Nagorno-Karabakh Republic and Republic of Abkhazia), de facto controlled by neighboring countries—Turkey, Armenia and Russia—also formally exist. These quasistates survive solely owing to the support of the neighbor, and such examples prove that uncertainty may last indefinitely. The Republic of Northern Cyprus was established in the mid-1970s. Abkhazia and NKR, in the early 1990's. Despite years of negotiations, parties to these conflicts have not been able to come to an understanding.

Obviously, the “republics of Donetsk and Luhansk” are by no means self-sufficient entities and entirely depend on Russia. Russia supports the “L/DPR” both in the military and economic area. It is clear that without the supplies of oil products, military hardware, ammunition, equipment, personnel and money from abroad, a handful of counties in Donetsk and Luhansk oblasts would not have been able to withstand the Ukrainian army for more than a year. With the Russian support, however, such formations can exist indefinitely.

The occupied regions of Donetsk and Luhansk oblasts (ORDiLO) have de facto been a Russian territory for the past several years. Moreover, it is even more subordinated to Moscow than some of the Russian regions. Donbas has Russian rubles, Russian curators and “enforcers,” and the leaders of the “republics” are appointed directly from the Kremlin, while governors are still elected in Russia. “L/DPR” leaders do their best to connect the infrastructure of the territories under their control to Russia. In such situation, this territory could be reintegrated only in one case: if Russia itself decides to leave and give Ukraine control over the state border. But Moscow recently directly stated that it is not going to do that.

“Closing the border between Russia and the unrecognized republics will result in a situation similar to that of Srebrenica. There will simply be a massacre, we cannot tolerate it and we will never tolerate it,” Russian President Vladimir Putin said on October 19.

Refuting these words and proving their obvious stupidity is just a waste of time. Of course, the Kremlin does not believe in any massacre. Nothing like that has happened since the beginning of the war in Donbas, even though the Armed Forces of Ukraine succeeded in moving the front line significantly ahead and purging large cities from illegal militant groups in both Donetsk and Luhansk oblasts. Putin only needs an excuse to control the border and, hence, ORDiLO. Regular consultations between Kurt Volker and Vladislav Surkov give little hope for a breakthrough in negotiations. Their meeting in mid-November in Belgrade had no effect, again. The Russian side agreed to accept only 3 out of the 29 proposals of the American side. This means that the situation is still in a deadlock.

The terms of the parties are mutually exclusive. Ukraine agrees to reintegrate ORDiLO only after regaining control over its own border. The Russian side declares that it will give Ukraine its border last of all, that is, only after the implementation of the other pro-

visions of the Minsk agreement. This de facto means that Moscow wants to legalize the occupied territories under its control within the Ukrainian legal boundaries and to have its own parcel of seats in the Ukrainian Parliament and the Cabinet. Such scenario is unacceptable for Ukraine, because it means losing sovereignty. Putin does not agree to withdraw Russian troops from Donbas under any other terms.

Obviously, this means that Donbas would not return before the shift of power in Russia. And predicting when Putin goes is a thankless task. The Russian leader may well remain in power for another 10–12 years. And his successor will not necessarily pursue a different policy.

If the process of Donbas reintegration is extended for a few more years, Donetsk and Luhansk may never return. It is no secret that most of the people who stayed there have no warm spot for Ukraine. At best, it makes no difference to the majority. An active minority is badly prejudiced against Ukraine and hates Ukrainians.

Ukrainian politicians have no great desire to reintegrate Donbas either, although they would never admit it publicly. It is no secret that most voters living in ORDiLO have no affection to Petro Poroshenko or Yulia Tymoshenko, Andriy Sadovy, or Oleh Liashko, and support pro-Russian politicians. In this situation, the reintegration of Donetsk and Luhansk into the legal framework of Ukraine would primarily play into the hands of the Opposition Bloc or the party of Yevhen Murayev and Vadym Rabinovych, but not the national democrats calling Russia an aggressor. Only when the

UKRAINE AGREES TO REINTEGRATE ORDiLO ONLY AFTER REGAINING CONTROL OVER ITS OWN BORDER. THE RUSSIAN SIDE DECLARES THAT IT WILL GIVE UKRAINE ITS BORDER LAST OF ALL, THAT IS, ONLY AFTER THE IMPLEMENTATION OF THE OTHER PROVISIONS OF THE MINSK AGREEMENT

ORDiLO population can vote again in the Ukrainian elections will the pro-Russian politicians get a chance to regain power they lost in 2014.

According to the latest polls, Ukrainian politicians with the highest ranking are Tymoshenko, Poroshenko and Sviatoslav Vakarchuk, the leader of Ukraine's most popular music band, even though it is hard to call him a politician yet. One doesn't need to be a political scientist to understand: none of them wants the return of hostile voters, no matter what they say in public.

If we look at the situation without the rose-colored glasses, it becomes clear that the reintegration of ORDiLO in Ukraine goes against the interests of not only the “L/DPR” militants and their leaders, but also of Ukraine's top politicians. When both sides have no real desire to reunite, the situation is likely to evolve into a frozen conflict.

Trying to predict how long such conflict may last is useless. However, we need to say goodbye to the illusions of finding a quick solution to the Donbas problem. We have to put up with the idea that the case of Abkhazia may repeat. And we have to build the economy of Ukraine based on this understanding. ▀





PHOTO: UNIAN

## “For Vladimir Putin this has been a gambit and a gimmick”

Interviewed by **Olha Vorozhbyt**

At the Lviv Security Forum, *The Ukrainian Week* spoke to James Sherr, an associate fellow of Chatham House, about the approaches to analyzing Ukraine in the West, the UN peacekeeping mission in the Donbas and the prospects of the Minsk accords.

**Chatham House’s recent paper co-authored by you is titled *The Struggle for Ukraine. This struggle depends not on Ukraine alone, but on the EU’s assistance as well. Does it have enough energy for this right now?***

Let me start with one point. The report we wrote and the Ukraine Forum the Chatham House has established have two objectives. The first one is to address the fundamental Western deficiency with regard to Ukraine, the ignorance about Ukraine. There is not enough knowledge of Ukraine in the West and people who have the knowledge have to restore it because many of them have seen Ukraine through the prism of Russia, and Ukraine is a part of our policy towards Russia. Even many of our top experts are experts on Russia. Even if they dislike Putin, what Russia is and its foreign policy, they tend to absorb a lot of Russian stereotypes about the country’s neighbors. So, we wish to counter this by providing a platform for objective research, writing, meetings, and so on, to provide a real base of information about Ukraine as Ukraine.

**Also, we are trying to hold up a mirror for Ukrainians that can be useful to them in acquiring a broader perspective about their own internal problems. The report tried to do both things.**

As a person who spends a great deal of time here and has done so for twenty years, I think I have a certain amount of understanding

about Ukrainian thinking. One concern I have as someone who comes from outside is that many Ukrainians underestimate what their own potential is. But they also fail to appreciate that only Ukraine can do the most difficult things. The West can help. But if there is no will in the country to transform and modernize the institutions of the government, the West can’t do it. We treat Ukraine as an independent, sovereign country; we cannot come in and run it. We can establish conditions: if you do not make the changes we agreed in the state customs service, which is notoriously corrupt, we are not going to fund the program. But we cannot actually come and do it, you have to make the decisions. Now, let me come back to your two questions. The issues inside Ukraine — of defense against Russia and what I prefer to call the transformation of institutions rather than reforms — are seen in Ukraine as two separate issues. Without a transformation, say, of the way the defense system management works, Ukraine will damage its own security. The whole issues of transformation, modernization of the structure of the state, are not simply about European integration or about getting money from the West. They are not simply about getting support from the West, or about image. All these issues are about national security. Without those changes Ukraine’s citizens deepen their own basic cynicism about the entire political class, political framework. This gives Russia and its allies abundant opportunities to cause trouble inside the country, the unoccupied part of it. I would say that those people in Ukraine who say “support us in winning the war and then we will reform” do not understand the problem the country faces.

**Still, is the EU strong enough today to support any country beyond itself? It has so many internal problems.**

I have heard that sanctions will not last for four years. I have heard for 25 years in Ukraine that the West will conclude a grand bargain with Russia at Ukraine's expense. I hear the same things every six months. But it has not happened yet. It's been 25 years and we haven't done it yet. We have not done any of these things since the war started. I am not saying that it is impossible or will never happen, but you must stop tormenting yourself with this nightmare. If you want to diminish the risk that the West would wash their hands of Ukraine, then Ukraine, and especially its leaders, should show that they have the strategic vision, the tenacity and political courage to do what is needed inside the country. Nobody outside Ukraine can be expected to love Ukraine more than Ukrainians love themselves. If the people who run Ukraine love their own pocketbooks and bank accounts more than they love the country itself, that is terrible for the country.

**You have mentioned that many Ukraine observers still see it through the Russia perspective. What would it take to change their vision of Ukraine? Time? New institutions?**

Time does not solve any problem nor is it a strategic actor. Time does not have a brain, a heart or morality. Time is just a variable that has to be used.

One thing I would say is this: we need to change the paradigm about Ukraine in the West. The framework of thinking about Ukraine. If you mentioned Ukraine to anyone in the early 1990s, they would immediately have started talking about those terrible nuclear weapons and what was going to happen to them. Then we solved the problem with nuclear weapons. If you mention Ukraine to the average person in the West now, what they talk about is corruption. Ukraine has to change this image. It is profoundly distorted, first of all because Russia is in opposition to fighting a war against Ukrainian corruption. But Russian corruption is different. I would say that it's worse in many ways. You cannot fight back against it. In Ukraine, you can fight back because you have free media like the one you represent; you have real political parties in the Rada; you have real friends outside who are trying to help; you have a much stronger civil society than Russia has; and a much more pluralistic setup. It was difficult even for Yanukovich to try and create a Putin-style system: it was not working in Ukraine.

But the main area where Western perspective is false, is that even those who don't mention corruption think "ohh, President Poroshenko" or this person, or that, when you mention Ukraine. There is too much focus in the West about the state which is Ukraine's weakness. There is not enough about the country which is its strength. So I would put things in the following way: the fundamental difference between Ukraine and Russia, in my view, is that in you have a strong state in Russia but largely a weak and submissive civil society that believes all the things coming from a strong, effective and powerful leader. In Ukraine, you have the opposite: strong civil society that relies on itself, that is used to looking after itself, people who are very self-reliant and the state that is deficient in many ways. The reason for this is not President Poroshenko or Yanukovich, but that, as a former imperial dependency reliant on imperial power, Ukraine has never had the tradition of what Russians call *gosudarstvennost*, statemindedness. Although your society rescued Ukraine in 2014 and, by the way, the state also performed well in 2014, after May, anyway. There are things that civil society cannot do, that only state can do. You need the state to build the armed forces. Yes, you could have some volunteer battalions, but if you are talking about the war as opposite a small-scale conflict, you need national forces. Only the state can have a proper strategy for the energy sector; the state needs to conduct foreign relations, the state needs to have a tax service and make sure it is run properly, the state has to

build the law-enforcement structures. There is no substitute for the state. If the state is deficient, corrupted and incompetent, the entire country is damaged. So, both the Ukrainian and the Western perspectives need adjustment.

**How do you see the future of the idea of the UN peacekeeping mission in the Donbas? What should it be like?**

It will go nowhere. For Vladimir Putin this has been a gambit and a gimmick. First, it was a way of deflecting attention from supplying lethal weapons to Ukraine. It was a supposed change that was coupled with a threat to actually further escalate the conflict, which I personally think is a bluff. The substance of what he proposed had no similarity to what President Poroshenko had proposed two years ago. The latter was a robust UN-style peace enforcement mission, rather than a more limited type of mission that Putin is proposing, which is absolutely inappropriate to the conditions. Now that people are interested in exploring it, I regard it as a real distraction. What is really needed for us is to reaffirm the only points in the Minsk accord that are clear. Those actually favor Ukraine. First, we need a complete ceasefire, there has never been one. Second, the OSCE monitors must have unimpeded access throughout the territory. This has never been granted. Third, heavy weapons need to be withdrawn. This has never happened. Forth, Russia must confirm that it will respect a provision at the end of the process to return the state border entirely to Ukraine's control. The Russians have refused to confirm that. They keep trying to find some kind of cosmetic change to the formula. We should take a very firm view and give President Poroshenko, Pavlo Klimkin backing to take the very view that until you (Russia – Ed.) change your thinking, until those fundamental issues are fulfilled, we have nothing else to talk to you about.

**Several speakers have said at the Lviv Security Forum that the Minsk accords were a defeat for the EU and the West. What do you think about that?**

It is true that Minsk was the product of military coercion. But we should not forget that it took 12-14 hours to negotiate this accord. Angela Merkel secured certain terms and the wording of certain provisions that were advantageous to Ukraine and minimized the damage in the midst of those negotiations. Ever since the Minsk process started in 2014, the focus has been very clear on defending Ukraine and standing up to Russia. Later, however, these steps were reversed and replaced with an obsession of finding an agreement with Russia. Russia is not going to agree with any solution that allows Ukraine to be a fully independent and sovereign state. It will not agree to this until there is a fundamental change of thinking in Russia itself. Minsk is not going to unlock this puzzle. This is a regrettable point. But, as I said in the answer to your previous question, there are a number of provisions in the Minsk accords which are entirely to Ukraine's advantage. We should not allow them to be diluted. So, it is an instrument that can be used and we have to use it in ways that are faithful to what is actually written there and what is in our interest.

And the last point about it: Russia's core demands that surface from time to time are not in the Minsk agreement. There is no word "neutrality" in Minsk. It does not require Ukraine to be neutral. The second word which is not in the Minsk accord is federal, federalized, federalization, federation. It is simply not there. The only thing there is in the agreement refers to special status. But its meaning is spelled out, except for one footnote which was incorporated in the second reading of legislation back in 2015 by the Verkhovna Rada. The rest of it is supposed to be a clever Russian word which is hard to translate, *soglasovan*, meaning that what the special status means is coordinated between the two sides. If they don't agree, they don't agree. ■

# Battle of the brains

Google leads in the race to dominate artificial intelligence. Tech giants are investing billions in a transformative technology



Commanding the plot lines of Hollywood films, covers of magazines and reams of newsprint, the contest between artificial intelligence (AI) and mankind draws much attention. Domsayers warn that AI could eradicate jobs, break laws and start wars. But such predictions concern the distant future. The competition today is not between humans and machines but among the world's technology giants, which are investing feverishly to get a lead over each other in AI.

An exponential increase in the availability of digital data, the force of computing power and the brilliance of algorithms has fuelled excitement about this formerly obscure corner of computer science. The West's largest tech firms, including Alphabet (Google's parent), Amazon, Apple, Facebook, IBM and

Microsoft are investing huge sums to develop their AI capabilities, as are their counterparts in China. Although it is difficult to separate tech firms' investments in AI from other kinds, so far in 2017 (see chart 1) companies globally have completed around \$21.3bn in mergers and acquisitions related to AI, according to PitchBook, a data provider, or around 26 times more than in 2015.

Machine learning is the branch of AI that is most relevant to these firms. Computers sift through data to recognise patterns and make predictions without being explicitly programmed to do so. The technique is now used in all manner of applications in the tech industry, including online ad targeting, product recommendations, augmented reality and self-driving cars. Zoubin Ghahramani, who leads AI research

at Uber, believes that AI will be as transformative as the rise of computers.

One way to understand AI's potential impact is to look at databases. From the 1980s these made it cheap to store information, pull out insights and handle cognitive tasks such as inventory management. Databases powered the first generation of software; AI will make the next far more predictive and responsive, says Frank Chen of Andreessen Horowitz, a venture-capital firm. An application such as Google's Gmail, which scans the content of e-mails and suggests quick, one-touch replies on mobile devices, is an early example of what could be coming.

As with past waves of new technology, such as the rise of personal computers and mobile telephony, AI has the potential to shake up



the businesses of the tech giants by helping them overhaul existing operations and dream up new enterprises. But it also comes with a sense of menace. “If you’re a tech company and you’re not building AI as a core competence, then you’re setting yourself up for an invention from the outside,” says Jeff Wilke, chief executive of “worldwide consumer” at Amazon, and adjutant to Jeff Bezos.

Fuelled by rivalry, high hopes and hype, the AI boom can feel like the first California gold rush. Although Chinese firms such as Baidu and Alibaba are also investing in AI, and deploying it in their home market, the most visible prospectors are Western tech firms. Alphabet is widely perceived to be in the lead. It has been making sizeable profits from AI for years and has many of the best-known researchers. But it is early days and the race is far from over. Over the next several years, large tech firms are going to go head-to-head in three ways. They will continue to compete for talent to help train their corporate “brains”; they will try to apply machine learning to their existing businesses more effectively than rivals; and they will try to create new profit centres with the help of AI.

## IDIOT SAVANTS

The most frenzied rush is for human talent, which is far more scarce than either data or computing power. Demand for AI “builders” who can apply machine-learning techniques to huge sets of data in creative ways has ballooned, far exceeding the number of top students who have studied the techniques.

Today AI systems are like “idiot savants,” says Gurdeep Singh Pall of Microsoft. “They are great at what they do, but if you don’t use them correctly, it’s a disaster.” Hiring the right people can be critical to a firm’s survival (some startups fail for lack of the right AI skills) which has set off a trend of firms plundering academic departments to hire professors and graduate students before they finish their degrees.

Job fairs now resemble frantic “Thanksgiving Black Friday sales at Walmart”, says Andrew Moore, dean of Carnegie Mellon University’s (CMU) school of computer science, a pioneering institution in AI (whose robotics department was famously plundered by Uber in 2015).

Academic conferences, such as this week’s Neural Information Processing Systems in Long Beach, California, double up as places to shop for talent (see article). The best recruiters are academia’s AI celebrities: people like Yann LeCun of Facebook and Geoffrey Hinton of Google—both former professors who keep a university affiliation—can attract others to work alongside them. Proprietary data can also serve as a draw, if the huge salaries are not enough.

If none of that works, companies buy whole startups. The tech industry first took notice of this trend in 2014, when Google spent an estimated \$500m on DeepMind, a startup with no revenue or marketable product but a team of “deep learning” researchers; after the deal they designed a program that beat the world champion at “Go”, an ancient board game. Other firms have also shelled out to buy money-losing startups, which are typically valued not on future profits or even sales but instead receive a price for each employee that can be as much as \$5m-10m.

## BEHIND CLOSED DOORS

Companies have different philosophies about how to deal with staff. Some, such as Microsoft and IBM, invest heavily in AI research and publish a large number of papers (see chart 2), but do not require researchers to apply their findings to money-making activities. At the opposite end of the scale are Apple and Amazon, which do not have enormous research initiatives, expect all work to feed into products and are tight-lipped about their work. Google and Facebook are somewhere in between on whether

researchers must toil only on money-making ventures.

The intense battle for talent may force secretive companies to become more open. “If you tell them, ‘come work with us but you can’t tell anyone what you’re working on’, then they won’t come because you’ll be killing their career,” explains Mr LeCun, who leads Facebook’s AI research lab. This trade-off between secrecy and the need to attract people also applies to the Chinese giants, which are trying to establish Western outposts and hire American researchers. Baidu has opened two research labs with an AI focus in Silicon Valley, in 2013 and this year. Western AI researchers rate them highly but prefer to work for the American giants, in part due to their relative transparency.

If companies can lure the right people in AI, the effect is to extend their workforces exponentially. AI is “like having a million interns” at one’s disposal, says Benedict Evans of Andreessen Horowitz. That computational power is then integrated into firms’ existing businesses.

The advantages of AI are most visible in firms’ predictions of what users want. Automated recommendations and suggestions are responsible for around three-quarters of what people watch on Netflix, for example, and more than a third of what people buy on Amazon. Facebook, which owns the popular app Instagram, uses machine learning to recognise the content of posts, photos and videos and display relevant ones to users, as well as filter out spam. In the past it ranked posts chronologically, but serving up posts and ads by relevance keeps users more engaged.

Without machine learning, Facebook would never have achieved its current scale, argues Joaquin Candela, head of its applied AI group. Companies that did not use AI in search, or were late to do so, struggled, as in the case of Yahoo and its search engine, and also Microsoft’s Bing.

Amazon and Google have gone furthest in applying AI to a range of operations. Machine learning makes Amazon’s online and physical operations more efficient. It has around 80,000 robots in its fulfilment centres, and also uses AI to categorise inventory and decide which trucks to allocate packages to. For grocery ordering, it has ap-



plied computer vision to recognise which strawberries and other fruits are ripe and fresh enough to be delivered to customers, and is developing autonomous drones that will one day deliver orders.

As for Google, it uses AI to categorise content on YouTube, its online-video website, and weed out (some) objectionable material, and also to identify people and group them in its app, Google Photos. AI is also embedded in Android, its operating system, helping it to work more smoothly and to predict which apps people are interested in using. Google Brain is regarded in the field of AI as one of the best research groups at applying machine-learning advances profitably, for example by improving search algorithms. As for DeepMind, the British firm may not ever generate much actual revenue for Alphabet, but it has helped its parent save money by increasing the energy efficiency of its global data centres (and its Go experiment was a public-relations coup).

Artificial intelligence is also being applied in the corporate world. David Kenny, the boss of Watson, IBM's AI platform, predicts that there will be "two AIs": companies that profit from offering AI-infused services to consumers and others which offer them to businesses. In practice, the two worlds meet because of the tech giants' cloud-computing arms. Providers are competing to use AI as a way to differentiate their offerings and lock in customers. The three largest—Amazon Web Services, Microsoft's Azure and Google Cloud—offer application-programming interfaces (APIs) that provide machine-learning capabilities to other companies. Microsoft's cloud offering, Azure, for example, helped Uber build a verification tool that asks drivers to take a selfie to confirm their identities when they work. Google Cloud offers a "jobs API", which helps companies match jobseekers with the best positions.

## AI ON THE BRAIN

Many firms in other industries, from retailing to media, stand to benefit from what those in the cloud business tout as the "democratisation" of AI. Providing AI to companies that do not have the skills or scale to build up sophisticated capabilities independently could be a money-spinner in the \$250bn cloud market. But providers often must

customise APIs for clients' complex needs, which is time-consuming. Microsoft, with its history of selling software to clients and offering them support, seems likely to do well in this area. It is only a matter of time before AI offerings become "more and more self-help", counters Diane Greene, who runs Google Cloud.

IBM is another contender, having backed a huge marketing campaign for its Watson platform. AI researchers tend to be dismissive of IBM, which has a large consulting business and a reputation for valuing time billed over terabytes. The firm's critics also point out that, although IBM has invested over \$15bn in Watson and spent \$5bn between 2010 and 2015 to buy companies, much of that with the aim of acquiring proprietary data, for the most part it does not have unique data of its own. But IBM's weaknesses may not hold it back. Bosses of most businesses feel pressure to have an AI strategy, and they will pay handsomely to acquire one quickly.

To date tech giants have mostly tried to apply AI to reap profits from their existing operations. In the next few years they hope that AI will let them build new businesses. One area of intense competition is virtual assistants. Smartphones know their users intimately, but AI-powered virtual assistants aim to take the relationship further, whether through phones or smart-speakers. Apple was first to explore their promise when it bought Siri, a voice assistant, in 2010. Since then Amazon, Google and Microsoft have invested heavily: their assistants' speech recognition is better as a result. Samsung, Facebook and Baidu are also competing to offer them.

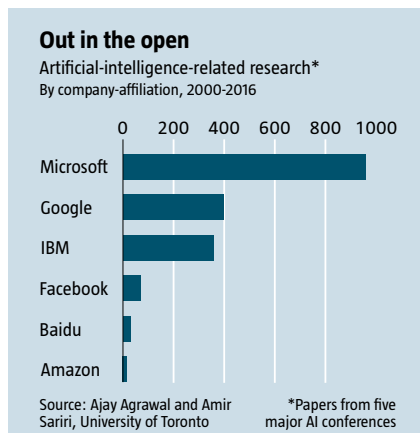
## ONE ALGORITHM TO RULE THEM ALL

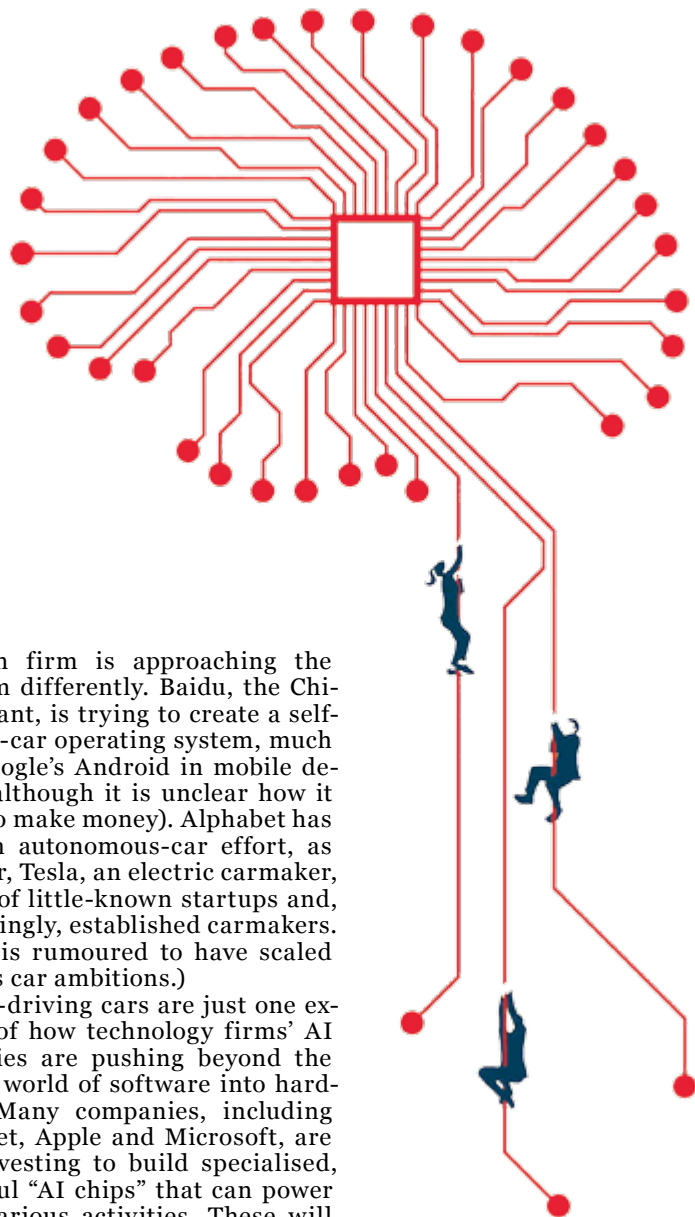
It is unclear whether standalone speakers will become a huge market, but it is certain that people will move beyond text to engage with the internet. "All these companies understand that whoever owns that choke point for consumers will rule the market," says Pedro Domingos, author of "The Master Algorithm", a book about AI.

Further into the future, augmented-reality (AR) devices are another AI-infused opportunity. Mobile apps like Snap, a messaging app, and the game Pokémon Go are early examples of AR. But AR could more radically transform people's relationship with the internet, so that they consume digital information not from a small screen but via an ambient, ever-present experience. AR devices will offer portable AI capabilities, such as simultaneous translation and facial recognition.

In the race for AR, big tech firms have not got much beyond the warm-up phase. Google and Apple have launched AR software-development kits; they both want developers to build apps that use AR on their platforms. There is also a rush to develop AR hardware. Google was early to launch a prototype for AR glasses, but they flopped. Microsoft has developed a headset it calls HoloLens, but with a price of between \$3,000-5,000, it is a niche product. Other firms, including Facebook and Apple, are thought to be planning their own offerings. Being ahead in AI could translate into big leads in these new fields.

Nowhere is that truer than in the realm of autonomous vehicles. Tech firms are driving millions of miles to build up big, proprietary datasets, and are making use of computer vision to train their systems to recognise objects in the real world. The potential spoils are huge. Personal transportation is a vast market, worth around \$10trn globally, and whoever cracks self-driving cars can apply their knowledge to other AI-based projects, such as drones and robots. Unlike search engines, where people may choose to use a service that is good enough, users are more likely to favour self-driving cars with the best safety record, meaning that the companies that best employ AI to map out the physical world and register the fewest crashes will enjoy outsized benefits.





Each firm is approaching the problem differently. Baidu, the Chinese giant, is trying to create a self-driving-car operating system, much like Google's Android in mobile devices (although it is unclear how it plans to make money). Alphabet has its own autonomous-car effort, as do Uber, Tesla, an electric carmaker, a herd of little-known startups and, increasingly, established carmakers. (Apple is rumoured to have scaled back its car ambitions.)

Self-driving cars are just one example of how technology firms' AI strategies are pushing beyond the virtual world of software into hardware. Many companies, including Alphabet, Apple and Microsoft, are also investing to build specialised, powerful "AI chips" that can power their various activities. These will compete with those made by NVIDIA, a tech firm that has built an empire on powerful chips used in various AI realms, such as autonomous cars and virtual reality.

It is unclear whether the likes of Alphabet and Apple will sell these chips to rival firms or keep them for themselves. They have an incentive to use their innovations to improve their own services, rather than renting or selling them to rivals—which could become a problem if it means a very few firms develop a meaningful advantage in brute computing power.

That begs the broader question of whether AI will further concentrate power among today's digital gi-

ants. It seems likely that the incumbent tech groups will capture many of AI's gains, given their wealth of data, computing power, smart algorithms and human talent, not to mention a head start on investing. History points to the likelihood of concentration; both databases and personal computers ushered in ascendancies, if only for a while, of a tiny group of tech firms (Oracle and IBM in databases, Microsoft and Apple in personal computers).

By the metrics that count—talent, computing power and data—Google appears to be in the lead in AI. It can afford the cleverest people and

has such a variety of projects, from drones to cars to smart software, that people interested in machine learning rarely leave. Other firms had to learn to take AI seriously, but Google's founders were early devotees of machine learning and always saw it as a competitive edge.

## AI'S SPIRITUAL HOME

Some in the tech industry, such as Elon Musk, the boss of Tesla and rocket firm SpaceX, worry about Alphabet and other firms monopolising AI talent and expertise. He and a handful of other prominent Silicon Valley bosses funded OpenAI, a not-for-profit research outfit focused on AI with no corporate affiliation. Mr Musk and others are worried about what might happen when a firm finally cracks "general intelligence", the ability of a computer to perform any human task without being explicitly programmed to do so. Such a vision is probably decades away, but that does not stop Google from talking about it. "We absolutely want to" crack general AI, says Jeff Dean, the boss of Google Brain. If a firm were to manage this, it could change the competitive landscape entirely.

In the meantime, much will depend on whether tech firms are open and collaborative. In addition to publishing papers, many companies today make their machine-learning software libraries open source, offering internal tools to rivals and independent developers. Google's library, TensorFlow, is particularly popular. Facebook has open-sourced two of its libraries, Caffe2 and Pytorch. Openness has strategic advantages. As they are used, the libraries are debugged, and the firms behind them get reputational benefits. "Beware of geeks bearing gifts," quips Oren Etzioni of the Allen Institute for Artificial Intelligence, another non-profit research group.

One guru of the field worries that libraries such as TensorFlow will bring in talented researchers but that their owners may start charging later on, or use them for profit in other ways. Such caution may prove wise, but few think about the long term when a gold rush is under way. So it is now in Silicon Valley. Most techies are too consumed by the promise and potential profits of AI to spend too much time worrying about the future. ■



Dec. 7 – Jan. 28

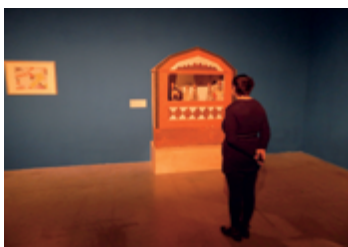
December 13 – 20

December 15 – 29

### Boychukism. A project of the great style

**Myštetskyi Arsenal**  
(vul. Lavrska 10-12, Kyiv)

The world of dreams, untraditional formats and inimitable artistic style at whose heart lies the Ukrainian village seems like a sacred event. Such is the short description of this exhibit of Ukrainian "boychukists." Mykhailo Boychuk, who surely belongs among the great reformers of Ukrainian art, was the main impulse that led to the artistic trend we now call boychukism. The show brings viewers more than 300 paintings, graphic works and mosaics from the school of Ukrainian monumentalism, including works by Mykhailo and Tymofiy Boychuk, Vasyl Sedliar, Sofia Nalepynska, Oksana Pavlenko, Serhiy Kolos, and other representatives of the Grand Style.



### New British Cinema 2017

**Kyiv Cinema Arts Center**  
(vul. Velyka Vasylykivska 19, Kyiv)

The best premiers and special projects are the core of this year's festival, New British Cinema 2017. The program offers six new films for Ukrainian viewers, different in form and subject alike. Tragicomedy, thriller and melodrama, full-length features and shorts, the life stories of ordinary folks and of artists—all this and much more awaits visitors to the festival. The organizers note that since New British Cinema was launched in Ukraine, it has presented more over 50 premiers, with more to come.



### New Beginning

**Spivakovska ART:EGO Gallery**  
(vul. Saksahanskoho 59B, Kyiv)

This group show of works by Ukrainian female artists is a multi-colored mosaic of a wide range of media, artistic approaches and styles. What common artistic thread links the works of Daria Maiboroda, Daryna Mykytiuk, Maryna Bindich and Christine Ridzel? Idea: the process of generating it, nurturing it and expressing it. The lifecycle of ideas and how they are transmitted in the language of art. The artists' emotions, the circumstances under which a given work was created become the framework of the idea. The launching point is the birth of a new life. Or is it simply the answer to the question, "What is a woman artist like?"



January 11, 7p.m.

January 13, 6p.m.

January 13, 7p.m.

### Mylist Chamber Choir and Zirochky Children's Ensemble

**National Philharmonia of Ukraine**  
(Volodymyrskiy Uzviz 2, Kyiv)

The Philharmonic hall will be filled with the sound of the koliada, Ukrainian Christmas carols, while your heart is warmed away from the cutting cold of a January evening. The baton of Maria Berlad brings these two performing groups to the stage. The soloists are Roman Strakhov (baritone), Karina Kondrashevska (soprano), and Viktoriya Andriyenko (declamation). The evening's program includes well-known, popular koliady arranged by Hanna Havrylets (Barbivska koliada) and Maria Berlad, choral and ecclesiastic works, as well as Leontovych's legendary Shchedryk, aka Carol of the Bells.



### Vocal Zone

**Tchaikovsky National Music Academy of Ukraine**  
(vul. Horodetskoho 1-2/11, Kyiv)

Kyivans and their guests are guaranteed a holiday mood even after Christmas itself at the Mikhnovetskiy Festival of A Capella Music, to which all musiclovers are invited for an evening of jazz and virtuoso performances. This evening of jazz holiday spirit will be presented by groups like ManSound (Ukraine), United People (Ukraine) and Cluster (Italy). This is the fifth such annual musical event in Kyiv named in honor of the "Daddy" of ManSound, a group that was among the original members of the vocal music scene in Ukraine. Volodymyr Mikhnovetskiy is deservedly considered a legendary composer, vocalist and master arranger: Vocal Zone is his masterpiece.



### For our Favorite Holidays

**National Philharmonia of Ukraine**  
(Volodymyrskiy Uzviz 2, Kyiv)

During this Christmas season, the National Philharmonia of Ukraine invites Kyivans and their guests to an evening of classical music for the whole family with the Kyiv Soloists chamber ensemble. These virtuoso musicians bring you world masterpieces from composers like Bach, Corelli, Mendelssohn, Dvorak, Vivaldi, Britten, Grieg, Tchaikovsky and more, as well as a generous portion of Ukrainian koliada or carols. Solo violinists are Olha Sheshkova and Yuriy Stiopin.





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