

# The Ukrainian Week

International edition

#10 (128) October 2018

Demographic situation  
in Ukraine and abroad

"De-oligarching" the economy  
and record volumes of exports

Modern non-figurative Ukrainian  
painting: trends and figures

How  
many  
are  
we

The  
Economist

Featuring selected content  
from The Economist

[WWW.UKRAINIANWEEK.COM](http://WWW.UKRAINIANWEEK.COM)

FOR FREE DISTRIBUTION



ONOVO

·COCTAIL·BAR·



BORYSPIL HIGHWAY 18 KM, 400 METERS FROM  
KHARKIVSKA PLOSHCHA, KYIV, UKRAINE  
+38 044 585 11 65 ● @ WWW.ONOVO.UA



## BRIEFING

- 4 **The danger of wanting to be boss**  
What to expect from “elections”  
in Donetsk and Luhansk

## POLITICS

- 7 **Gandhi at checkpoint**  
Mridula Ghosh on Mahatma Gandhi's  
legacy
- 8 **Phillip A. Petersen:**  
“We thought ideological competition  
was over, but it just shifted”  
President of the Center for the Study of  
New Generation Warfare on the situation  
in the Black Sea and the historical and  
modern aspects of the confrontation  
between the USA and Russia



## FOCUS

- 12 **The middleweight:**  
neither 52 million – nor 26  
What a census can tell us that  
no other survey can
- 17 **Ukrainians abroad: The ties that matter**  
How Ukraine might come to an  
understanding with its community abroad
- 20 **Death or evolution?**  
Ukraine seems to be following European  
trends as its rural areas go through  
changes. Can and should anything  
be done about it?
- 22 **The roadmap of demography**  
How Ukraine's population dynamics  
is similar and different compared to  
its neighbors



## ECONOMICS

- 24 **Exports: A successful shift**  
Ukrainian exports to the EU have  
reached record volumes, but the  
potential for economic integration  
is far from being used effectively

- 27 **Twilight of the oligarchs**  
Ukraine's oligarchs are slowly but surely  
losing their economic clout
- 30 **System recovered. Now back it up**  
Economic growth in most oblasts has  
reached pre-war levels or even passed  
them. What prospects does Ukraine  
face now?

## SOCIETY

- 34 **Bitcoin and other cryptocurrencies  
are useless**  
The rise and fall of speculators
- 35 **Potential or lost souls?**  
Alla Lazareva (Paris) on the motivations  
and expectations of the latest wave  
of Ukrainian emigration to France
- 37 **After autocephaly**  
What to expect after the Ukrainian  
Orthodox Church receives autonomy



## HISTORY

- 40 **A reform that ruined the Soviet Union**  
Why the bomb laid under the foundation  
of the USSR exploded



## CULTURE &amp; ARTS

- 44 **Yuriy Andrukhovych:**  
“I don't like banality, so I don't meet  
the readers' expectations”  
Modern Ukrainian writer talks with  
*The Ukrainian Week* about the  
investments in culture, the new  
generation of writers and Ukraine's  
place in the literature map of the world
- 46 **The main character of abstract art**  
Modern non-figurative Ukrainian  
painting is well-known abroad,  
but underrated at home
- 50 **A month of music and drama**  
*The Ukrainian Week* offers a selection  
of events to visit in October



## The Ukrainian Week

**The Ukrainian Week #10 (128) October 2018**

**Founder** ECEM Media GmbH. **Publisher** ECEM Media GmbH

**Address** Austria, Am Gestade, 1, 1010 Vienna

State registration certificate KB № 19823-9623ПР 19.03.2013

**Chief Editor** Dmytro Kravchenko

**Editors** Max Nestelieiev, Lidia Wolanskyj

E-mail office@tyzhden.ua

www.ukrainianweek.com

Tel. (044) 351-13-00

Office address Kyiv, Ukraine, 36A, vul. Bohdana Khmelnytskoho, apt. 3

Print run 15 000. Free distribution

Our partner

ТИЖДЕНЬ



**BRIEFING**

# The danger of wanting to be boss

Denys Kazanskiy

ORDiLO, the occupied territories of Donbas, plan to hold elections for the leadership of the two pseudo-republics, DNR and LNR on November 11. The word “elections” really should be written in quotation marks because nothing resembling an electoral process is expected to take place. The Kremlin has already presented its preferred candidates as “acting heads of the republics,” so the “expression of the will of the people” will be little more than a formality.

PHOTO: REUTERS





ДОНЕЦКАЯ  
НАРОДНАЯ

Still, appointing the new leaders of DNR and LNR can't be accomplished completely quietly, at least for now. When Ihor Plotnytskiy's team was overthrown and chased out, there were no more rivals in the way of the current acting boss, Leonid Pasichnyk. In Donetsk, however, the August killing of Oleksandr Zakharchenko has led to an open struggle for his seat.

At first, Zakharchenko's people tried to take over and within a few days one of the late boss's deputies, Dmytro Trapeznikov, took over as leader. However, subsequent events showed that Moscow was quite tired of the Zakharchenko boys and had decided to sweep it out of the leadership of the pseudo-republic. Over the course of a few days, the "Zakhar's" men lost all their positions in DNR and left for Russia. Instead, the Kremlin appointed a new handler in Donetsk, Denys Pushilin, who headed the "people's council of DNR" prior to Zakharchenko's demise.

Back in DNR, however, not everyone was happy with this appointment. After the explosion at the Separ Café and the expulsion of Trapeznikov and Aleksandr "Tashkent" Timofeyev from Donetsk, three contenders for the leadership post appeared. In addition to Pushilin, they were Field Commander and former Alfa officer Oleksandr Khodakovskiy, and one time "People's Governor of Donetsk" Pavlo Gubariev, who was involved in initiating the anti-Ukrainian insurgency in Donetsk.

WHEN IHOR PLOTNYTSKIY'S TEAM WAS OVERTHROWN AND CHASED OUT, THERE WERE NO MORE RIVALS IN THE WAY OF THE CURRENT ACTING BOSS, LEONID PASICHNYK. IN DONETSK, HOWEVER, THE AUGUST KILLING OF OLEKSANDR ZAKHARCHENKO HAS LED TO AN OPEN STRUGGLE FOR HIS SEAT

Khodakovskiy had already played the role of unofficial opposition to Zakharchenko and sometimes criticized the militants' leader in the harshest of terms. Other "people's commanders" in Donbas who allowed themselves to speak so freely were eliminated back in 2015, but Khodakovskiy clearly had powerful protectors in Russia and thus a certain measure of freedom. However, he was not given access to power in DNR. Khodakovskiy's political movement, "Patriotic Forces of Donbas," was never formally prohibited, but neither was he allowed to participate in elections.

In Donetsk, Khodakovskiy was seen as one of the main contenders for the boss's seat long before Zakharchenko was eliminated. Still, this did not last long. The minute Khodakovskiy announced his intentions of running in the "election for the head of DNR," Moscow gave a short and sharp answer: he was simply not allowed to exit Russia for DNR territory.

Like Khodakovskiy, Pushilin's other rival, Gubariev, was actively involved in Donbas affairs since March 2014 and also has his own political force, called "Free Donbas." Unlike the field commander, however, he immediately agreed to be the official opposition, that is, he criticized as a mere formality, for public consumption, but in fact was as much a part of the government as Pushilin. For this reason, Gubariev quite reasonably considers himself generally at the same level as Pushilin and has every reason to contend for the leadership of the DNR band. After Zakharchenko's death, he traveled to Moscow where he supposedly was able to get approval for his participation in the "election for the head of DNR" and to gain the support of a number of influential forces. However, Pushilin's team and whoever stood behind them clearly were not pleased with such a turn of events. And the pressure was put on Gubariev.

First what happened is that the presentation of the book "85 Days of Sloviansk," in which Gubariev was to participate, was cancelled. And on September 29, the conflict between Pushilin and Gubariev became openly hostile. A convention of the Free Donbas movement led by Gubariev was planned for that day and his wife, Yekaterina, was supposed to head the party list. However, she was arrested that morning and the convention went ahead without her. Her name did not appear on the list and the movement was effectively taken over by Pushilin's people.

"I left my home around ten to get to the convention," Yekaterina Gubarieva later reported. "I was asked to drive up for a chat, where I was informed that the Free Donbas convention would go ahead without my participation. I was originally #1 on the Free Donbas party list. Now I'm not anywhere on it at all. After awhile, I was let go and all my personal belongings were returned." After this incident, Gubariev's wife left for Rostov-on-Don. Who these mysterious people were who asked her "to drive up for a chat," she never said, but it's easy enough to guess. Overnight the Gubariev family effectively lost their party.

Pavlo Gubariev himself so far has remained in power. Under DNR rules, to register for the upcoming "election," he needed to collect 10,000 signatures, which he was able to do. Now he has to wait for the verdict of DNR's central election commission. As has often happened with undesirable candidates in Russia, the signatures could simply be declared invalid. Incidentally, the "republic's electoral commission" was chaired by Olga Pozdniakova, a Russian citizen who was a *Yedinaya Rossiya* deputy on the Shakhta City Council in Rostov Oblast prior to this.

Yet another rival of Pushilin's was also given a very clear signal, probably because he was considered too independent a figure. Also on September 29, Ihor Khakimzianov nearly found himself sharing Zakharchenko's fate when an attempt was made on his life. The Makiyivka native son suffered burns and injuries in the explosion, and to prevent further problems, he withdrew his candidacy.

In neighboring Luhansk, the "election campaign" is moving along more quietly. Since the Plotnytskiy team was driven out, LNR has been completely calm and the Pasichnyk team has a complete political monopoly. Naturally, a complete purge of any dissenters from the "general party line" has turned the occupied portion of Luhansk Oblast into a tiny replica of the USSR: a quiet bog with no hint of political life.

Among the candidates for "head of LNR," there is not a single even slightly familiar name, other than Pasichnyk. In no time and no place have such utterly technical candidates been seen. Pasichnyk's rivals include a safety engineer at the Luhansk Train Station called Natalia Serhun, a union leader called Oleh Koval, the director of the Luhansk Alcohol and Liquor Plant called Leonid Derzhak, an employee at the "LNR Ministry of Culture" called Roman Oleksyn, the director of the Local Power Company Volodymyr Rodionov, another union activist called Yuriy Ryaplov, and an employee at the Perevalsk County History Museum, Liudmyla Rusnak. The only people who know what they even look like are probably their families and colleagues.

It's long been obvious to even the most fervent supporters of the "people's republics" that the "elections" in DNR and LNR have nothing to do with the actual expression of the people's will and that people living in occupied Donbas have lost their right to vote. Still, the only option left for those who don't like the situation is to pour out their negative feelings about it in social nets and anonymous Telegram channels. ■

# Gandhi at checkpoint

Mridula Ghosh



Hailing Gandhi as the “Mahatma” (the Great Soul), Tagore wrote a famous song, which marked Gandhi’s journey: “When no one answers your call, walk alone!” Gandhi never had to walk alone. The world followed him. Similarly, in Ukraine, a call to study and discuss Gandhi even before his birthday October 2, was made the International Non-Violence day by the UN,

was met with overwhelming response by many Ukrainian intellectuals, activists and media since 2006. I am proud to be part of these events held under the lovely slogan: “An Eye for an Eye Makes the Whole World Blind.” The tradition continues. Irrespective of the fact, whether or not officially celebrated, array of speeches delivered, events reported and Gandhi remembered every year only on this day more than any other day, I think, every year, this day comes to us to analyze, recapitulate and again evaluate the importance of Gandhian ideas rather than the mere persona of Mahatma. In fact, not a day, it’s a week, with Vaclav Havel being bon on October 5<sup>th</sup> and John Lennon on October 9<sup>th</sup>. The trans-continental meridian for peace and non-violence calling.

I got used to Albert Einstein’s words that, for many years after Gandhi, humanity will continue to wonder that such an individual in flesh and blood really existed and walked among us. But, a decade ago, Russian President Putin, who has not resisted to resort to violence several times, sarcastically remarked “there is no one to talk to after the demise of Mahatma Gandhi”. It sent shockwaves to me. Equally shocking was to hear from my Gambian friend, a Hungarian citizen, resident of Budapest, chairing the Mahatma Gandhi Foundation there, “I was in Ukraine. You know that place in the Carpathians? No, not Beregovo. We call it Bereskas! It was ours. And it still is. Everybody is Hungarian.” And countless such unseen un-Gandhian references made in Gandhi’s name! My polite explanation could help my Gambian friend understand, he regretted the colonial statement. But the global waves of cynicism and violence are beyond our control and dampen the spirit. Domination of bigger powers and colonialism in very different forms is still something that smaller nations have to challenge and address. Smaller economies grapple with crises and face political unrest.

This is especially so, in the wake of populist politicians all over the world. Populists get ready for earning votes, throwing generous promises that will never be fulfilled. PR companies actively engage in supporting them professionally. Nothing wrong. Framework of democracy allows the right to participate to all. And it is here that Gandhi

emerges and warns, “The means are as important as the end. Use unfair means to achieve even a good end, and you will pollute the end itself.” However, there are ethical voices. Activists in Ukraine paraphrase this and say, “Think before you vote. Why did we sacrifice more than ten thousands of lives?”, though they know perfectly, there is little room for Gandhism in electoral politics.

No doubt that post-war history in the world is inspired by Gandhi. 65 years ago, the Ukrainian Gandhi, fearless Yevhen Hrytsiak, led the non-violent Norilsk uprising in 1953, calling an end to the infamous Gulag system. Since then, hundreds of Gandhi perished in their non-violent struggle against totalitarianism, while many others could get free and win their battle. The dissidents’ movement was essentially Gandhian in spirit. Even today, we see the same trend is reflected as Oleh Sentsov, Roman Sushchenko and many others suffer political incarceration in Russia.

DOMINATION OF BIGGER POWERS AND COLONIALISM IN VERY DIFFERENT FORMS IS STILL SOMETHING THAT SMALLER NATIONS HAVE TO CHALLENGE AND ADDRESS. SMALLER ECONOMIES GRAPPLE WITH CRISES AND FACE POLITICAL UNREST

Towards the 150<sup>th</sup> anniversary of Mahatma Gandhi, the world is celebrating, so is the Indian government. Topical has been the cleanliness campaign inside India. Of all the events around the world, the most significant is the one held in Berlin, at the Mauermuseum at Checkpoint Charlie, where a memorial stamp was released. In addition to permanent exhibitions on the division of Germany, Europe and the world, the history of the Wall, the successful escapes from the GDR and the history of NATO since its foundation, there is also a permanent exhibition “From Gandhi to Walesa – Nonviolent Struggle for Human Rights” on display since 1984. The most valuable exhibits are 14 original objects by Mahatma Gandhi, including Gandhi’s diary from 1916 and 1917 and a bronze statue of Mahatma Gandhi, a gift from the government of India in recognition of the museum’s human rights work. Crossing the Checkpoint Charlie several times in my young days, I could never think that I will see the wall break, take a piece of it as memento and a museum will be there.

Gandhi at Checkpoint Charlie is symbolic of how his philosophy has gone beyond the boundaries of time and space and continues to inspire people around the world. Sitting in Ukraine, I do not cross the checkpoints to occupied parts of East Ukraine or Crimea. But I have my dreams. Perhaps someday, when the political prisoners are freed, and a peaceful resolution allows Ukraine to gain control over her lost territories, the check points in Kherson and Donbas will become such milestones on time, showing the futility of Russia’s aggression and the resilience of the Ukrainian people? ■

# Phillip A. Petersen:

“We thought ideological competition was over, but it just shifted”

Interviewed by  
Yuriy Lapayev



PHOTO: YURIY LAPAYEV

During the 28<sup>th</sup> Economic Forum in Krynica-Zdrój (Poland) The Ukrainian Week discussed with the President of the Center for the Study of New Generation Warfare about the situation in the Black Sea and the historical and modern aspects of the confrontation between the USA and Russia.

## First of all, what is new generation warfare?

– We at the Centre for the Study of New Generation Warfare don't like using the term “hybrid warfare” because so many people in the West have preconceptions as to what hybrid warfare is. Since the Russians refer to it as new generation warfare, we prefer to use that term since it avoids all the Western preconceptions. The Russians have identified nine elements of new generation warfare: 1) non-military asymmetric warfare to establish favorable socio-economic and political environment; 2) special operations to misdirect elites; 3) intimidation, fraud, bribery; 4) destabilization op-

erations & organization of militant opposition; 5) introduction of armed insurgents & support thereof; 6) clandestine military intervention; 7) use of EW & high-tech reconnaissance to facilitate the destruction of resisting forces; 8) overt intervention to occupy territory and suppress any remaining resistance; and 9) threats to use nuclear weapons, and to use precision weapons to destroy nuclear power plants, chemical industry facilities & large hydro-electric power plants. Note that only two of the nine elements involve an overt, kinetic aspect. European experts tend to talk about only the first eight, ignoring the ninth (threat of tactical nuclear weapons). We would like to get people to understand that the role of nuclear weapons must be included in our examination of the war Putin already is waging upon us. Ignoring Russian modernization of its nuclear forces will not negate that reality, even if it is an inconvenient truth. The Russians designed sub-kiloton weapons that are so discreet, that it would be difficult in a crisis to determine whether a strike was undertaken with thermobaric weapons or nuclear weapons. If deterrence is in the “eye of the beholder,” how are we going to persuade our political leaders that nuclear weapons have been employed, when we might not be able to say with certainty that is what happened, especially when Moscow will be claiming the strikes were not nuclear? This is just one aspect of Russia's contemporary approach to the war Moscow is waging upon us now. All nine elements of Russia's new generation warfare are seamlessly integrated, and employed in shifting combinations, with the various elements being emphasized in different ways over the course of each phase of each of Putin's operations against us.

The goal of Putin's policy is to separate America from Europe, and to break down the unity of NATO and the European Union. The Brexit referendum was, to a large extent promoted by, and probably ultimately determined by, Russian information warfare operations. Just as Moscow effectively manipulated legitimate concerns in Britain, it managed to move its informational warfare campaign from Ukraine to the United States in time to influence the results of the 2016 Presidential Election. All of this is a part of New Generation Warfare, using a wide range of tools (most of them not traditionally categorized as “warfare”). Kremlin propagandist Dmitry Kieselev observed that “information warfare is now the main type of war, preparing the way for military action.”

We need to face the reality that ever since the 1993 Constitutional Crisis in Russia, Moscow has perceived itself as at war with the liberal democracies of the West. While we in the West accepted that the dialectical competition between Capitalism and Communism had ended in victory (i.e., “the end of history”), we therefore assumed that ideological competition was over. Instead, it just shifted to a struggle between liberal and illiberal forms of democracy (i.e., everyone gets to vote — at least mostly everyone, since voter suppression techniques can be employed to reduce the size of the opposition vote — and other techniques such



as gerrymandering can insure that not all votes are equal — and many other techniques can be employed to eliminate competitive candidates). The ideological struggle is now over “free and fair elections”. Even Putin wants to be able to mobilize “public support” in the form of electoral victories to support his political actions. Officially, Russia is a democracy — although a “vertical” democracy — in which an authoritarian leader proposes, and his subjects have the opportunity to support him, but the elections are neither free nor fair. While elections can be useful in establishing legitimacy both domestically and internationally, illiberal democracy promotes a majoritarianism that limits the liberal principle of freedom by appeasing those capable of usurping power with money and securing cooperation of the masses with disdain for minorities.

### **So, Russia exports this illiberal order to their neighborhood?**

– Actually, Putin would like to promote illiberal democracy everywhere. In some ways, however, it was the young people of Ukraine who forced his hand when they twice rejected illiberal democracy. The young people refused to have their futures robbed by an illiberal democracy in Kyiv; they looked at the accomplishments of the Poles and understood that they too could live lives more freely and with greater economic comfort. To counter this threat, Moscow spread the myth that it was all about America provoking political upheaval in Ukraine; that it was all about America and the Europeans pushing eastward (hence, threatening Russia) rather than Ukrainians wanting to move “westwards” if you will. Putin’s illiberal democracy would not survive long in a world where Ukrainian citizens lived visibly better than Russian citizens, so he struck at Ukraine’s weakest places — that is, in those regions where Kyiv most visibly failed in “state building.” Once Russia was at the point of waging kinetic war against Ukraine — and here it is important to note that Moscow still has not admitted that it is waging war — eventually economic sanctions were the result. Putin told his generals not to worry about sanctions, arguing that they would not last longer than six months. Along with the drop in oil prices, the sanctions have crippled Putin’s regime, and it has been Putin’s attempt to remove the sanctions that have been the driving force behind the information warfare conducted against the United States since the 2016 Presidential Campaign.

### **Do you think the reaction of USA is adequate to Russian behavior?**

– No, it’s not. Certainly, if Ronald Reagan were President today, there would be far different reaction. First of all, he was a great communicator, so he would have more effectively mobilized America. Secondly, Reagan’s values were fundamentally different that the current occupant of the White House. Unfortunately, we have a new environment, and this goes back to the fact that all liberal democracies are under attack. The non-kinetic elements of this warfare are directed at dividing our publics, with the goal of promoting what has been called “tribalism.” We know for a fact that, pretending to be Americans or Brits, the Russians organized demonstrations and counterdemonstrations. We also know that in some cases, the Russians provided funds to support both the demonstration and the counterdemonstration. These activities have not stopped, as the US intelligence has publicly identified a number of cases where the Russians are now interfering in this year’s US Congressional Elections. It is critical to intensify economic sanctions against this Russian behavior, as well as identify additional tools with which to fight back against the informa-

**Dr. Phillip A. Petersen** has a Ph.D. from University of Illinois, M.S. from Western Michigan University, and a B.S. in Ed. From Central Michigan University. For fifteen years he served as a United States Army officer, an intelligence analyst for the Defense Intelligence Agency, and a policy analyst in the Office of the Secretary of Defense and at the National Defense University. Later Dr. Petersen conducted a three-year interview project for The Potomac Foundation on Security Policy in the Post-Soviet Republics. He has served as Senior Consultant to the President of the United States Industry Coalition for the Department of Energy’s Initiatives for Proliferation Prevention Program and was a Founding Director of the not-for-profit Institute for Applied Science. From 2013 through the end of 2017 he served as Vice President for Studies at The Potomac Foundation Potomac, and now serves as President of the Center for the Study of New Generation Warfare. Dr. Petersen has authored some 80 publications on international security issues.

tion warfare being waged against us. The modest recovery in oil prices since 2016 has lessened somewhat the impact of sanctions on the Russian economy, making the search for additional tools even more necessary.

### **Some experts are saying that the pro-Russian position of Trump makes it harder to respond to aggression properly. Do you agree with that?**

– I think it is a very complex political situation in the United States. The call by Karl Rove in 2001 to create a “permanent Republican majority” led to an effort to seize control of the instruments of the American Federal system of governing so that a minority of voters could impose its will on the majority. While Rove and many other Republicans intended to employ the political instruments of American Federalism — the Courts and State Legislatures — to roll back the socio-economic achievements of the Greatest Generation (i.e., those who fought and won the Second World War), they never anticipated a populist coup that would attempt to employ these instruments to destroy our liberal democratic institutions. There is, in

THERE IS, IN FACT, A SECOND AMERICAN CIVIL WAR BEING WAGED TODAY BETWEEN THOSE COMMITTED TO LIBERAL DEMOCRACY ON ONE SIDE, AND A RANGE OF INTERESTS ON THE OTHER SIDE THAT EITHER SUPPORT ILLIBERAL DEMOCRACY OR ARE WILLING TO ACCEPT THE DESTRUCTION OF THE AMERICAN EXPERIMENT

fact, a second American Civil War being waged today between those committed to liberal democracy on one side, and a range of interests on the other side that either support illiberal democracy or are willing to accept the destruction of the American Experiment. It is probably the most important political struggle since America’s War for Independence. Both inside and outside of the United States Government there are people of integrity willing to defend our liberal democracy and oppose Putin’s aggression. I believe that it is fair to say that, whatever President’s Trump’s personal attitude is to Putin and his illiberal democracy model, it is fortunate that the State and Defense Departments as institutions have pretty much conducted business as usual. What causes us concern, however, is the possibility that after the November elections, President Trump may remove Secretary Mattis and replace him with someone more attuned to the U.S. President’s view of the world.

**But some information shows that economic sanctions do not work, like the Siemens case and the Nord Stream 2 project.**

– I do believe that such exceptions as those you mention will mitigate the effect of current economic sanctions and will buy more time for Putin. This is not to argue, however, that sanctions are not effective. If you look at the meeting in Trump tower, what it was about? It was about removing sanctions. Putin is doing everything he can to find ways to weaken or cancel the sanctions. Where is the T-14 Armata tank production? The Russians cannot produce many of these tanks because they require foreign-made parts that can no longer be imported. Sanctions are slowly shifting the balance of power in terms of combat arms. One of the most effective sanctions is to prevent the travel and to seize the property of corrupt Russian officials (which means most of them). While the wealthy in Russia want to live comfortably at home, living well includes enjoying

WHILE TURKEY'S PRESIDENT ERDOGAN HAS TRANSFORMED THE COUNTRY INTO AN ILLIBERAL DEMOCRACY, IT DOESN'T MEAN THAT TURKEY AND RUSSIA WILL BECOME ALLIES. SINCE THEIR NATIONAL INTERESTS ARE STILL FUNDAMENTALLY OPPOSED TO EACH OTHER, THE NEW GEOSTRATEGIC SITUATION IN THE BLACK SEA HAS BECOME A MUCH MORE COMPLEX AND DANGEROUS PLACE

travel to and educating their children in the West. I understand the seizure of Russian-owned personal property in the New York and London would have negative impact upon local property values, but these assets should be used to help pay for reconstruction in Ukraine and Syria (after Assad has departed the political scene).

**Coming back to Ukraine and NGW, what are the perspectives for our country, in your opinion?**

– The sanctions imposed against Russia's policies are backing Putin into a corner financially; especially with Crimea, because it is costing so much. He needs to solve this problem, and I give it a significant probability that he will launch an offensive to create Novorossiia. Such action would lead to an East-West crisis because it would produce millions of refugees. Poland could not accept that number of refugees, so it would act to prevent such a large flow of refugees. I would expect the US, UK, Denmark and Sweden would probably support Poland. We could very easily have a situation where it starts out with an effort to keep Ukrainian refugees in Ukraine by established refugee centers in Ukraine that, in turn, might become an obligation to provide security for those centers. Then you would have a situation in which both Western and Russian armed forces would be in Ukraine. Some governments, like the Italian or Hungarian for example, would refuse to participate, but it would be an immediate political issue in the United States. The Polish minority in US is decisive in Michigan, New Jersey, Pennsylvania, and they would be highly vocal in favor of the US government supporting Poland. This would be one of my greatest concerns, that Putin would over-estimate President Trump's ability to constrain political forces in the United States.

**Is the United States interested in the collapse of the Russian Federation?**

– I would like to address some myths generated by Moscow. The first is that the USA "collapsed" the Soviet Union. I can tell you categorically, that is not true. I was in the United

States Government during that time and, in fact, I was attempting to warn the Pentagon that Soviet collapse was a possibility, if not likely. The Administration did not want the USSR to collapse and was actually trying to preserve it. The Soviet Union collapsed because of its own internal stupidities; Gorbachev, himself, had no clue that the so-called "Soviet man" simply did not exist. The second myth of that period is that USA give no assistance to Russia. I was personally involved in the United States Industrial Coalition program to provide assistance in transparent employment for scientists formally engaged in weapons of mass destruction work. The idea was to prevent them from getting involved in producing weapons of mass destruction for rogue states like North Korea. We spent billions of dollars, for example, to create jobs for Russians to safely dispose of nuclear reactors in decommissioned submarines. While we were subsidizing Moscow's responsibility for environmental security it was, in turn, investing in the construction of new submarines that now are targeting America. The Russians never want to take responsibility, whether it is for their country's policies or for the outcomes of those policies; it's always someone else's fault. The bottom line is that America has only positive wishes for the peoples of the Russian Federation. We would welcome and be a close ally of a strong and liberal democratic state in Eurasia.

**What about the energy deal Putin signed with China?**

– In my opinion, the energy deal was an act of treason; a true betrayal of the interests of the peoples of Russia. Essentially, the Chinese agreed to provide Russia with enough money to create the infrastructure necessary to move oil and gas to China. The energy, however, will not be transported to ports where it can be placed on the international marketplace. Energy is a fungible commodity but, when all of this is done, the infrastructure being built will not allow Russia to sell to anyone but the Chinese. The Chinese, on the other hand, will be able to argue for prices below market because there will be no alternative for the Russians but to undercut prices China will be able to get on the world market. On the surface, the deal looks economically dubious, but it's even more grim from an operational-strategic security perspective. The construction of the pipelines means creation of a highspeed access of advance because construction and maintenance will require roads straight into the depth of Siberia, and even Russia itself. In fact, over the past several years Chinese Army strategic exercises against the Russian Federation have included the "deeper" objective of Kazan and the Volga River instead of the Ural Mountains.

**What can be another area of instability?**

– The USSR — and now Russia — refer to Crimea as their "unsinkable aircraft carrier" in the Black Sea. Because the Russian General Staff saw no practical alternative to Crimea, they were looking for the opportunity to take it back. Now Russian admirals are offending the Turks by arguing that this action has made Russia the predominate power in the Black Sea. While Turkey's President Erdogan has transformed the country into an illiberal democracy, it doesn't mean that Turkey and Russia will become allies. Since their national interests are still fundamentally opposed to each other, the new geostrategic situation in the Black Sea has become a much more complex and dangerous place. The Black Sea is no longer a "European Lake", but it is very far from having become a "Russian Lake" as it once was a Soviet Lake. ■



steaks and ribs

# Sam's Steak House



37, Zhylyanska str. Kyiv, Ukraine  
Reservation: +380 (44) 287 2000  
[www.sams.com.ua](http://www.sams.com.ua)

Sams.Steak.House



sams\_steak\_house





# The middleweight: neither 52 million – nor 26

What a census can tell us that no other survey can

Oleksandr Kramar

Lately, discussions about a “catastrophic” decline in the country’s population have become more common in Ukraine itself, leading to calls for a new census to be undertaken as soon as possible. The last one was 17 years ago, while common world practice is to carry one out every 10 years. Meanwhile, politicians and experts keep suggesting that the process is being delayed because official data about Ukraine’s population is likely very different from the reality — and that there is barely more than half the famous “We’re 52 million strong” actually living in the country today.

As it often happens, topics that are the subject of great speculation quickly lose touch with reality and take on a life of their own, offering, as they do, a usefully vivid tool that can be applied very effectively for the purposes of propaganda and populism. Among politicians who are determined to prove, one way or another, that independent Ukraine is no more than a failed state, one particularly striking line has been about “losing almost half the population without a Holodomor.” And, of course, their solution is to change the direction the country is going in and return, like the Prodigal Son, to the arms of a forgiving empire.

## WHY A CENSUS?

Ukraine really does need a proper census and delays in doing so have gone beyond the measure of reasonable. A census began to be planned back in 2012, when a decade had already passed since the previous one, run in December 2001. It was postponed several times under President Yanukovich. With the Russian invasion of Crimea, the opportunity to hold one across all of Ukraine’s territory disappeared. Since then, however, it has continued to be put off. Clearly, postponing a census until Ukraine has recovered all of currently occupied ORDiLO and Crimea — which could happen in a matter of months or in a decade and is not really in Ukraine’s hands — is also not an option.

On the other hand, the press seems to be exaggerating the significance of a census using arguments that have little basis. A census won’t necessarily offer a radical adjustment of the numbers compared with current statistics, partly because a census is trust-based. Censuses are a kind of national survey that covers many more questions than opinion polls and whose selection attempts to reach 100% of the country’s population. On the other hand, the information that a census produces typically does not

undergo documentary confirmation. And whether a given household decides to say that there are 1, 2 or 3 members in the family or 5-6 members, that’s the number that will be recorded — even if, in fact, several members actually moved abroad long ago and have no intention of returning to their homeland, or, on the contrary, if here are a number of illegal migrants living in the household.

Given this case, current statistical data, which is based on information from residential registration databases, registries of civil status — births, marriages and deaths — and immigration services that record who has left or entered the country, all of which are based on at least some documentary evidence, are clearly far more likely to reflect the real situation.



A CENSUS WILL NOT BE A MEANS OF CONFIRMING OR CHALLENGING THE REAL NUMBER OF VOTERS IN ONE POPULATION CENTER OR ANOTHER. STILL, IT WILL HAVE ENORMOUS SIGNIFICANCE FOR UNDERSTANDING, NOT HOW MANY PEOPLE, BUT WHAT KIND OF PEOPLE ACTUALLY LIVE IN UKRAINE

For this reason, a census will not be a means of confirming or challenging the real number of voters in one population center or another. Still, it will have enormous significance for understanding, not how many people, but what kind of people actually live in Ukraine. The most valuable questions in the census survey will be those related to such aspects as self-identification, ethnicity, language, and social status. This is information that there is little purpose to distorting, but it is not generally reflected in any of the other regularly updated government databases. Some of it comes to light during opinion polls that are run by various sociological companies, except that such surveys rarely reach even 5-10,000 respondents, never mind 20-30,000. A census, whatever else might be said about it, will reach tens of millions.

## MAKING SENSE OF NUMBERS

As of early July 2018, Derzhstat, the official statistics agency, reported 38.2 million permanent residents on Ukraine’s non-occupied territory, which is 6.9mn less than there was at the beginning of 2014, during the Euromaidan, and 9.9mn less than in the 2001 national census. Compared to the peak population figure registered in 1993, Ukraine has lost over 13.5mn residents. However, this kind of drop ▶▶

does not suggest some kind of catastrophe or genocide. For instance, of the 6.9mn Ukrainians “lost” since 2014, 6.1mn live on territory that is currently under Russian occupation: over 2.3mn then lived in Crimea and another 3.8mn in ORDiLO. It’s entirely possible that those numbers have shrunk considerably since 2014, because some residents fled to the rest of Ukraine, while others decided to take their chances in Russia and other countries. Still, 6.1mn lost as a result of Russia’s aggression is over 60% of the difference since the last census, and nearly 40% of the difference since the 1993 peak.

The remaining demographic losses are simply the consequence of a combination of various trends that are also common to other European countries. Having coincided, however, they have led to a substantially greater loss of population in the last quarter-century. First of all is what’s known as a demographic transition related to a steep decline in birthrates in economically advanced industrial or post-industrial societies with a high level of urbanization and the emancipation of women. This process was unrelated to Ukraine’s declaration of independence or to its two revolutions, in 2004 and 2013-2014. By 1958-59, the birthrate in the Ukrainian SSR was 2.3 live births per woman, which was the third lowest in the Soviet Union, after Latvia with 1.94 and Estonia with 1.95. In the 1970s, the birthrate declined further, to 2.05, and by the 1990s, it was down to 1.84. In short, Ukraine’s birthrate fell from 2.05 in 1960 to 1.27 by the late 1990’s.

**6.1mn** of Ukrainians live on territory that is currently under Russian occupation: over **2.3mn** then lived in Crimea and another **3.8mn** in ORDiLO

This has been accompanied all along by a steep rise in the mortality rate. Many Ukrainians who were born at a time when it was typical for a Ukrainian family to have four, five and even six children have died over the last two decades. Meanwhile, women who were born to families with only one or two children have themselves been giving birth to one, or at most two, children. This means that, sooner or later, the natural mortality rate should also go down as the older generation is replaced and the birthrate stabilizes. This will be at a low level, but it will be the same from generation to generation: there will also be fewer elderly people, as many of them will have been only children.

In recent decades, Ukraine has definitely suffered a major wave of emigration for social reasons, losing people both on a temporary basis as they look for work abroad, and on a permanent basis as they decide they can make a better life for themselves elsewhere. Moreover, this wave tends to involve young people who would normally be having children — which they either do in another country or postpone altogether. The older generation of parents and grandparents typically remains in Ukraine and eventually dies there. This is how the greying of the

population takes place (**see charts**), as the birthrate declines and mortality rises.

### MIGRATION FLOWS EVERYWHERE

Still, the process of mass emigration is also not unique to Ukraine. Most of Europe’s most successful countries have gone through this process — and some continue to feel it to this day. Far many more Irish, Scots, Swedes, Norwegians, Danes and even Germans, English, French, Spanish or Portuguese live outside their countries of origin today. The only difference is that they emigrated prior to the demographic transition in their homelands, which made the impact of emigration on total population numbers in their countries far less significant.

The widespread opinion that the number of emigrants from Ukraine has greatly exceeded official indicators in the last few decades seems quite exaggerated, especially with some bandying about numbers that are almost in the tens of millions. That’s supposedly why the current figures don’t reflect the real demographic decline. Mainly such comments refer to the illegal labor migrants who travelled to other countries in the 1990s and early 2000s, and have either returned home from their long-term work or have somehow managed to legalize their status in various countries and formally cut ties with their homeland. These individuals are mostly reflected in official emigration statistics.

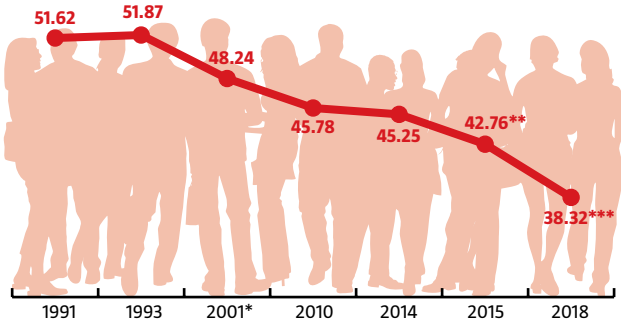
The substantial outflow of migrants from the country for all the 26+ years of independence has largely been counterbalanced by a strong inflow of migrants from elsewhere. Official statistics from 1991-2008 show that nearly 2.6mn Ukrainians left the country permanently, but nearly 2.4mn immigrants entered the country during this same period. These cross-flows from post-soviet countries have largely been positive and the nearly 2.0mn Ukrainians who left Ukraine for other parts of the FSU were replaced by more than 2.2mn who moved to the country from elsewhere in the FSU. Even if some share of these were citizens who had moved away during soviet times and were not in the country when it became independent, when they returned they partly replaced the outflow of the 1990s, which really did reach the millions. Over 2010-2016, another nearly 120,000 Ukrainians officially left the country to live abroad permanently, mostly to the West. But these same official statistics show that 280,000 immigrants arrived in Ukraine during this period. These outdated notions about a huge hidden population decline due to emigration seem to ignore the official figure of at least 2.7 million immigrants since independence. Public awareness has been imprinted with myths by a press that primarily focuses on the “exit of millions” abroad.

Finally, there are the seasonal and swing migrant workers whose numbers have risen steeply in recent years but who remain, de facto and de jure residents of Ukraine. Why not let them earn money in EU neighbors or elsewhere if they have families, return to Ukraine for extended periods, remain its residents, and send most of their earnings home? A census will not change anything here.

Looking at all the factors presented here, officially current registers under various government

### Why are there ever fewer Ukrainians?

Permanent population, mn as of January 1

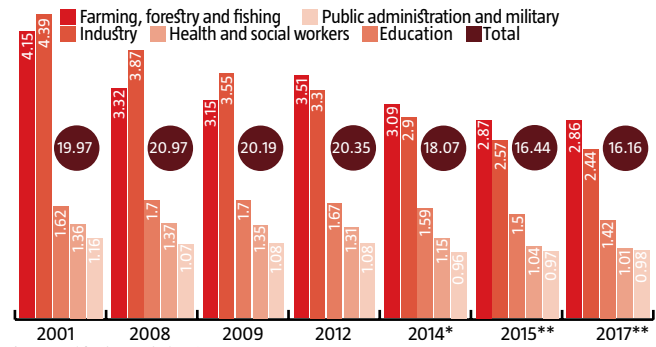


\*Census, December 2001

\*\*Derzhstat official data excluding temporarily occupied Crimea

\*\*\* Author calculations based on basic data from Derzhstat and Main Statistics Offices in Donetsk and Luhansk Oblasts as of July 1, 2018. Excluding temporarily occupied Crimea and ORDILo and temporarily displaced persons.

### Annual change in able-bodied population by type of employment, mn

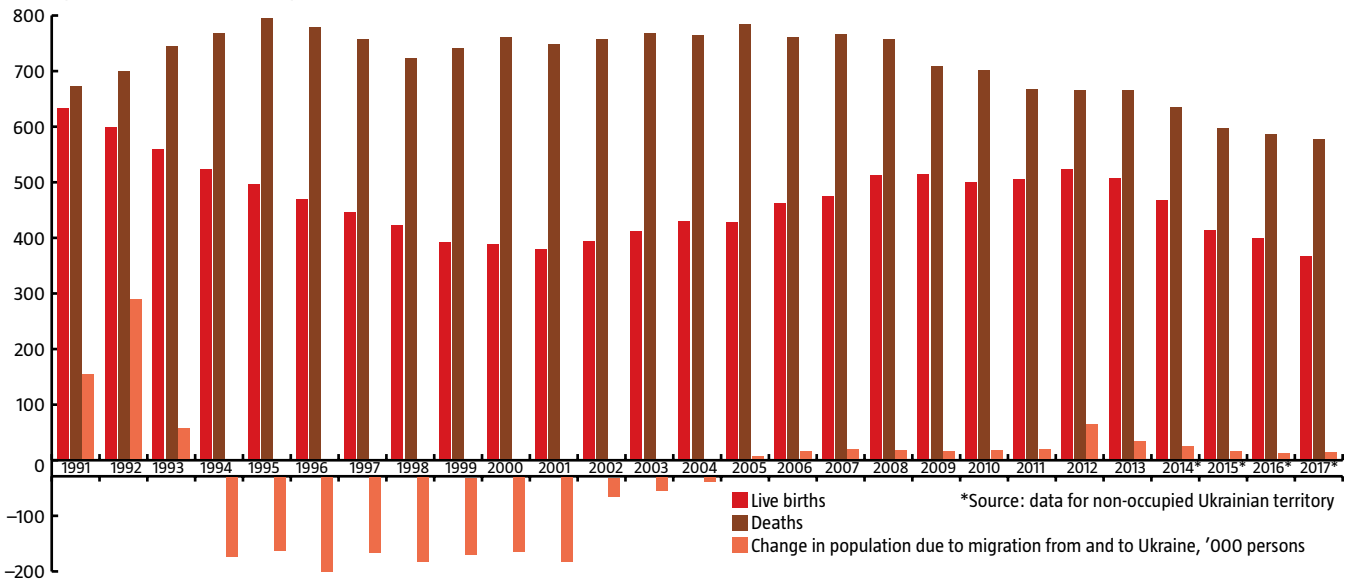


\*2014 and further exclude Crimea

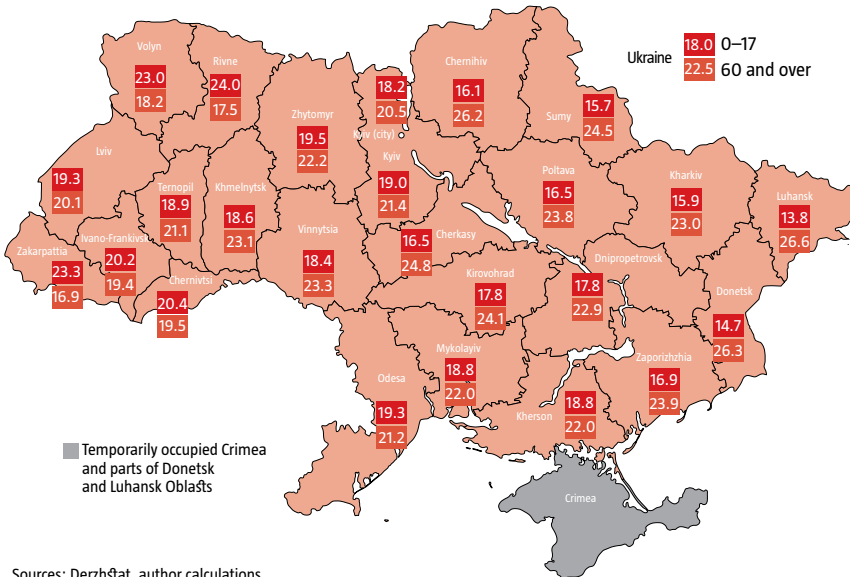
\*\*Excluding Crimea and ORDILo

Source: Derzhstat calculations for each year include persons who are sole entrepreneurs (self-employed) as well as those who are considered unofficially or partly employed, working part-time on a daily or weekly basis, working on their family holdings, and so on

### Changes in birth, death and migration rates, '000

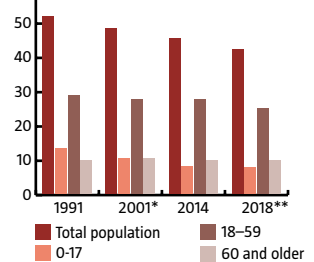


### Youngest and oldest regions by population share in two age groups, %



Sources: Derzhstat, author calculations

### Permanent population by age group, mn



\*Census, December 2001

\*\*Derzhstat data excluding Crimea but including ORDILo

### Birth rate, children per woman



agencies come up with 38.3mn permanent residents on Ukrainian territory that is not under Russian occupation, a number that appears to be very realistic. It may not include IDPs from the occupied territories, who do not add up to 1.5mn as the State Emergency Services and other social service agencies report. A large share of those temporary IDPs registered in Ukraine is a fiction engaged in for the purposes of getting a pension or other social benefits — and sometimes even obvious ‘dead souls’ that are part of a corrupt scheme. Establishing their true number is a task for a later date, especially since a large proportion of them that really is living in non-occupied Ukraine is gradually registering just like other local residents and becoming part of the general statistics on Ukraine’s current population.

### SHIFTING ETHNIC BALANCE

Russia’s occupation of Crimea and ORDiLO in combination with demographic processes that vary from region to region (**see charts**) has eased and accelerated Ukraine’s transformation into a normal European nation-state. If the country continues to exist in the territory that it currently controls for the foreseeable future, this will have a slew of benefits for internal consolidation and development, despite its real and present national traumas.

Prior to independence, the 1989 census shows that the share of ethnic Ukrainians in Ukraine was 72.7%, and 64.7% of the population considered Ukrainian its mother tongue. Another 22.1% were ethnic Russians, while 32.8% considered Russian their native language. But the accelerated decline in population in the least ukrainianized regions due to natural and migrational factors, and Russia’s occupation of the most russified regions have led to the share of ethnic Russians now being below 12.0%. The share of those who consider Russian their native tongue has dropped to 21.0%. This is even true if the results of the 2001 census are extrapolated to the current total population: the share of ethnic Ukrainians has risen to at least 83.8%, while the share of those who consider Ukrainian their mother tongue is at 76.3%. There is no region in non-occupied Ukraine today where the share of people who identify as ethnic Russians even reaches 30%, and in the majority of regions it is below 10%. Only six regions even register above 15% for this indicator.

Figures from recent opinion polls provide even stronger confirmation for this extrapolation: 88% of respondents claim Ukrainian ethnicity, while no more than 6% claim Russian ethnicity. In part, this is clearly due to internal migrational flows from regions with a higher concentration of Ukrainians to those where there used to be fewer, as well as shifts in self-identification among certain individuals who have roots in both ethnic groups. Since polls generally have a significant margin of error, it is hard to overestimate the role of a census in this respect. A census would place Ukraine in line with other countries of Europe like Lithuania with 84.2% titular ethnics, Bulgaria with 85.5%, Czechia with 86.0%, Serbia with 86.6% when excluding Kosovo, Croatia 89.6%, and Romania with 90.0%. It would also eliminate any basis at all for claiming that Ukraine is predominantly multi-ethnic.

Growing positive demographic trends in the more Ukrainian regions ensures that the preponderance of Ukrainians in determining their country’s policy will continue to grow. The loss of control over Russian-occupied territories in Donbas and Crimea has also meant the loss of the electoral base that the anti-Ukrainian camp needs in order to orchestrate a comeback. It has forced anti-Ukrainian forces to shift their propaganda from lobbying for a return to empire to promoting multi-vector and non-bloc status, which they hope will at least slow down or even succeed in blocking Kyiv’s move away from Moscow. The threat of a comeback by pro-Russian forces is still very much there, but it has been substantially undermined.

### A SOLID MIDDLEWEIGHT

Meanwhile, these same demographic processes have significantly altered Ukraine’s position among European countries over the last nearly three decades. The gap between its population and its territorial size has seriously increased, making it hard to fairly compare the country to others who were closer to it at independence: in 1990, Ukraine’s 51.6mn was within the same range as Turkey’s 56.5mn, Italy’s 56.7mn, Great Britain’s 57.3mn, and France’s 58.0mn. Today, Turkey has burgeoned to over 81.0mn, Italy is at 60.5mn, Great Britain is over 66.0mn, and France is at 67.2mn — while Ukraine’s population has declined to 38-44mn, depending on whether the occupied territories are included or not, and is still shrinking. Moreover, projections are for all these countries, except perhaps for Italy, to grow to 75-90mn over the next few decades.

The outdated notions about a huge hidden population decline due to emigration seem to ignore the official figure of at least **2.7 million** immigrants since independence. Public awareness has been imprinted with myths by a press that primarily focuses on the “exit of millions” abroad

At this point, non-occupied Ukraine’s population does not even match Spain’s, with 41.8mn official citizens and 46.7mn if immigrants are included, or Poland, which recorded 38.4mn at the beginning of 2018, although even in 1991 and after the 2001 census Ukraine was well ahead of Poland (38.9mn ra 41mn, respectively) and of Spain (38.2mn ra 38.6mn). Of course, if the population in the two occupied regions is added, Ukraine remains ahead of both today as well, with 44.3mn. In any case, Ukraine is solidly in the trio of “mid-range” European countries — except that its demographic trends are in the opposite direction: their population is stable or growing slightly, whereas Ukraine’s is in decline. Still, this is the weight class that Ukraine is likely to stay for the next few decades, as the next in line, Romania with 19.5mn and the Netherlands with 17.3mn, are clearly very far behind. ■



# Ukrainians abroad: The ties that matter

How Ukraine might come to an understanding with its community abroad

Roman Malko

“Blooming all over the world” is how Ukrainians like to pride themselves. And so far it has been like that. How long this bloom will last is not clear, however. Although it has one of the largest and most organized immigrant communities in the world, Ukraine is at risk of losing it, in whole or in part. What’s more, this could prove in favor of Russki Mir, the Russian World.

It’s hard to say exactly how many Ukrainians live outside the territory of their homeland, but there are millions for sure. As of 2004, the official numbers ranged from 10 to 15 million. Some, like Iryna Kliuchkovska, director of the International Institute of Education, Culture and Ties with the Diaspora at the Lviv Polytechnical National University, even talk about 20 million. But a 2017 study by Expat Insider came up with only 8 million. It’s not clear, though, just how accurate this lowball figure is, either. It’s possible that it does not include earlier waves of immigrants as the organization generally tracks current migrants, many of whom are illegals.

If this number is compared to those approximations that are talked about among experts, 8 million is clearly far short of the real figure. In Russia alone, apparently 4.4mn Ukrainians live today, although there are no accurate figures. 1.2mn live in Canada and Poland, 1.5mn in the US, and roughly about half a million each in Kazakhstan, Brazil, Argentina, and Moldova. Ukrainian migrants in Italy are variously reported as 300,000-700,000. In Germany and Israel there are about 250,000, and somewhat less in Belarus and Romania. These are only approximate figures based on various censuses, official statistics and projections, but they already add up to around 12mn. Moreover, Foreign Minister Pavlo Klimkin claimed that in 2017 alone more than 1 million Ukrainians left the country. Experts worry that this number could well increase by 35% in 2018.

## THE DISAPPEARING DIASPORA

All immigrant communities suffer from assimilation. Born in the second, third, and even fourth generation, their children feel less and less of a tie to their ethnic homeland. Still, today this process seems to be accelerating like never before. Where the first three waves of immigrants tried in every way possible to preserve their roots in a foreign land, the fourth, post-soviet and current wave appears to be the least resistant to assimilation and to very quickly lose their ethnic ties. This is not so much true of migrant workers, who generally intend to return to Ukraine and have very close ties there, but to those who have emigrated for good.

For the most part, this new wave doesn’t reject its past or break off ties with their homeland but they do everything they can to merge with their new home and to let down deep roots. Their children are less and less likely to speak Ukrainian in order to avoid being treated like second-class citizens. They spend less time getting together with their countrymen and are less inclined to participate actively in the existing Ukrainian community. Worse, they often fall in with fellow former soviet immigrants where they much more easily become bounty for those collecting scalps for Russki Mir.

As the Ukrainian World Coordinating Council Chair Mykhailo Ratushnyi explains, Rossotrudnechestvo, an RF federal agency for coordinating Russian migrants abroad, has become much more active across Europe recently in its efforts among Ukrainians. This imperial agency does not shrink from working with Ukrainian communities abroad by appealing to a certain commonality of all former soviet citizens, playing the “fraternal peoples” card, and so on. This kind of active campaigning has enormous influence, given the considerable resources and opportunities it enjoys, and the fact that most of the fourth wave emigrants speak Russian. It also resorts to some very sneaky tactics. For instance, many RF embassies have set up quality schools for the children of diplomats, to which they make a point of attracting the children of Ukrainian migrants as well.

## ABORTIVE ATTEMPTS AT CARING

Yet another important reason is that communication between Ukraine and Ukrainians abroad was always fairly bare-bones and this hasn’t changed at all. Despite the rare exception, the government has not learned to work with its citizens despite more than a quarter-century of independence. Sometimes it even seems that things are murkier today than they were in the gloomy 1990s. Under the country’s first president, Leonid Kravchuk, there was talk of a repatriation program that was never ultimately launched. Among others, the proposed program included interest-free loans and housing in northern Crimea. Had it been launched, the occupation of Crimea might well have been prevented altogether.

As of 2004, the official numbers of Ukrainians abroad ranged from **10 to 15 million**. Some, like Iryna Kliuchkovska, director of the International Institute of Education, Culture and Ties with the Diaspora, even talk about **20 million**

In 2004, the Law “On Ukrainians abroad” was adopted and amended slightly in 2012. Among others, it provided a number of places in domestic post-secondary institutions for Ukrainians abroad to gain a degree: initially it was 500, today it’s down to 300 per year. Ukrainians from, say, Kazakhstan could come to Ukraine under this program, get certified as teachers of Ukrainian, and go back to work in local schools where they had emigrated. Today, these quotas are effectively gone. On paper they still there, but in fact nobody is going anywhere: in order to enter a post-secondary institution in Ukraine, the person has to get a certificate stating that they are a Ukrainian abroad, which is not easy to do. Government red tape sometimes drags out the process for years.

The law also provided for a separate government agency that would specifically work with the Ukrainian community ▶

abroad and Ukrainian migrants. But this also never happened and so today no government agency is especially interested in these millions of Ukrainians. “They are served by the Foreign Ministry... sometimes tangentially, sometimes sub-standardly, but they are effectively left in the margins,” says Oles Horodetskiy, president of the Christian Society of Ukrainians in Italy. “We need an agency that will focus on the problems of emigrants and help coordinate them, depending on the country, the duration of the emigration and their needs, and resolve these things in Ukraine. What we face is a situation where there is no one to even address a proposition or a complaint to. This kind of agency would work both practically and politically. The country would demonstrate to its citizens that it really cares about what happens to them.”

### NEW PROGRAMS IN A NEW SPIRIT... SORT OF

This is just a brief sketch of the situation but it's enough to make it clear that the obliviousness of their homeland follows Ukrainian emigrants everywhere and slowly but inexorably eats away at the links between the two. After the Revolution of Dignity, the situation improved somewhat. While Ukrainians at home were busy making a revolution, the diaspora organized similar revolutions around the planet. They travelled home, donated money, and offered political support.

The war Russia then embarked on against Ukraine further mobilized Ukrainians abroad and they began to be more interested in what was happening at home and to help in every way possible. Stories about lost sheep returning to their folds. People who had been used to call themselves *khakhol*, the Russian pejorative for Ukrainian, suddenly became real Ukrainians. The dream emerged that the state of Ukraine and emigrant Ukrainians would finally find a common language. After the Sixth World Congress of Ukrainians in 2016, President Poroshenko even promised that a proper program would be launched. And some steps were actually taken in that direction. A concept was drawn up, and on May 10, 2018, the “Program for Cooperation with Ukrainians Abroad through 2020” was approved and over UAH 105mn in funding allocated. Initially, Ukrainian activists were thrilled that the government was finally doing something significant to support its emigrant communities by funding projects and activities.

However, it turned out to be, like so many initiatives, just another nice piece of paper. For instance, if you want to invite a Ukrainian artist, go ahead. But you can't pay their travel, hotels, per diems or fees out of program money — only promotional materials and rent for an exhibit or performance venue. The rest of the costs are up to you. There's money for Ukrainian language books and schools in Germany really need them. But Germany can't buy them directly in Ukraine, only through a distributor — at many times the original cost. Supposedly the money is supposed to be spent abroad because Ukraine is fighting corruption, so it seems. It's not surprising that there are such conundrums, either. In the past, such initiatives were prepared with some sense of responsibility: information was gathered from associations, societies and community groups, and the Ukrainian World Coordinating Council was consulted about funding needs. This time nothing like that happened.

Unfortunately, Ukraine's efforts towards its emigrant communities look particularly inadequate when compared to the attitude of other countries towards their diasporas. Hungarians started an international kerfuffle just over minor changes to Ukraine's law on education that they claimed were oppressive towards their ethnic minority in Ukraine. Poland also sup-



**The right to vote.** Ukrainian citizens abroad have to register with their local consulate, which costs US \$20. Then they have to travel across whatever country they are in, stand in line, and, in the end, not be able to vote. This is the cost of fulfilling their duties as citizens of Ukraine who have migrated abroad

ports its own: the Polish community in Kazakhstan is many times smaller than the Ukrainian one, but Warsaw sends entire shifts of teachers, equipment and textbooks there. Of course, both Hungary and Poland have greater resources available, with their growing economies, but the critical factor is not money but motivation. This kind of work does not, in fact, require big budgets. Moreover, the Ukrainian government's program could work effectively even if its budget were one third of what was allocated: just UAH 5-7mn for school purposes would already yield results.

To be fair, the program also funds support for the Ukrainian school in Riga. Not so long ago Education Minister Lilia Hrynevych announced that the Government had allocated money to develop materials for Ukrainian Saturday and Sunday schools abroad and that they would soon make an appearance. This is excellent, but a comprehensive approach would be even better.

### THE RIGHT TO VOTE

“Too often when I'm abroad and meet with Ukrainians, I have to admit that even very solid communities are completely assimilating, slowly but surely,” says Ratushnyi. “People can see

that there's no living link with the country and feel that Ukraine is ignoring them. In some places the Church is still doing its job, but that's about all. People have no influence over their political leadership, although they love their country and are its citizens. They can't even get involved in governing through elections, so they slowly begin to lose interest, to distance themselves, and to take out citizenship in other countries. This has really affected the newest wave of Ukrainian emigrants, most of whom are still citizens of Ukraine and hold Ukrainian passports."

"We all still live in Ukraine, we're considered residents and we pay utilities," notes Horodetskiy. "Legally, we are residents of Ukraine. Only a very small percentage has left for good and changed its permanent residence to Italy or the US. But the government treats this opportunistically. If it's convenient, you're a resident of Ukraine. If it's not, then you're a resident of Italy."

That's why it's critical to settle the issue of exercising the citizen's right to vote. The Ukrainian Constitution guarantees that all citizens of Ukraine are equal in their voting rights, regardless of religion, race or residency. But in practice, those who have moved abroad to work cannot properly exercise their constitutional rights. Part of the problem is that, outside the country, Ukrainians can only vote according to party lists, as they don't have a riding. In many cases they can't get to the polling station and vote at all. In Spain, for instance, where hundreds of thousands of Ukrainians live, there are only three polling stations: one at the embassy and two at the two consulates. The polling stations in Madrid and Barcelona can handle at most 3,000 voters. There were cases where people stood in line to vote the entire day only to have the station closed in their faces.

In this context, it also makes sense to distinguish between Ukraine's eastern and western communities abroad. They have much in common, but there are even more differences. For one thing, the eastern diaspora is far larger and is effectively dedicated to the preservation of Ruski Mir, which dominates where they are. "At one time we were proud of our schools in Tbilisi, Baku and Astana," says Ratushnyi. "They're all closed now. In Russia, where there are millions of Ukrainians, our organizations are now banned and our libraries have been shut down. Our leaders have lost the right to their professions. In Belarus, we did not manage to appoint an ambassador for many years. In Kazakhstan, there was no ambassador for three years. Similar things happened in Moldova and the Caucasus. With this kind of negligent attitude towards Ukrainians abroad, it's hardly surprising that we are losing them."

## LOOKING FOR NEW RECIPES

"There's no need to invent the bicycle," says Horodetskiy. "We just need to look how things are done in Italy or Poland. For starters, all we need to do is implement the law: set up an agency to work with Ukrainians abroad and get it to work. Once the laws are in place, the programs and so on, Ukraine has to start taking their interests into account, more than just good wishes from officials on Mykhailivska Ploshcha. The new election law needs to be passed and give migrants the opportunity to influence the government through the ballot box, to elect and be elected as the Constitution states. For instance, the Italian legislature has a broad representation of Italians abroad, both in the lower house and in the Senate. Earlier, they had an entire ministry."

"This is a kind of controlling share that can very often determine who comes to power, the right or the left," says Horodetskiy. "When there is a representation of the diaspora, it gains the interest of both those in power and the opposition. Then

the chances that the community will pay attention and do something meaningful become far higher. If there were some representation, then there would be competition to appeal to the emigrants and that would spill over into real deeds."

After all, embassies and consulates shouldn't be the only place where people can vote. There are honorary consulates and many communities have homes. If three representatives from various parties are sent from Ukraine, the community can organize the rest. Yet another option is e-voting. All that is needed is political will.

Last but not least, notes Horodetskiy, there's the important matter of reviewing, improving and adapting consular legislation and having consuls carry out their normal functions in terms of defending the interests of their citizens. "Many rules are either outdated or are too open to interpretation," he says. "The result is that too many decisions are up to the consul's discretion, which means that in the same country different consulates might interpret the same issue in opposite ways. We've seen instances, where the foreign country does more to accommodate our citizens than their own consulates. This includes issuing permits and identification papers, and other matters that make life a little easier in a foreign country. Diplomatic missions also need to work together more with their migrants. This has become particularly noticeable since the Maidan. There is no coordination. The embassy lives its own life, emigrants live their own." Clearly, Ukrainian missions need their staffing to be beefed up especially in Europe since the visa free regime was instituted.

WHEN THERE IS A REPRESENTATION OF THE DIASPORA, IT GAINS THE INTEREST OF BOTH THOSE IN POWER AND THE OPPOSITION. THEN THE CHANCES THAT THE COMMUNITY WILL PAY ATTENTION AND DO SOMETHING MEANINGFUL BECOME FAR HIGHER

Times are not easy for the Ukrainian community all over the world. The older immigration is fading away while the new one is just getting its feet, although in some cases, such as in Europe, it's already starting to establish its own politics. Ukrainians will continue to migrate because Ukrainian specialists and students are in demand abroad. But they need to know that they can go home any time and feel welcome. That means Ukraine has to be giving an unambiguous signal that it awaits them and will welcome them back.

"In Germany, we have an interesting situation with those people whose parents took them away when they were little children," says Natalia Kostyak, a Ukrainian activist in Hamburg. "Not all of them adapted well and it wasn't their choice. Now, many of them would gladly return to Ukraine or even live in both countries, which has become fashionable. Of course, there's the problem of dual citizenship, which Ukraine may have to resolve, one way or another."

In fact, the emigrant community doesn't need that much from its homeland, just a little attention and respect. But Ukraine does need them, and not just because they are the country's main investor: in 2018 alone, NBU data shows that emigrants transferred more than US \$9bn. And that does not include money that is handed over in person. Ukraine's community abroad is a powerful force that a country that is facing so many challenges — a war, occupied territories, a demographic crisis — cannot allow itself to lose. Even if there are only 15mn Ukrainians abroad and not 20, they can serve the country's interests and Ukraine needs to learn to do so: other countries can only dream of such a powerful ally, lobbyist and friend. ■



# Death or evolution?

Ukraine seems to be following European trends as its rural areas go through changes. Can and should anything be done about it?

Maksym Vikhrov

The notion that Ukraine's rural areas are in decline has been subject to public debate and every election campaign is filled with promises to revive it. The problem is very real. Rural areas are home to about a third of Ukrainians but in the last 18 years, this population has fallen by close to a quarter, 23%, from 16.9m to 13.0m, while urban populations have declined just under 16%, from 34.8m to 29.3m, according to Derzhstat, the state statistics bureau. Still, promises to revive the countryside are little more than populism looking for a voter. Given socio-economic trends, there is no realistic program that can save rural areas in Ukraine: depopulation will continue, infrastructure will continue to decay, and many villages will slowly disappear.

All this is far from being a purely Ukrainian issue. It's happening all over Europe, and indeed, all over industrialized countries. Driven by profound economic and technological factors, no national government has been able to stop this trend yet. However, it's governments that will determine how painful these changes are for their rural citizens and how high costs attached to them will be for the entire society.

## A DEMOGRAPHIC PORTRAIT

What does Ukraine's countryside look like in socio-demographic terms? According to the Institute for Demographic and Social Studies (IDSS) at the NAS, slightly over half of rural residents, 50.3%, live in larger villages, meaning those with a population of over 1,000, about a quarter, 26.3%, live in villages with a population between five and nine hundred, while 17.0% live in hamlets of 200-499 residents and the remaining 6.4% in even smaller settlements. It's precisely due to these tiny villages that the overall number of rural residents is shrinking.

Official statistics don't paint a full picture of this process: Derzhstat, the state statistics bureau, says that from 1990 through 2018 only 426 population centers disappeared from the map. However, the real number of ghost villages is far larger: in 2014, 369 empty villages were simply not removed from state records, according to a 2017 IDSS report. Another 4,684 villages were on the verge of disappearing back in 2015, with less than 50 residents. In short, in the next few decades, the rural population of Ukraine is likely to decline by another 17%. The most noticeable changes were in Sumy, Chernihiv and Kharkiv Oblasts in the northeastern corner of the country, where depopulated villages constitute 38.5%, 32.5% and 30.5% of all rural settlements.

The main reason for dying villages is demographic. The average age in rural and urban areas is not very different,

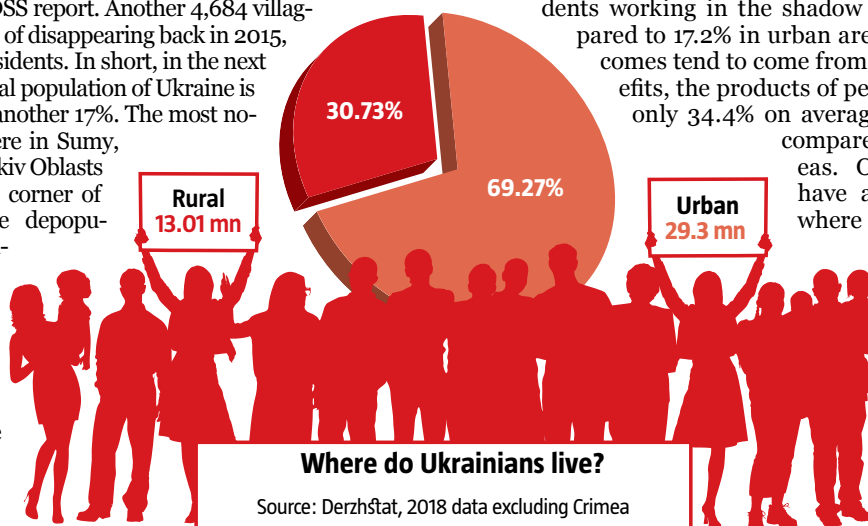
at 40.5 and 40.7, but in rural areas, the situation is not consistent across the board: the smaller the settlement, the older its residents. Whereas villages over 1,000 in population generally have 21.0% elderly residents, those that are depopulated, that is, with populations of less than 50, 38.0% are elderly, compared to the national average of 21.6% for rural areas. This, of course, affects the mortality rate: where there are 1.9 deaths for every birth, in these dying hamlets there are 7.3 deaths for every birth. In short, where the population is more than 50% people of pensionable age, experts consider the settlement to be in decline, and where there are more than 65% pensioners, the settlement is dying. In this number are villages without any children age 0-17, and 19% of all Ukrainian villages fall into this category.

Another factor that has been contributing to the depopulation and aging of rural areas is labor migration. For instance, in 2001, 25.6% of the residents were working elsewhere, but by 2014, that was up to 54.9%, more than double. Of these, 66.9% had moved to other cities to work, 20.0% had moved outside their oblast, and 12.7% were working outside the country, according to the same 2017 IDSS report. Needless to say, a good share of these migrants will never come back.

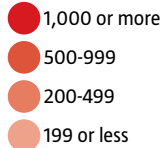
## A LOSING PROPOSITION

When people leave rural settlements, socio-economic problems become more urgent. First of all, wages in the farm sector are generally among the worst of all sectors. According to Derzhstat, the average wage in agriculture was UAH 7,500 as of July 2018, whereas it was UAH 9,800 in manufacturing, UAH 9,700 in retail trade and so on. What's more, villages typically have a larger share of poorly skilled or unskilled workers. In 2015, 38.7% of rural residents were employed in the simplest of trades, compared to only 9.1% urban areas, whereas only 17.1% of the residents were specialists and professionals, compared to 35.5% in urban areas. The level of unofficial employment is also high, with 42.6% of rural residents working in the shadow economy in 2015, compared to 17.2% in urban areas. Moreover, village incomes tend to come from pensions and other benefits, the products of people's own gardens, and only 34.4% on average in the form of wages, compared to 55.7% in urban areas. Of course, rural areas have a lot more homesteads, where no one outside the family is hired: homesteads constituted 46.2% in 2014, according to IDSS.

However, homesteading cannot support rural families with decent incomes: in 2015, only 17.5% of Ukrainian homesteads owned farming equip-

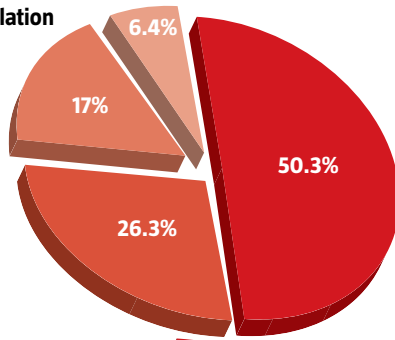


## 2. Distribution of rural population by settlement size\*

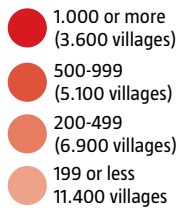


\*by population

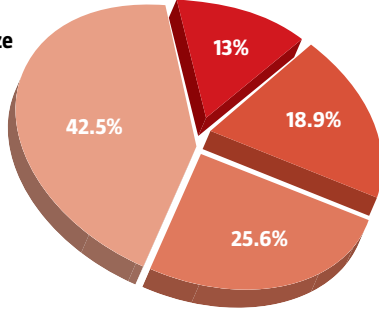
Source: Derzhstat, 2014



## Distribution of rural settlements by population size



Source: Derzhstat, 2014



ment, only 15.2% hired outside workers, and the sale of farm products brought in only 11.5% of total household earnings, according to IDSS. Theoretically, farmers should be the backbone of local economies, in place of the inefficient collective farm system. As of 2014, there were 52,500 businesses, with an average of 1.7 per village, among whom 71.3% were actually farms. But they did not revive the labor market: data for 2014 shows that of those individuals engaged in agriculture, only a tad over 3.0% actually worked on farms.

Nor did agriholdings revive the rural economy: with all their cutting-edge equipment, they had little need for the number of workers that had jobs at kolhosps or at pre-soviet farming enterprises. Since land is the main resource that rural residents still hold and Ukraine has no land market, it's no surprise that, on top of everything else, rural poverty is higher than poverty in urban areas. In 2013, relative to the subsistence minimum, this indicator was 11.8% in urban areas and 28.9% in the countryside according to IDSS.

Poverty and depopulation lead to a decline in the local infrastructure as financial resources and the market gradually stop being able to provide support. For instance, in rural areas in 2013:

- 61.8% of their households still had no indoor plumbing,
- 45.7% had no basic personal services such as barbers, dry cleaners, shoe repair,

- 41.8% had no access to timely ambulance services,
- 28.5% had no healthcare facility nearby,
- 24.4% had no daily bus service to bigger towns,
- 23.5% had no hardtop roads whatsoever.

In part, such problems can be mitigated by reforming the medical and educational systems, carrying out targeted budget-funded programs, and so on. However, as the network of hamlets continues to shrink, maintaining and developing this infrastructure will be harder and harder. It's hard to understand under what conditions and at what cost a pharmacy, shops, hair salon, daily buses to the county center, and other civilized infrastructure might appear. Of course, the situation isn't the same across the board, but the majority of depopulated, half-dead villages are in a difficult situation that is simply not resolvable.

Some might draw the conclusion that Ukraine as a state has suffered an historic defeat and provide incapable of saving its own rural areas. But in fact this kind of process has been going on in rural areas in the European Union for decades — and not only. One third of the EU population lives in rural areas and, just like in

Ukraine, it is shrinking rapidly. Eurostat demographers say that by 2050, the EU's urban areas will gain another 24 million, while its rural population will decline by at least 8 million. Some tend to associate the decline of the countryside with the collapse of the USSR, but 70% of rural settlements in the EU were already depopulated in the 1960s.

By the end of the 20th century, the number of regions that were dying off declined and stabilized at 40-45%, and remained in that state even at the beginning of 2010. In various countries, of course, this process has varied. Where in older EU members, only 35% of their rural settlements are currently depopulated, in countries that joined the Union since 2004, the average is 60%. Indeed, in many of them — Lithuania, Estonia, Bulgaria, Latvia and Hungary — nearly 80% of rural counties are dying off. According to the European Territorial Observatory Network (ETON), depopulation is linked to the very same socio-economic symptoms as in Ukraine: shrinking potential on local markets, reduced access to and quality of services, deteriorating infrastructure, joblessness, an aging population, and so on. And so, as in Ukraine, the negative socio-economic phenomena are more felt in the village than in cities. For example, in 2016, employment levels were 15% lower in Bulgarian countryside than in its cities, 7% lower in Slovakia, 6% lower in Estonia, and 3% lower in Hungary, and according to the European Commission.

What is causing both European and Ukrainian rural areas to decline like this? Mainly it's due to profound changes in the nature of agricultural production. Highly efficient equipment that turns the soil means millions of working hands are no longer needed, and where people are needed, they are hired on a seasonal basis, often from other countries. In this way, country dwellers have lost the economic foundations of their existence and have had to adapt to the changes — usually by moving to cities.

Derzhstat says that from 1990 through 2018 only 426 population centers disappeared from the map. However, the real number of ghost villages is far larger: in 2014, 369 empty villages were simply not removed from state records. Another 4,684 villages were on the verge of disappearing

A similar process is underway in the manufacturing sector, where robots are gradually replacing humans, but the consequences of this are most felt in the village. It turns out that, compared to densely populated areas, village communities are far more vulnerable: depopulation affects them far more and local economies find it more difficult to adapt to changes on global markets. Moreover, the main migration flows tend to come from cities, not from the countryside. Moreover, social mobility is far more flexible in modern cities and easier to take advantage of, plus there are more opportunities to improve one's well-being, greater access to services. Clearly, the situation does not favor rural areas.

Obviously, it's just a matter of time before Europe is completely or nigh-completely urbanized and there is little sense to try and stop this process. Still, national governments can and should soften the negative impact on rural areas in the meantime. Moreover, however deeply this socio-economic crisis is hitting the European countryside, its worst impact is still significantly milder than in Ukraine. Partly this is due to the minimal overall socio-economic gap between rural and urban areas in the EU. Still, this is the direction that Ukraine should move in: establishing regional schools and district hospitals. The question is only how consistent any reforms will be and whether the Government will find the right balance between effective support for rural areas and populist subsidization places that are in a terminal crisis state. ■

# The roadmap of demography

How Ukraine's population dynamics is similar and different compared to its neighbors

Andriy Holub

In early August, the State Statistics Bureau signed a UAH 1.5mn deal with the National Academy of Sciences' Institute of Mathematic Machines and Systems to draft a concept of a future automated system to collect and process census data. The tender was the first financial confirmation of a serious intent to conduct the census of Ukraine's population that has been postponed for ten years now.

Ukraine tends to have delays with many necessary things for the lack of funding. In this case, UAH 1.5mn is just a tiny fraction of the total cost of the project which Ella Libanova, Director of the Institute for Demography and Social Studies at the National Academy of Sciences assesses at UAH 3bn, provided that the hryvnia stays at its current exchange rate.

However, Ukraine cannot postpone the census anymore. It has already missed one round of what the UN recommends to conduct once in every 5 or 10 years.

One repercussion of this strange situation is reputation risks. Uzbekistan is the only country of all post-soviet and Eastern European ones where the latest census had been conducted before Ukraine's. In fact, it has never held a census of its own in the years of independence and is using data from 1989. Yet, Uzbekistan plans to change this in 2020 — the country's Statistics Service has announced preparations for the upcoming census.

Another repercussion is practical. Any sociological survey, including the ones on political preferences which are the most popular with the media audience, requires the most accurate data on statistical population. In a nutshell, this term covers the general characteristics of the population in a given territory, including its quantity, age, gender and so on.

Ukraine's Statistics Bureau does provide this information. It is based on statistical reports from the numerous public bodies and enterprises, among other sources. However, any methodology has its flaws. As years pass, mistakes mount and unaccounted changes take place. Therefore, this sort of information should be verified regularly. One way to do this is through a nationwide census. Ukraine conducted its latest one 17 years ago.

Add to this a psychological factor: a census legitimizes the understanding of where the given society currently stands in its development, and definitely helps battle some conspiracies circulating around demographic numbers. Right now, the Internet in Ukraine abounds in publications stating that there are fewer than 30 million Ukrainians left.

Finally, census serves as a basis for a comparison of a given society against others. Different sociological data can be difficult to compare as they are based on different collection and analysis methodology. Census



**Shifting the accents.** Many Ukrainians believe that population decline in their country is caused by economic problems. A comparison with Ukraine's neighbors proves this assumption wrong

streamlines this. While it provides the most generic data, it is still easily comparable. Most countries try to stick to the UN recommendations when doing their censuses, but the quality of the data is affected by the country's level of development and the quality of its statistical entities.

The figures that will draw the most attention after the census is the total number of Ukraine's population. According to the State Statistics Bureau, 42 million people currently inhabit Ukraine. Obviously, this figure does not include Crimea and parts of the Donbas. Census will hardly deliver a seriously different figure and is likely to overturn the apocalyptic forecasts of Ukraine's rapid depopulation. However, it will show that Ukraine's population continues to shrink — this trend persists since 1993.

Ukraine is not unique in this. The UN publishes regular updates of data on the global population and forecasts based on censuses and official statistics. It is no news that the world population is growing. Unless a global cataclysm takes place, it will have increased by almost 1.7 billion to 7.8 billion from 2000 to 2020. This growth, however, varies by different parts of the world. The population is shrinking in the whole of Eastern and South-Eastern Europe, so Ukraine is not that different from its neighbors in this regard. It will have shrunk from 303 to 290 million between 2000 and 2020 in this region. Belarus, Hungary, Romania and Estonia all show similar downward dynamics, albeit with different paces. The Czech Republic, Slovenia and Montenegro

are the exceptions with a slow increase of their populations.

UN forecasts that Eastern and South-Eastern Europe will face the fastest population decline in the world and risks losing 15% of its current population by 2050. Bulgaria, Latvia and Moldova will lead the way. Ukraine will be in the top ten.

Ukrainian politicians often manipulate demographic ups and downs, saying that they are caused by economic problems and poverty. Some refer to an “economic genocide”. But these factors hardly explain identical demographic trends in Croatia, Baltic States or Poland — all of them wealthier than Ukraine, and Poland having negative demographic dynamics despite the inflow of Ukrainian labor migrants.

A look at Ukraine’s other neighbors from the FSU space, including Central Asian states — Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan — reveals a more intriguing picture. Between 2000 and 2020, their total population will have grown from 54 to 74 million, reaching 95 million by 2050. This trend is similar across all countries in the region, although the pace of the growth varies. Most of them have seen a population growth by one third. The only outsider is Kazakhstan, the most well-off of these Central Asian states, with the 20% growth.

This shows that the increase or decline of the population is linked to local traditions and social factors more than the economic situation. Ukraine’s Caucasian neighbors offer a good illustration. Three small countries in the closest neighborhood show different demographic trends: while the population of Georgia and Armenia shrink, Azerbaijan is enjoying demographic growth.

From the perspective of these demographic trends, Ukraine is already integrated into the European environment. Its depopulation is caused by low birth rates, high emigration rates and early deaths. The first two factors are common between Ukraine and most of its Western neighbors.

Birth rates in Ukraine hit the rock bottom in the early 2000s. Between 2000 and 2005, 100 women in Ukraine had 115 children on average, making the country’s fertility rate at 1.15. None of its neighbors had such low numbers. The Czech Republic followed with 1.19, Slovenia with 1.21 and Slovakia with 1.22. The situation in Ukraine has improved since, its current fertility rate at 1.56 which is closer to an average across the region. Meanwhile, Moldova, Poland and Bosnia and Herzegovina have become new outsiders with 1.23, 1.26 and 1.39 respectively.

However, Ukraine’s result makes it highly unlikely that its population will increase or stay at its current rate in the future. In order to preserve the current population in Ukraine, its fertility rate should be at least 2.13 children per woman. These or similar numbers exist in six post-socialist counties alone where the populations are growing rapidly, and these countries are Azerbaijan and five Central Asian states. Tajikistan and Kyrgyzstan have the highest rates at 3.28 and 2.91 respectively.

Most European countries have similar reasons for low birth rates. They come from a combination of different factors, including later marriages. In Ukraine, the number of mothers giving birth at 40-44 has tripled over the years of independence, while the number of women having children at 20-24 has decreased

from being the peak of birthing age in the past. Today, people prefer to do education and career first, then get married and have children.

In terms of migration, Ukraine is hardly different from its neighbors westward, too. It is almost impossible to count the number of people who have left any given country because of illegal migration. However, even official statistics in Eastern and South-Eastern Europe reveals the outflow of population from the region’s countries. Ukraine is not a leader in this list. Georgia has lost the most citizens in the past 20 years, its ratio peaking at 14.9 emigrants per 1,000 inhabitants between 2010 and 2015. It is followed by Albania with -14.4 per 1,000 citizens in 2005-2010 and Armenia with -12.5 per 1,000 people over these years. Romania and Bosnia and Herzegovina have shown high emigration rates with -7.4 and -8.9 per 1,000 citizens. Ukraine’s

WHAT UKRAINE DOES NOT HAVE IN COMMON WITH THE EUROPEAN DEMOGRAPHIC ENVIRONMENT IS ITS DEATH RATES. IT HAS INHERITED THE PURELY SOVIET PHENOMENON OF A 10-YEAR GAP IN THE LIFE EXPECTANCY BETWEEN MEN AND WOMEN

worst emigration ratio was -0.9 in 2010-2015 which is closer to the outflow of the population in Poland.

The same outflow is seen in Central Asia — this is virtually the only indicator that both regions have in common. The key beneficiaries of this trend are Western Europe and Russia. Migration is feeding population increase in the old Europe but it is unable to correct Russia’s migration ratio as it has changed from +3 in the mid-2000s to +1 today. Given the nearly-European birth rates and high death rates, Russia’s total population has been shrinking slowly lately. Western Europe is mostly getting emigrants from Eastern Europe while migrants from Central Asia head to Russia.

What Ukraine does not have in common with the European demographic environment is its death rates. It has inherited the purely soviet phenomenon of a 10-year gap in the life expectancy between men and women. According to the UN forecast, Ukrainian women born between 2015 and 2020 will live 77 years on average while men will live 67 years. Moldova, Belarus and Russia are the only countries with similar expectancy. Men live longer in other neighboring countries in Europe and the Caucasus. In most European states of the former Soviet Union, life expectancy for men does not get below 71.

Tackling this aspect is actually a way to slow down the decline of population in Ukraine. The key reasons for low life expectancy of men in Ukraine are bad habits — alcoholism first and foremost — hazardous work and high death rates in car accidents. Men die most often on the roads.

Therefore, those in power who are so concerned about depopulation in Ukraine have clear tasks to work on. They can promote healthy lifestyle, reform healthcare, introduce modernization in industrial facilities and improve road infrastructure. Accomplishing this is more challenging than raising social benefits over and over again or complaining about low birth rates. This strategy will not bring quick results. But it will bring results eventually. ■

# Exports: A successful shift

Ukrainian exports to the EU have reached record volumes and continue to rise sharply. But the potential for economic integration is far from being used effectively

Oleksandr Kramar

On September 16, it was four years since Ukraine ratified its Agreement on Association with the European Union. It's also nearly three years since the economic section on the deep and comprehensive free trade area kicked in at the beginning of 2016. Meanwhile, this entire time — and even more so now that the 2019 election year is on the horizon — retrograde forces in Ukraine have been persistently and consistently putting it out in the domestic press that the country's economic shift towards the EU and the loss of supposedly traditional post-soviet markets — read the Russian Federation and its satellites — has supposedly had a catastrophic impact on Ukraine's economy and its growth prospects. Unfortu-

nately, skepticism about the competitiveness of “Made in Ukraine” products on European markets and tired clichés about nobody wanting Ukrainian goods with high added value there are also fairly common among those who have persistently and consistently been against any return to Russia's orbit.

The actual dynamics of bilateral trade with the EU in recent years paint a completely different picture, especially regarding

the growth of sales to EU countries. Exports to the EU hit their peak last year, when they passed the €15.5 billion mark. And they keep on rising. For the first eight months of 2018, they are up another 18.6% according to the State Fiscal Service. Their share of total exports has also gone up from 40.0% to 42.1%. Indeed, in 12 of the 25 non-occupied regions of Ukraine, exports to the EU are between 50% and 90% of total exports. What's more, this is true not only of traditionally Europe-oriented western Ukraine, but also easternmost Luhansk and Donetsk Oblasts, where exports to the EU also account for 50.0% of all exports and are higher than many regions in central Ukraine.

Overall, Ukraine's exports, including to other parts of the world, are largely well below, and even severalfold below, their previous peaks in 2008 or 2013. This demonstrates just how significant Ukraine's reorientation on EU markets has been in the last few years (see charts).

Of course, these trends in bilateral trade since the AA and DCFTA came into effect are bringing more benefits to Ukraine than to the EU. Fears that Ukraine's supposedly unprotected market will be flooded with European goods appeared completely groundless. The reality is quite different: Ukrainian exports to the EU grew from €12.62bn in 2013 to €15.52bn in 2017, an increase of 23.0%. Meanwhile, EU imports to Ukraine contracted by 9.6%, falling from €20.36bn to €18.41bn over the same period — and this despite the fact that reverse deliveries of natural gas, worth €0.64bn in 2013, nearly tripled to €1.70bn in 2017. If gas is taken out of the equation, then the balance of trade deficit for Ukraine fell from €7.1bn in 2013 to less than €1.2bn last year. What's even more impressive is that the strongest growth in Ukrainian exports to the EU was not in raw materials but in finished products and parts, including for machine-building.

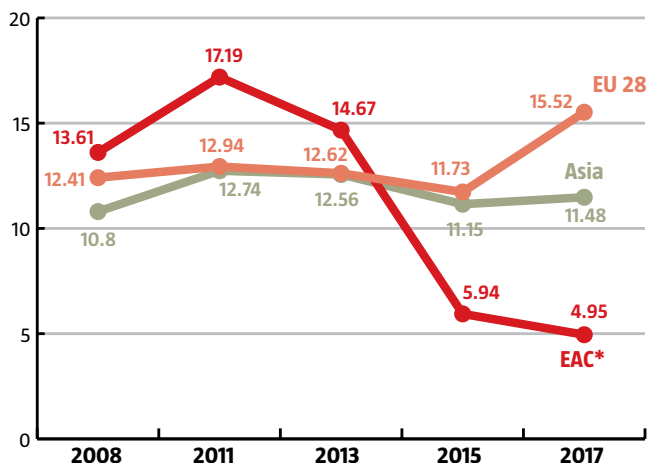
It seems, then, that the real threat is that Ukrainian manufacturers are succeeding on the European market and Ukraine's economy is reorienting towards the EU once and for all. Hence the very active bombardment of negative statements about the lack of prospects for “Made in Ukraine” in the domestic press. Because this clear and growing success — inevitable difficulties with growing market share notwithstanding — will put an end to nostalgia over the mythical “lost paradise” on the “salutary” Russian and post-soviet markets whose purpose is to discourage potential domestic exporters who have not found the courage or opportunity to investigate niches on the EU market as well as the general public. The longer the opposite is proved, the sooner the arguments of those who favor the “inevitable return to traditional markets” will lose any sense whatsoever.

## FACTS ARE STUBBORN THINGS

A cross-section of the kinds of goods that have been exported to the European Union in recent years gives a pretty good picture of the direction Ukraine's export is developing in. For instance, in 2015, just before the economic section of the Association Agreement and DCFTA with the EU kicked in on

The trends in bilateral trade are bringing more benefits to Ukraine than to the EU. If gas is taken out of the equation, then the balance of trade deficit for Ukraine fell from €7.1bn in 2013 to less than €1.2bn last year.

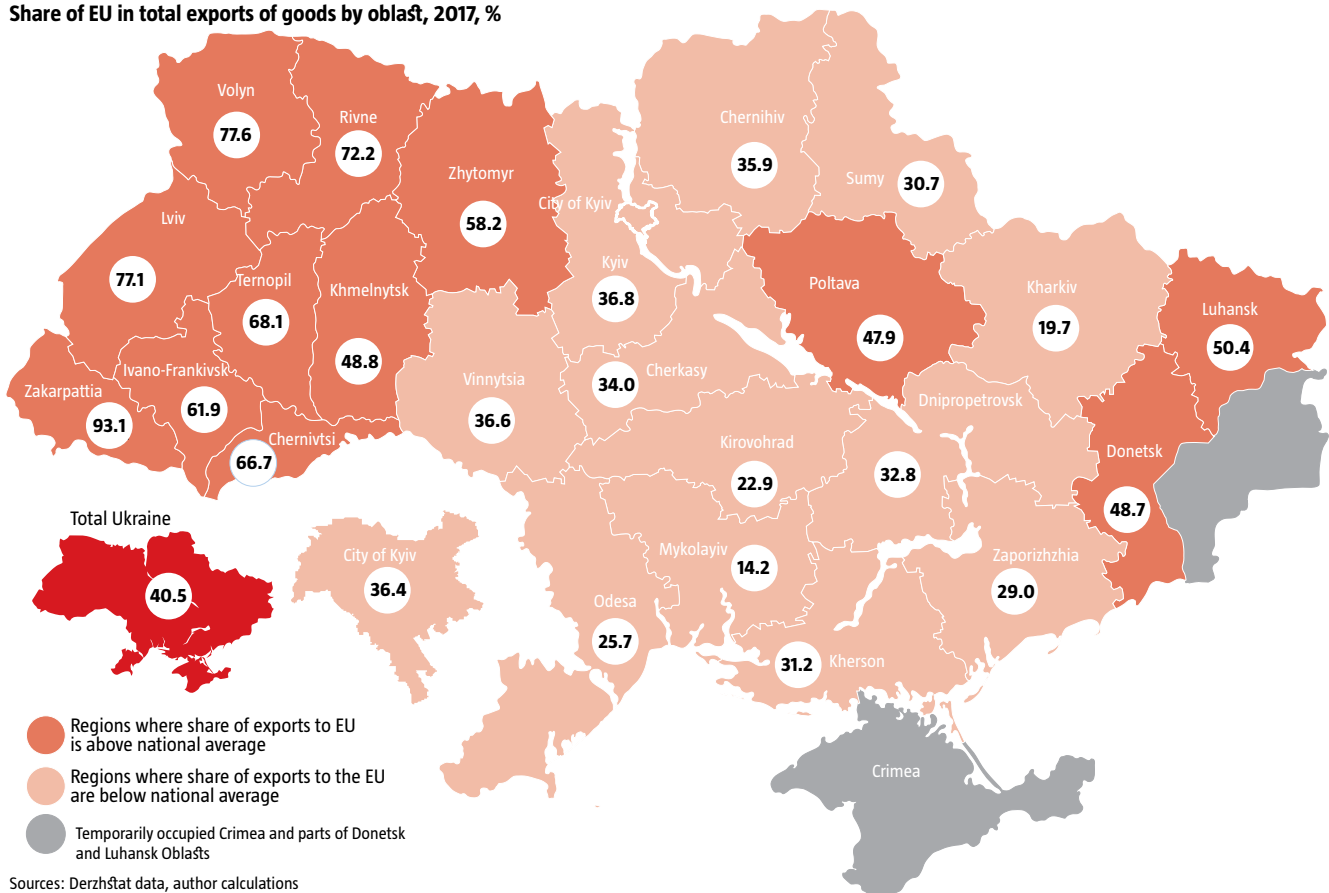
Changes in the destination of Ukrainian exports in the last decade, bn €



\*Russia and its four satellites



## Share of EU in total exports of goods by oblast, 2017, %



Jan. 1, 2016, can be compared to 2017, which is the last full year for which export data is available. In individual cases, the most current trends can be seen from the figures offered by the State Fiscal Service (SFS) for trade over January–August 2018.

In particular, three branches of machine-building sector have seen significant growth in exports to the EU: electrical engineering, shipbuilding and the manufacture of machinery and mechanisms. The sharpest growth has been in shipbuilding, where exports to the EU grew 140%, from to \$66.5mn in 2017. The most striking improvement in absolute terms was in electrical engineering, whose export sales grew from US \$1.40bn in 2015 to US \$2.04bn in 2017, an increase of 45.7%. Despite talk about the EU needing nothing from Ukraine but raw materials, the overall export of equipment and machinery to EU countries in 2017 was US \$2.70bn, a 15.3% share of all goods exported to the EU, compared to a 11.6% share of such products in Ukraine's exports globally.

The same can be seen in metallurgy and chemicals. A closer look shows that finished Ukrainian goods with a higher added value are having an easier time breaking into EU markets than half-finished goods with a lower added value. For instance, ferrous metal products grew 38.9% from 2015 to 2017, but ferrous metals themselves and semi-finished goods only grew 21.6%. Exports of fertilizers from Ukraine to the EU dropped by nearly 67% from 2015 to 2017, while non-organic chemical products fell 20.4%. By contrast, deliveries of Ukrainian chemical products with higher added value and greater energy efficiency have been growing: pharmaceuticals have leaped 66.9%, plastics, polymers and products made of

them have jumped over 53.0%, and soaps and detergents have gone up 35.0%.

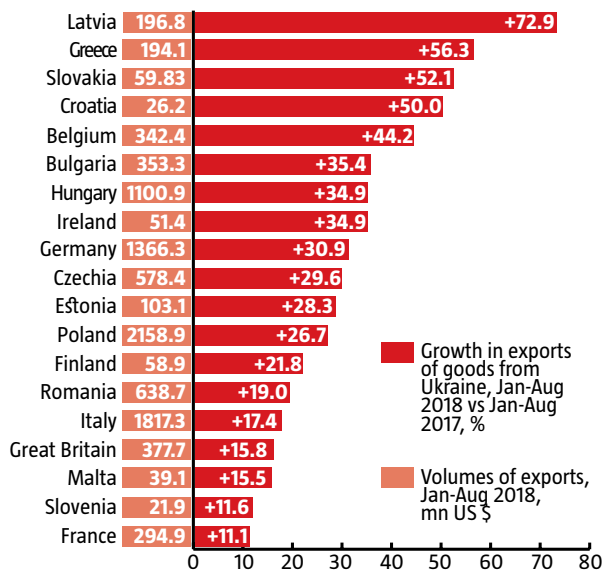
Exports of Ukrainian-made furniture to the EU have skyrocketed nearly 130% in just two years, and were worth over US \$418mn in 2017. Lately, more than UAH 1bn in furniture made in Ukraine is being delivered to the EU every month. Trends for other finished manufactured goods are also showing very positive growth: ceramic products have increased to US \$144.1mn, up 90.6% over the last two years; paper and carton have risen 81.7% to US \$95.4mn; and glassware has risen 32.7% to US \$85.8mn. The list goes on.

Food exports are no exception. Low-added value products are slowly losing their positions, with grain exports growing only 5.0% from US \$1.63bn in 2015 to US \$1.72bn in 2017. Deliveries of food processing wastes and other food used for fodder inched up from US \$490.0mn in 2015 to \$500.0mn in 2017. Meanwhile, sales of fresh fruit and products made from them have gone up 14.7%, to US \$126mn, and sales of honey have jumped 65.0% to US \$98.7mn.

Although MHP owner and billionaire Yuriy Kosiuk has complained publicly about low quotas, exports of Ukrainian poultry to the EU skyrocketed 94.0% over 2015–2017. In fact, the EU accounted for 34.3% of all the earnings from exports of Ukrainian poultry worldwide — US \$133.7mn. Exports of creamery butter began in 2016 and have been growing sharply, from US \$2.6mn the first year to US \$13.7mn by the end of 2017, and were already at US \$7.6mn by mid-2018. Yet, until not long ago, dairy products also seemed to not have a place on EU markets. From 2015 to 2017, exports of edible oils and other fats jumped 120%, to US \$1.48bn.

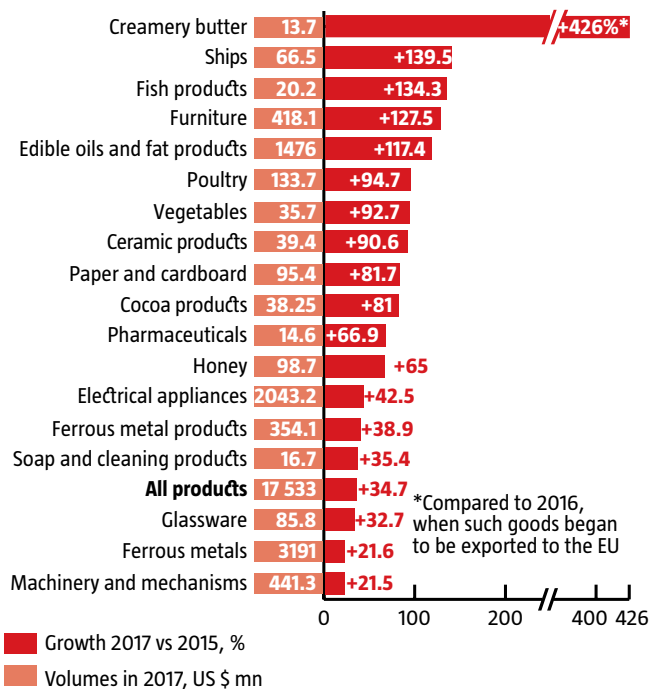
### The shape of competitiveness

EU countries where Ukrainian imports are growing rapidly



Sources: Derzhstat data and current customs data for January-July 2018 from the SFS, author calculations

### Fastest-growing Ukrainian goods exported to the EU



Sources: Derzhstat data and current customs data for January-July 2018 from the SFS, author calculations

None of this is to deny that, in fact, Ukrainian exports to the EU continue to be based too much on raw materials and semi-finished products with a low added value. Still, this is less a problem of trade with the EU but the nature of Ukraine's overall economy and exports. Indeed, the growing shift in Ukraine's exports to the EU and general trends suggest that European integration is actually helping the country to move away from being primarily a source of raw materials. Besides,

a large and wealthy market like the EU is the best incentive for domestic SMEs that are focused on producing goods with a higher added value to develop and expand. Working with distant and often very peculiar markets in doing business with Asia and Africa, not to mention South America, suits Ukraine's big, generally oligarch-owned businesses. But they continue to largely exploit the country's raw materials potential or else are openly developing their own strategy for deliveries outside the home market, because semi-finished goods are what their out-dated decades-old — sometimes even a century old — factories can readily produce.

### LOOKING AT PROSPECTS

The AA and the reorientation of Ukraine's economy towards EU markets is not the reason why the country's exports continue to be dominated by raw materials and semi-finished products: this is what the country inherited from soviet days and has not managed to ameliorate. On the contrary, European integration is spurring the trend towards finished goods and a reduction in the share of commodities with low added value. The possibilities are enormous and the share of EU exports, which reached 42% in the first 8 months of 2018, could easily become greater. To gain even a few percentage points of market share in EU imports means to increase deliveries from Ukraine severalfold.

Moreover, there are plenty of niches in European markets where no domestic business has a presence, but very well could. So far, even though the EU is the country's biggest trading partner, the volumes and types of Ukrainian goods that are delivered to bigger and wealthier EU members like France or Great Britain are still several times less than what the country sells to much smaller and poorer Moldova and Georgia. What's more, Ukrainian exports to the economic core of the EU (Germany, France, Benelux and the UK), which represents more than half of its economic power and over 45% of its population, remain considerably less than exports to the Visegrad Four with their far weaker economies.

Exports to the biggest European countries also remain narrow profiled and co-production is still nascent, although this form of cooperation is common in the lion's share of bilateral trade within the EU and proved to be the catalyst for economic integration into the Union for the most successful post-socialist economies. By contrast, Ukraine enjoys a substantial trade relationship only with Germany and the Visegrad Four.

All the complaints about nobody wanting "Made in Ukraine" is simply an indicator of how little willingness to change and flexibility there is among pro-Russian businesses. Those businesses that want to and make an effort are gradually finding opportunities and a place for themselves on different markets, without necessarily even competing head-on with European companies. Sometimes just competing with corporations outside the EU is enough. Deliveries to the EU have quotas and restrictions, but these are generally aimed at those very raw materials about which Ukraine's fifth column so likes to make noise. Indeed, trade conditions with the EU are making it difficult for Ukraine to continue to be predominantly raw materials based and easier for the country to focus more on finished products.

Slowly but surely, Ukraine is integrating into the production cycles of major transnational corporations. Hopefully, this practice will be expanded to the entire country in the nearest future, including the southeast, which is seeing the demise of its obsolete manufacturing sector. This is where entering European markets is putting pressure on the passive management of many companies that, until not long ago, were only focused on "traditional" post-soviet markets. ■

# Twilight of the oligarchs

Ukraine's oligarchs are slowly but surely losing their economic clout

Liubomyr Shvaliuk

“Are you satisfied with your life?” If you ask Ukrainians this question today, most of them will answer in the negative. At least that’s what opinion polls would have us believe. And if you dig a little deeper to find out why Ukrainians are not living better, a slew of factors will be named, some of which are very widespread. One of these is “the oligarchs.” Plenty of Ukrainians believe that they are the root of all evil in Ukraine. There are good reasons for this because the country’s tycoons have cultivated corruption, curtailed competition, preserved a technologically obsolete economy, established feudal rules of play, zombified voters through their media, and so on. Over the course of many years, they had considerable influence in Ukraine and used this not for the common good, to put it mildly. Ordinary Ukrainians are so fed up with their doings that the oligarchs are virtually the manifestation of evil on earth in the public consciousness.

This kind of perception has led to public demand for “de-oligarching,” something that was very evidently manifested during the Revolution of Dignity. At that time, many Ukrainians unambiguously understood and made clear that they wanted to see their country rid of its oligarchs. But no one had a clear plan for doing this. And so this desire would have remained frustrated if not for a series of events, whether accidental or deliberate, that brought Ukrainians closer to this goal. Sure enough, the oligarchs began to lose their influence.

## ECONOMIC COLLAPSE

The extent of oligarchic influence in Ukraine can be measured in a variety of ways — and all assessments will be subjective as there are no clearly-defined quantitative indicators on which to base them. The only area where numbers are available is the wealth of the country’s tycoons, and these have shrunk considerably in the last few years.

Focus, a business weekly, writes that at the beginning of 2018, the 100 wealthiest people in Ukraine were worth US \$26.9 billion. In late 2017, *Novoye Vremia*, another business weekly, assessed the assets of the country’s 100 richest people pretty much the same: US \$26.7bn. Compared to indicators from the Yanukovich era, which ranged from US \$62bn to US \$80bn depending on the year and the valuation, today the country’s richest people have lost two thirds of their previous value. If their current worth is compared to what they had prior to the global financial crisis of 2008-2009 (US \$101-113bn), then it is down to about a quarter. More importantly, where earlier the value of Ukraine’s richest people remained a steady 40-50% of GDP, today, they are barely 20% (see *Fading Force*). The same is true of the top 10 richest Ukrainians. Their worth in absolute terms and their share of GDP have shrunk radically. What’s more, this trend suggests that as the country’s economy recovers, their financial weight is not recovering along with it.

Given that the wealth of oligarchs generally determines their influence in a society, the government and various processes in the country, it can be assumed that the decline in their net worth is a good reason to feel optimistic. Certainly something is changing in Ukraine, the process of “de-oligarching” seems to be happening and their socio-economic weight is slowly fading. Could it be too soon to draw such conclusions? Is this change irreversible? How sustainable are the factors that have led to this decline?

## WAR’S SILVER LINING

“There’s nothing bad but some good comes of it.” This adage applies very well to the role of Russia’s war against Ukraine in the process of cutting oligarchs down to size. With the annexation of Crimea and the conflict in Donbas, the oligarchs — and the government and foreign investors, of course — lost a lot of assets. Some of these have been lost forever, because they were physically destroyed, and they can only be forgotten, regardless of how or when the war ends and Crimea returns to Ukraine. This cut down the economic clout of the oligarchs and that portion will never return.

More importantly, it’s hard to say that assets in Donbas or Crimea were especially attractive. Most of them were obsolete plants producing resources and were distinguished by neither efficiency nor profitability. Their main basis for earnings was a cheap labor force that was in turn based on the fact that most residents of Donbas never went beyond its boundaries during their lifetimes. This meant that there was always a surplus of workers that was artificially maintained through poor transport links, and weak socio-economic and cultural ties to the rest of the country. Its oligarchs were happy to keep things that way and certainly played a role in making sure they did. From the outside it looked strange: a supposedly wealthy region where most of the residents were unbelievable poor and backward.

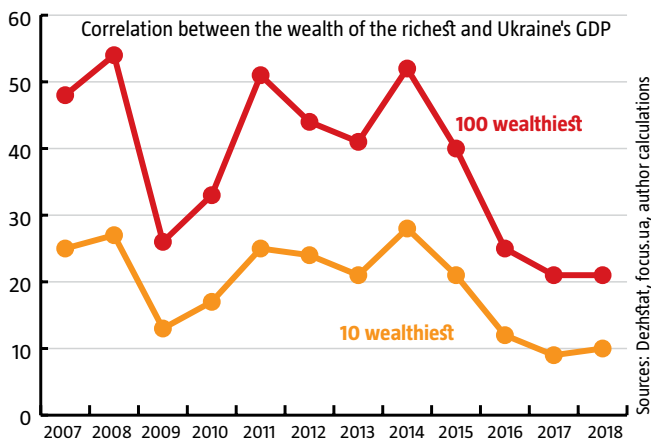
The war changed everything. More than a million residents of the region were forced to migrate elsewhere, and by leaving discovered a different world. Transport links became much better, with regular buses going from Kramatorsk and Bakhmut to Warsaw, increasing the opportunities for people to leave the war-torn frontline area. Cultural and other ties grew stronger. The result is that the people of Donbas will never again allow themselves to be inevitably herded as cheap labor, that is, as a resource that allowed oligarchs to easily grow wealthier and gain economic clout. One indicator of this is reports of a shortage of labor in Mariupol. This forces the owners of plants in the area to increase wages and gain less of the kind of profit that once seemed to flow into their pockets without effort.

In some sense, the war in Donbas is like a disease that the doctors prescribed to a patient in order to get rid of other diseases. Despite all the horrors of this war, it became a major factor in cutting Ukraine’s oligarchs down to size. Sooner or later, the war will end, but the changes that it brought about will likely remain forever.

## A FORTUNATE MIGRATION

There’s a lot of talk in Ukraine about labor migration, which has become a national issue, about the millions of Ukrainians who have left for better jobs, especially to Poland. Yes, the problem is serious and could turn into a national security threat eventually. But in terms of “de-oligarching” Ukrainian society, this emigration has had a positive impact as it generates greater competition among domestic employers for those who have remained. Just as competition on the markets of goods and services tends to drive prices down and quality up, competition for labor tends to drive both salaries and productivity up. The more workers earn, the less goes into the pockets of the oligarchs, further reducing their economic influence.

## Fading force



Previously, the labor market was a buyer's market, and so manufacturers and business owners were able to dictate the terms of employment. Oligarchs felt very secure in this kind of situation because they earned super profits thanks to cheap labor and put all their efforts into maintaining this state of affairs. Today, it's a seller's market, so workers get to set the rules. For oligarchs, this mainly means that the days of easy money are over. More importantly, this means that, to survive, they have to now focus on increasing efficiency — or die. With this kind of “law” coming into play, oligarchs will have to distract themselves from meddling in government processes, the rules of play, and so on, and concentrate on increasing the productivity of their businesses and re-investing serious money in their development if they want to stay afloat. In such a situation, there will no longer be the resource basis for classic oligarchs to operate with. It's easy enough to project that many of those in the top 100 will be unable to adapt to the new conditions and will either go broke or will sell their businesses and live on interest. Thus, labor migration has been a major factor in reducing the influence of the tycoon class and its effect will last for a long time to come.

## THE BANKERS' MOVE

Another important factor in the decline of the economic weight of Ukraine's oligarchs was the purge of the banking system. It had two consequences. First, bank assets left the hands of many oligarchs, started with Vadym Novynskiy, Dmytro Firtash, Kostiantyn Zhevago, Oleh Bakhmatiuk and many others, all the way up to Ihor Kolomoyskiy and Ghennadiy Boholiubov when the government took over PrivatBank. This directly reduced their worth. Secondly, the model under which the banking sector operated was radically changed. Before, its main function was to pump money abroad, right into the offshore accounts of these same oligarchs — and not only theirs. From there, the money would pass through Cyprus, the Netherlands and the Virgin Islands or other popular “quiet harbors,” and return to Ukraine as foreign direct investment at the rate of several billion dollars a year.

Today, this money leaves the country in dramatically smaller volumes, as it is far harder to do so through domestic banks now. This means, of course, that more capital remains within the country and the oligarchs have to either work transparently, paying their proper taxes, which also hits their pockets like never before, or put considerably more effort to remain in the shadows. It's much easier now to take them to court for any “grey” profits. And although the law enforcement system still leaves a lot to be desired in terms of operating effectively, the very threat is enough to demotivate would-be money-launderers and to force oligarchs to move away from the illegal methods of enrichment from the past.

Still, the key effect of cleaning out the banking system is not even this. The balance between the oligarchs and the state has changed completely. Under Leonid Kuchma, oligarchs were able to get things their way, buying officials. Under Viktor Yushchenko, the government was too distracted by in-fighting and other useless processes to get in the way of the oligarchs. Under Viktor Yanukovich, the oligarchs simply paid their fee for the right to do whatever they felt like doing, including usurping power. The shakedown of the banking system showed that the state, personified in this instance by the National Bank of Ukraine, could be a player and not just a resource in someone else's game. The NBU set itself the goal of making things work so that everyone finally had to work according to transparent, fair and understandable rules.

And the NBU reached this goal, although it cost the banking sector dearly. More than likely, that's the main reason there was so much noise made about Valentyna Hontareva: she made sure, not without considerable help, that the government started to establish the rules of the game for the first time. It was unprecedented and Ukraine's oligarchs were clearly stunned by the boldness, as their nearly identical reaction to the purging of the banking system testified. Of course, there were some exceptions. For instance, in the four years since the Revolution of Dignity, the assets of the International Investment Bank, financed by Ihor Kononenko and Petro Poroshenko, grew 391%, nearly fivefold on paper — but 130% if the change in the hryvnia exchange rate is counted. This in contrast to the entire sector, which grew all of 1.6%. It's possible that IIB is playing by the rules established by the NBU, but unlikely that it was without using oligarchic influence, given the pace of growth. Still, this exception confirms the rule. We're talking about assets worth more than \$350 million. Compared to what the oligarchs lost when they were given the choice to play by the rules or get lost—the difference is heaven and earth. And if this is placed alongside the tens of billions that the gangsters in the previous administration made off with, the current state of affairs looks almost ideal.

## AN EMPTY TROUGH

Oligarchs wouldn't be oligarchs if they did not try to take advantage of their influence to bite off a bigger chunk of the public purse. In Ukraine, the public pie is very big, over 40% of GDP and for many years it was subject to constant encroachments by fat cats. Under Yanukovich, the flow of public money into their pockets turned into a torrent.

Today, things have changed, in many ways thanks to the introduction of the ProZorro electronic procurements system. Some skeptics maintain that public money was being stolen, is being stolen and will continue to be stolen. To persuade them otherwise, articles like this aren't enough, but it's still worth taking a more comprehensive look at the situation. In the last two years of the Yanukovich administration, Ukraine's GDP in dollar terms was 50% larger than what is projected for 2018. The expenditure side of the budget was also about that much larger, counted in hard currency. Yet on today's much smaller sum Ukraine is rebuilding roads, rebuilding a professional army, making world-class movies, carrying out extremely expensive, large-scale reforms, reviving the regions through decentralization, and doing much more that once could only have been dreamt of. Does this not indicate that oligarchs are getting a far smaller chunk of the state than before? Of course. If they are still stealing, it's on a completely different scale. And this means that the budget is no longer the shaping factor of economic clout for the country's tycoons.

## OUTSIDE INFLUENCE

There's also the assistance Ukraine is getting from its western partners and international financial institutions (IFIs). Here the financial aspect is not the only one, and is accompanied by technical, diplomatic and other activity. There's ample evidence that

the properly calibrated and directed pressure of the IMF, US and EU was a key factor that assured the nationalization of Privat-Bank would go through. And even if it had happened anyway, what chances would there be that Kolomoyskiy would return the billions that he siphoned out of his company? Since the High Court in London seized Privat Group assets worth US \$2.5bn, the chances are very high, indeed. Ukraine alone could never have achieved that.

Without western assistance, Firtash would not be sitting in jail and would not be taken out of the geopolitical game as a very powerful fifth-column agent of Russia's in Ukraine. Without pressure from the US and EC, Mykola Martynenko would not be behind bars today, and Oleksandr Onyshchenko would not have fled abroad but would probably still be leeching off Ukraine. All this was because "that SOB" Serhiy Shokin remained as Prosecutor General and sabotaged any attempts to serve justice. Without western assistance, an entire series of anti-corruption agencies might never have been formed. They might not be producing results as well as wished, but they have already shifted the balance of power and have considerably improved the odds that someday thieves really will go to prison in Ukraine.

Unfortunately, public discourse today keeps focusing on the question of what right the IMF has to set conditions while politicians keep making hay over the relatively minor—compared to the task of rebuilding a viable state — issue of household gas rates. Why do they not admit that the West has done something huge for Ukraine, something Ukrainians would never have achieved on their own. If we look at the big picture, the direct and indirect impact of the steps our western partners have taken, it's possibly the single most important factor in cutting the economic clout of the country's thieves-in-law, i.e., oligarchs, down to size. Even the impact of the war was not as large-scale and systematic as the actions of the West. The only conclusion that can be drawn is Ukrainians have been given a chance to become normal, to build a humane country that is focused on its citizens and has excellent potential for growth. But no, many Ukrainians seem determined to turn up their noses and focus on trivialities. Considering the prospects for future generations today, this is a crying shame.

Here, the difference between the West and Russia is particularly obvious. Russia not only cooperated with Ukraine's oligarchs — it actually nurtured them, trained them and fed them with petrodollars. In short, Moscow did everything possible to keep this obsolete, degenerate neo-feudal system in place, where a clowder of fat cats stood against a nation of beggars. It's as though the Kremlin suffers from a chronic need to surround itself with a belt of surrealism: territories with unrecognized republics, frozen and not-so-frozen conflicts, military bases, befogged residents who are busy struggling to survive while all kinds of degenerates run the show. It's as though these territories are intended to serve as a distorted mirror for Russians, that doesn't reflect their own flaws at all.

The West, by contrast, aims at stimulating development in partner countries. Without much ado, it strikes at the roots of the oligarchies and other sources of stagnation. In this way gives the country a chance to reach the maximum heights, which can be seen in Poland's success. The result in the last few years has been that the economic influence of Ukraine's oligarchs has inexorably gone down as they lost assets, shadowy sources, and profits based on legal loopholes. The result, as well as a secondary indicator, has been a drastic decline in the quality of the country's team sports. All of them, but especially football, have long been completely in the hands of oligarchs. They owned the clubs and had enormous influence over the national federation. Everything was blow out of proportion and out of touch with reality: clubs boasted of multi-million dollar budgets, of buying expensive players, of paying Ukrainian players sky-high salaries that did not always reflect their actual skills on the field. In fact, enormous sums

of money were being laundered through sports. No longer. Over the last few years, a number of high-profile clubs have simply disappeared for lack of financing — nor has this process stopped. Those that have survived are now paying players less, selling their top guns, have no way to invite new, expensive players, and are forced to give up truly talented Ukrainians to play abroad. This situation, of course, reflects the reality on the ground in Ukraine far more accurately.

## RELEASING LARGE-SCALE POTENTIAL

Yet another consequence of the decline in oligarchic power in the socio-political realm has been the release of mass energy, especially entrepreneurial. The pressure of oligarchs on the state, both direct and indirect through regulatory and enforcement means, made it hard for people to develop themselves, to engage in business, and to use their heads to make money. Things were especially depressing under Yanukovich. Now the pressure has gone way down. So if we look at GDP growth over 2014-2018, positive growth can be seen in the least oligarchic sectors: hotels and restaurants, information and telecoms, administrative and support services, real estate. The core oligarchic industries in extraction, processing, power generation, gas supply and so on have declined by the double digits.

TO ENSHRINE TODAY'S SUCCESS IN THE CONFRONTATION WITH THE OLIGARCHY, THE PRACTICE OF THE NBU NEEDS TO BE SCALED UP AND INSTITUTIONALIZED, THAT IS, **EVERYTHING MUST BE DONE SO THAT THE MAXIMUM NUMBER OF GOVERNMENT AGENCIES — AND EVENTUALLY THE ENTIRE GOVERNMENT AT ALL LEVELS — WILL BE CAPABLE OF ESTABLISHING A LEVEL PLAYING FIELD FOR ALL AND ENSURE THAT THEY ARE ADHERED TO EQUALLY, ACROSS THE BOARD**

Ukrainians have gained a measure of freedom and have taken the initiative into their own hands. This has led to radical changes in the shape of Ukraine's economy. Yes, pressure on businesses remains very high and is a serious barrier to growth. Obvious examples are plenty: the games being played at Nova Poshta or at IT companies, massive corporate raiding in the farm sector, and so on. But all of this is already fragmented: it is no longer concentrated in the hands of oligarchs or thieving government officials but is evidence of the leftover oligarchic-official structures that continue to hold on to some power, refuse to recognize change, and continue to do "business as usual." Their pressure is no longer systemic. It's far easier to avoid it today than it was five years ago. But to eliminate it once and for all, the system itself needs to be changed: weakening the oligarchs is not enough.

The oligarchs are economically broken, but this is only the first step towards getting rid of their system. The point of no return has not yet been reached. All it would take is for high-profile, unsinkable "friends of oligarchs" to come to power, plenty of whom have declared themselves in the 2019 elections and some of whom have some of the top ratings today, and the situation will be undone, with new Kononenkos, Ivanenkos and their ilk crawling out of the woodwork. To enshrine today's success in the confrontation with the oligarchy, the practice of the NBU needs to be scaled up and institutionalized, that is, everything must be done so that the maximum number of government agencies — and eventually the entire government at all levels — will be capable of establishing a level playing field for all and ensure that they are adhered to equally, across the board. This means having a professional, well-paid civil service with a suitable worldview, police and judges who are not on the take, government agencies prepared to work for the people and not the paper. In short, much more remains to be changed and millions of effective, directed person-hours need to be spent doing it. ■

# System recovered. Now back it up

Economic growth in most oblasts has reached pre-war levels or even passed them. What prospects does Ukraine face now?

Oleksandr Kramar

As election fever goes into full swing and politicians stoke the fears of ordinary Ukrainians by talking about the supposedly “catastrophic” state of Ukraine’s economy, the reality is that most oblasts have already returned to pre-war levels of economic growth and some have even passed 2013-early 2014 indicators. What’s more economic growth is picking up pace across the board. In 2017, GDP grew by 2.6% in Ukraine, while in Q1’18 it was up to 3.1%, and up again to 3.6% in QII. Still, the situation on world markets is poised to hit Ukraine’s weak spots hard in the not-too-distant future, so the pace the country needs to reach for long-term, sustainable growth requires a cardinal change to its economic policies.

## AN EXPANDING GROWTH ZONE

According to Derzhstat, the statistics agency, 2017 GDP was about 11.6% below 2013 levels. Once occupied Donetsk and Luhansk Oblasts are taken out of the calculation, however, GDP was only about 2% below 2013 levels, which reflects the pace of population drop-off in the rest of Ukraine over the last four years. Once growth is broken down by oblast, this improvement becomes even more distinct.

Compared to pre-war 2013, the growth leaders continue to be two neighbors in Right Bank Ukraine, Vinnytsia and Zhytomyr Oblasts, which recorded per capita GRP in 2017 that was

In 14 out of 25 regions of free Ukraine economic growth has reached or substantially surpassed pre-war indicators, and three regions — the city of Kyiv, and Lviv and Ivano-Frankivsk Oblasts — could also recover to 2013 levels

10.5% and 11.8% higher than in 2013. Indeed, Zhytomyr outstripped Vinnytsia last year. Meanwhile, Khmelnytskyi Oblast has been quickly catching up to them, with GRP 6.5% up from 2013 and 9.0% up from 2016; Odesa Oblast posted 7.1% over 2013 and 6.6% over 2016; and Volyn Oblast posed 8.6% over 2013 and 3.3% over 2016. Even Ternopil Oblast posted 3.7% over 2013 last year and was 3.6% up from 2016.

In this way, three oblasts that posted significantly higher growth in 2016-2017 than they had in 2013 were joined by three that now effectively establish a solid band from Odesa’s Black Sea shoreline to the Volyn border with Poland — if it weren’t for Rivne Oblast. To the east of this strip, two nascent “horns” are formed by two oblasts each that extend the positive trend, albeit not so substantially, as they, too, passed 2013 per capita GRP growth in 2017. Going to the northeast are Sumy

Oblast with 1.2% and Chernihiv with +0.7%, while going to the south are Kherson with +1.4% and Zaporizhzhia with +0.5%.

These horns of improvement to the east are separated from the six boomers by four oblasts that are still moving towards recovery: Kyiv, Cherkasy, Kirovohrad and Mykolayiv. Their per capita GRP was only 1.2-1.8% short of 2013 results. Given that average annual growth today is 3.4% since the beginning of 2018, these oblasts will probably also reach recovery levels and join the Right Bank body to its four-Left Bank oblast “horns.”

At this point, we’re looking at 14 out of 25 regions of free Ukraine in which economic growth has reached or substantially surpassed pre-war indicators. These 14 neighbor on three more regions — the city of Kyiv, and Lviv and Ivano-Frankivsk Oblasts — where the latest figures show that their GRP was around 3% lower in 2017 than prior to Russia’s invasion. If economic growth keeps pace at 3.5-3.6% this year, these three regions could also recover to 2013 levels, especially since Kyiv, at 7.4%, and Ivano-Frankivsk Oblast, at 6.3%, were among the growth leaders in 2017.

## MIXED NEWS ELSEWHERE

The three remaining western oblasts — Chernivtsi, Zakarpattia and Rivne — are, for now in far worse shape than five years ago. The level of decline there is comparable to the three oblasts closest to the war zone in Donbas: Kharkiv, Poltava and Dnipropetrovsk. So far, none of these six appear close to recovering.

Moreover, a higher pace among the oblasts in the growth belt centered on Right Bank Ukraine has not led to growing wealth or a higher economic level already today. Mostly these oblasts are closing the gap with the previously successful oblasts. Indeed, varying degrees of growth and dynamics don’t always convert directly into higher incomes for residents of these regions. A comparison of average salaries in euro terms for May 2014 and May 2018 shows that nationally they are 44% higher (**see Change in Average Salaries**). Even taking inflation into account, most regions have already seen this indicator restored to early 2014 levels.

Taken individually, however, the situation varies wildly and there are plenty of paradoxes. For instance, in Ternopil and Vinnytsia Oblasts, which are in the top five for economic growth since 2013 at 3.7% and 10.5%, average wages were 56-57% higher in May 2018 than they were in May 2014. Meanwhile, in Zakarpattia, whose economy continued to contract, by 8.3% this past year, average wages have not only grown the most substantially in Ukraine, at 69%, but are also considerably higher than in regions with the best economic results in recent years. On the other hand, Odesa was one of the leaders

## The land of renewal



in per capita GRP growth at 7.1%, yet average salaries in May 2018 were barely higher than the national average at +48% and were lower than the average wage in Zakarpattia.

Industrial output has also showed mixed results compared to overall economic results. Indeed, a return to pre-war levels can be seen at the same time as the general state of the regional economy is considerably behind 2013 levels. In some oblasts, however, total GRP has recovered while the industrial sector continues to lag. At the same time, there are some general trends in industry, with the growth belt doing the best. Some shifts have happened since 2013, as well. For instance, Kyiv Oblast has seen 22.1% growth in industrial output compared to early 2014, and is second only to Zhytomyr with 25.0% growth. Vinnytsia, by contrast, has fallen to fourth place and both Vinnytsia and Zhytomyr have seen industrial growth sag this past year. Meanwhile, western oblasts — Ivano-Frankivsk, Lviv, Chernivtsi, Volyn, and Zakarpattia — have seen industrial output pick up and all but Zakarpattia have already passed the levels they saw in spring 2014. Odesa and Kirovohrad Oblasts have also surpassed 2014 levels, while Zaporizhzhia, Kherson and Khmelnytsk have recovered.

Altogether, industrial output is now at least the same as early 2014 or significantly higher in 13 of free Ukraine's 25 regions. Five more oblasts are within 2.4-5.7% of recovery. Since official statistics include industries located in ORDiLO, thereby distorting the picture in Donetsk and Luhansk Oblasts, when these two are left out of industrial comparisons, Ukraine ends up with just five regions — the city of Kyiv, Zakarpattia, Chernihiv, Kharkiv, and Dnipropetrovsk — where industrial output remains 9-13% below 2013 levels.

What's more, any decline should not be linked to the war in the east for most oblasts: the worst industrial results are in Zakarpattia and Chernihiv, and not in the frontline oblasts of Kharkiv and Dnipropetrovsk. And both Zakarpattia and Chernihiv are starting to see relatively dynamic growth. In short, some oblasts saw industry pick up pace while others have watched it decline, but this has often been because of the high proportion of enterprises in key sectors that have not adapted well to the situation on global markets.

If we look at changes in industrial output across the country without including the statistically distorted data for Donetsk and Luhansk Oblasts, it turns out that it's not much lower than it was in early 2014. For instance, for January-May 2014, the share of Donetsk Oblast in all domestic industrial output was 17.5%, while that of Luhansk was 6.3%, so the loss of 85.2% of Luhansk Oblast's output compares to the 5.4% loss nationwide, and 51.6% lost in Donetsk compares to 9.0% nationwide. Of the 16.5% decline in industrial output over January-May 2018 compared to the same period in 2014, 14.4% was due to these two oblasts, leaving the real decline in the last three years only 2.1%.

### OUTSIDE INFLUENCES

The revival of Ukraine's economy, especially in the growth belt is very closely tied to unusually dynamic growth in neighboring EU countries over the last few years, where the pace of growth has been far higher than in Ukraine as a whole or even in the individually most successful regions over this same period. The most positive growth was seen in Romania, where 2017 GDP was 20.1% higher than in 2013

and the country posted a further 4.3% growth for the first half of 2018 compared to 2017. Poland's economy grew 15.5% in the last four years and 5.0% in H1'18; Slovakia grew 14.1% and 3.8%, while Hungary grew 14.5% over this period and added 4.5% in H1'18 compared to 2017.

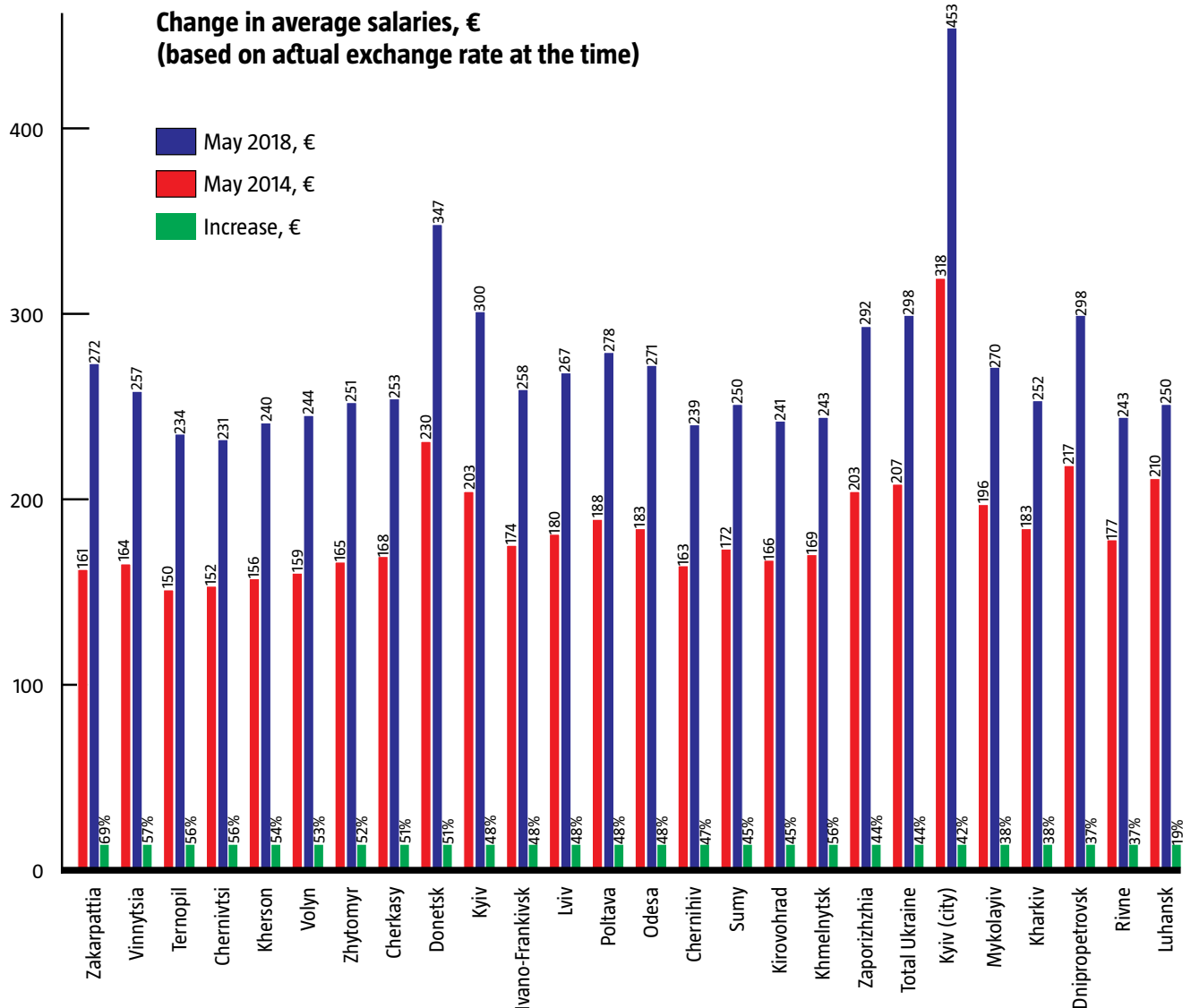
Unusually dynamic growth in eastern EU members in recent years has been one of the key factors that stimulated strong growth in Ukraine's more successful regions as they have been increasing their trade with the EU, especially with countries in the border region. For instance, total exports of goods from Ukraine to just four EU members – Poland Slovakia, Hungary and Romania – grew from €4.08bn in 2013 to €4.91bn in 2017. Exports to Poland alone jumped 25.4% from €1.92bn to €2.41bn, while to the most dynamic in the group, Romania, they grew 76.3%, from €0.42bn to €0.74bn. So far, this trend is holding.

When export volumes are compared for Q1 of 2014 and 2018 while leaving out Crimea, Luhansk and Donetsk, they grew 5.1% or from €7.92bn to €8.33bn. Most of Ukraine's regions have adapted well to the new realities, and the most active

exporting activity can be seen in Right Bank Ukraine. In fact, some oblasts have increased exports of goods 50-150% (**see The Land of Renewal**). For instance, exports from Vinnytsia and Ivano-Frankivsk Oblasts went up 140%, Chernivtsi's increased 120%, Ternopil saw 70% growth, while Khmelnytsk, Lviv, Zakarpattia and Volyn saw a 43-46% increase.

But further east and south in Ukraine the intensity of exports on a regional basis compared to 2013 has gradually gone down and now volumes are beginning to shrink. Most southeastern oblasts have seen a considerable decline in export volumes compared to early 2014. In Kharkiv it is -34%. In contrast to the dynamic four years ago, today Vinnytsia's €272.0mn in exports beats Kharkiv's €223.8mn, just as Lviv's €363.2mn beats Odesa's €339.0mn. The biggest declines in Donetsk and Luhansk, at -49.2% and -92.8%, are primarily due to the loss of industrial enterprises to Russian occupation. In those parts of the two oblasts that are not under occupation, exports have actually been growing, especially in the steel industry in Donetsk Oblast.

Meanwhile, Ukraine's eastern and northern neighbors have experienced a far more negative economic situation than



Sources: Derzhstat data, author calculations, finance.ua



the country's western ones. Russia's real GDP growth in 2016 was actually 0.6% below 2013 results and since the beginning of 2018, its economy has been growing half as fast as Ukraine's. According to Rosstat, Russia's economy grew only 1.6% in H1'18, compared to Ukraine's 3.4% and the 4-5% growth posted by its EU neighbors.

Of course, those oblasts that have less successfully re-oriented themselves on alternate markets have suffered the most. Exports to Russia have collapsed from €11.1bn in 2013 to €3.48bn — and not only or as much as a consequence of mutual sanctions and the war. The thing is that as Russia's economy has contracted, imports from other countries have also gone down, especially former soviet ones. According to Rosstat, total imports into Russia collapsed from \$315bn in 2013 to US \$182bn in 2016, but they managed to recover somewhat in 2017, to US \$227bn. In Belarus, which is very dependent on export markets in its biggest neighbor, the decline of Russia's economy has meant that Russian exports fell from US \$16.8bn in 2013 to US \$10.9bn in 2016, while volumes in 2017 were 2.3% below 2013 levels.

**AN UNCERTAIN FUTURE**

For a country as poor as Ukraine, unfortunately, the current pace of recovery and growth is far from enough. Moreover, simple recovery to 2013 levels or even to the much higher levels in pre-crisis 2008. If Ukraine wants to leave the third world behind and join the first as a developed European country, it needs to get out of its downward spiral, where every new economic cycle of growth and decline ends with its economy in even worse condition.

What's more, the external factors that have been so favorable for exports, for instance, could easily become extremely negative for Ukraine's economy in its current form. Ukraine also risks discovering that today's "difficult economic situation" was actually the verge of economic recovery. The world economy, especially its raw materials sector, appears to be more and more under threat of the next cycle of a planetary crisis. Today, such a crisis could be provoked by a growing confrontation among key economic centers around the world. With a growing economic crisis, the strongest economies could resort to more and more trade barriers, which will hit the raw material and especially the semi-finished product segments of Ukraine's economy the hardest.

THE EXTERNAL FACTORS COULD EASILY BECOME EXTREMELY NEGATIVE FOR UKRAINE'S ECONOMY IN ITS CURRENT FORM. UKRAINE ALSO RISKS DISCOVERING THAT TODAY'S "DIFFICULT ECONOMIC SITUATION" WAS ACTUALLY THE VERGE OF ECONOMIC RECOVERY

And so, recovery is happening, but Ukraine will only be able to push off from the bottom and hit a high pace of growth in the face of ever more aggressive conflicts for a "place under the sun" if government policy radically changes its priorities. It's high time that the philosophy of redistribution and feeding on the shrinking wealth of the country is abandoned and replaced by a focus on growing national wealth and establishing principles of distribution that will force everyone to engage as much as possible in multiplying this wealth. ■

**INFORMNAPALM.ORG**  
INTERNATIONAL VOLUNTEER COMMUNITY

**VOLUNTEERS FROM 30 COUNTRIES**  
CONDUCT OSINT INVESTIGATIONS AND TRANSLATE THEM

**1,800+**  
INVESTIGATIONS EXPLORING **WARS** IN UKRAINE GEORGIA SYRIA

**5 million**  
READERS PER YEAR

**12,000+**  
MULTILINGUAL TRANSLATIONS OF ARTICLES WITH EVIDENCE OF THE RUSSIAN AGGRESSION

**IN**

QR CODE

# Bitcoin and other cryptocurrencies are useless

For blockchains, the jury is still out

© 2018 The Economist Newspaper Limited. All rights reserved

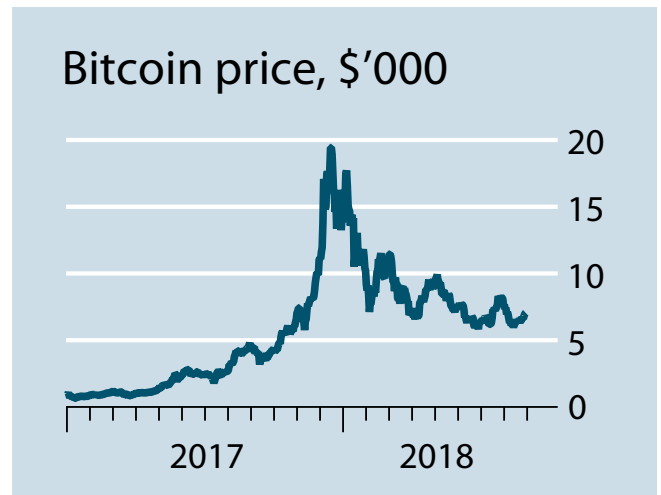
AN OLD saying holds that markets are ruled by either greed or fear. Greed once governed cryptocurrencies. The price of Bitcoin, the best-known, rose from about \$900 in December 2016 to \$19,000 a year later. Recently, fear has been in charge. Bitcoin's price has fallen back to around \$7,000; the prices of other cryptocurrencies, which followed it on the way up, have collapsed, too. No one knows where prices will go from here. Calling the bottom in a speculative mania is as foolish as calling the top. It is particularly hard with cryptocurrencies because, as our Technology Quarterly this week points out, there is no sensible way to reach any particular valuation.

It was not supposed to be this way. Bitcoin, the first and still the most popular cryptocurrency, began life as a techno-anarchist project to create an online version of cash, a way for people to transact without the possibility of interference from malicious governments or banks. A decade on, it is barely used for its intended purpose. Users must wrestle with complicated software and give up all the consumer protections they are used to. Few vendors accept it. Security is poor. Other cryptocurrencies are used even less.

With few uses to anchor their value, and little in the way of regulation, cryptocurrencies have instead become a focus for speculation. Some people have made fortunes as cryptocurrency prices have zoomed and dived; many early punters have cashed out. Others have lost money. It seems unlikely that this latest boom-bust cycle will be the last.

Economists define a currency as something that can be at once a medium of exchange, a store of value and a unit of account. Lack of adoption and loads of volatility mean that cryptocurrencies satisfy none of those criteria. That does not mean they are going to go away (though scrutiny from regulators concerned about the fraud and sharp practice that is rife in the industry may dampen excitement in future). But as things stand there is little reason to think that cryptocurrencies will remain more than an overcomplicated, untrustworthy casino.

Can blockchains — the underlying technology that powers cryptocurrencies — do better? These are best thought of as an idiosyncratic form of database, in which records are copied among all the system's users rather than maintained by a central authority, and where entries cannot be altered once written. Proponents believe these features can help solve all sorts of problems, from streamlining bank payments and guaranteeing the provenance of medicines to securing property rights and providing unforgeable identity documents for refugees.



## NOTHING TO LOSE BUT YOUR BLOCKCHAINS

Those are big claims. Many are made by cryptocurrency speculators, who hope that stoking excitement around blockchains will boost the value of their related cryptocurrency holdings. Yet firms that deploy blockchains often end up throwing out many of the features that make them distinctive. And shuttling data continuously between users makes them slower than conventional databases.

As these limitations become more widely known, the hype is starting to cool. A few organisations, such as SWIFT, a bank-payment network, and Stripe, an online-payments firm, have abandoned blockchain projects, concluding that the costs outweigh the benefits. Most other projects are still experimental, though that does not stop wild claims. Sierra Leone, for instance, was widely reported to have conducted a “blockchain-powered” election earlier this year. It had not.

Just because blockchains have been overhyped does not mean they are useless. Their ability to bind their users into an agreed way of working may prove helpful in arenas where there is no central authority, such as international trade. But they are no panacea against the usual dangers of large technology projects: cost, complexity and overcooked expectations. Cryptocurrencies have fallen far short of their ambitious goals. Blockchain advocates have yet to prove that the underlying technology can live up to the grand claims made for it. ■

# Potential or lost souls?

At least 2.5 million Ukrainians live in the EU. A recent study looks at the motivations and expectations of the latest wave of Ukrainian emigration to France

Alla Lazareva, Paris

“I have an impression that half of Prykarpattia’s working-age population is in France,” a friend says while browsing through the contacts on her smartphone. “Tania from Sniatyn picks up my kids from school, Liuda from Kolomyia cleans my windows, Khrystyna from Kalush does hair for my entire family, Oksana from Ivano-Frankivsk makes our birthday cakes...”

Wealthier or poorer, Ukrainians abroad tend to go to other Ukrainians for services. Shared language, habits and unspoken rules make it easier for them to settle down in a foreign country. While some hardly ever go beyond the Ukrainian community, others try to get rooted abroad. Most Ukrainians of the latest wave of emigrants, the fifth one, never integrated into the French community. Fewer of them have become an equal part of it.

According to *The Challenges of Modern Migration: Ukrainian Community in Paris*, a survey conducted by professionals from the Ukrainian Catholic University, at least 2.5 million people from Ukraine reside in the EU today. The esti-

mates of the number of Ukrainians living in France as a result of several waves of emigration range between 150,000 and 250,000. Who are these people — a resource of support and promotion of Ukraine abroad or the “lost contingent” as one diplomat from the Yanukovich Administration put it?

“The main goal of this survey was to hear people, their pains and hopes, so that we better respond to their needs,” Borys Gudziak, the Eparch of the Ukrainian Greek Catholic Eparchy of Paris and President of the Ukrainian Catholic University, commented. “We hope that this pilot study, which we have shared with the President, the Minister of Foreign Affairs and Ukrainian diplomats, will encourage them to develop state policy for the millions of Ukrainian migrants abroad. For this policy to emerge, we need to see, hear and understand them. People are the greatest treasure of our state and of our Church. They are not merely a resource, but something mysteriously greater, because God himself became Man to be closer to people. This survey was a show of solidarity, first and foremost.”



**Not enough staff.** The Paris region is home to at least 15,000 Ukrainians who are active as citizens

UCU's survey is based on interviews with 600 participants only. Therefore, it does not project its conclusions to the entire Ukrainian community in France. But it does reveal some trends. One is that the main motivation for moving abroad is economic.

"This is no longer immigration but evacuation," a Ukrainian Greek Catholic Church priest jokes bitterly as more and more new people come to the Church in search of accommodation, jobs, people to meet and all kinds of information to help them settle down in the new place.

There are probably no accurate figures about how many Ukrainians have moved abroad, including to Western Europe. Some are illegal migrants who do not register anywhere. But the most popular reasons for leaving Ukraine are obvious. 73.7% of respondents in UCU's survey said that they moved to France in search of work. 44.1% are illegal migrants. 31.7% have temporary residence permits, including short and long-term visas. 4.6% have French citizenship while 17.4% hold permanent residence permits. Some labor migrants plan to return to Ukraine where they are building or renovating their homes and sending money to their families. Others often plan to stay in France after three years abroad, the survey shows.

**73.7%** of respondents in UCU's survey said that they moved to France in search of work. **44.1%** are illegal migrants. **31.7%** have temporary residence permits, including short and long-term visas. **4.6%** have French citizenship while **17.4%** hold permanent residence permits

Emigration for work followed by legalization in the country is a tested strategy that the French authorities tend to tolerate. "You don't see or hear Ukrainians compared to other communities, such as those from Africa," says Christof, a retired policeman. "They work like shadows, mostly in semi-legal construction and renovation, and don't cause any serious trouble for our security. After all, everyone knows that the French would be building much less if construction companies were paying all due taxes required by law. All of these illegal migrants would have nowhere to go work if our industry did not need this grey sector."

"We contribute to the economic development of both countries, Ukraine and France," says Mykhailo proudly. He has been working in the renovations business in the Paris region for five years now. "Both countries get less taxes because of us, but we help both solve many problems for which they lack public money. Ukraine does not lose from us working abroad because we spend the money earned on its territory. I have read somewhere that Ukrainian labor migrants from all over the world transferred home over US \$9bn in 2017 officially. And how much more did people bring in cash? Probably as much or more."

According to the UCU survey, 40% of Ukrainian migrants in France are men and 60% are women. Over 70% are from Halychyna in Western Ukraine. 63.3% lived in cities before moving to France, and 52% have university degrees, but only 18% have international degrees or are studying abroad. Only 5.1% of the fifth-wave migrants live on their own. Mostly people opt to live with anywhere from one to five flatmates to save on the spending.

"Given the data on how long it takes people to find a job, the conclusion is that many migrants in France already have one waiting for them — 23.5% began to work as soon as they moved. 37.3% of the polled found a job within a week after moving to Paris. 63.8% spent a month looking for work. Overall, half a year after moving to Paris was enough for 94.7%

of the polled to find their first job (this covers the migrants with experience of getting employed). This probably speaks of demand on the labor market and the migrants that are highly motivated to look for a job actively and productively," the survey says.

The speed of employment points to another obvious fact which the survey does not look at: there are system of logistics that bring migrants to France, including from Ukraine. While the migrants coming to France to work in construction or French households hardly use any criminal structures, the situation with asylum seekers is worse. "We are seeing pregnant Ukrainian women arriving in France lately, often in the late term of pregnancy, and not at all from the war-affected area," says a member of the association that helps asylum seekers. "They all expect to get asylum, talk about threats to their life and oppression, although there is no war in their regions, they are not involved in big politics, and their stories of "persecutions" at home don't look credible. France recently stooped automatic financial assistance and accommodation for anyone applying for asylum, so I've seen several of such women quite desperate. But I have no desire to help them, even out of compassion. It looked too much like a scheme by those who traffic them in locked trucks without official crossing of the border, without using the visa-free travel regime," he shares.

What these women count on is obvious: they expect to give birth in France after which they cannot be deported since the child is born on French soil. This looks like a system where these women lie about Ukraine and give their money to organized criminal groups. And this does not help Ukraine's image abroad.

"Despite the different aspects and difficulties in job search and the generally below-average total monthly income, those polled mostly mention higher earnings as one of their key motivations for emigration," the UCU study says. This is the main difference between the current fifth wave of emigration from Ukraine and the earlier ones, especially the first (emigration of politicians and intelligentsia, as well as other people involved in the struggle for Ukraine's independence and against the Bolsheviks in the interwar period) and the third (of members of the Organization of Ukrainian Nationalists fleeing the soviets after WWII).

"People have come for a piece of bread, but too often they are so obsessed with that piece of bread that they see nothing beyond it," Vasyl Slipak, the opera singer who left France to defend Ukraine against the Russian aggression in the East and was killed on the frontline in 2016, used to say bitterly. Of course, these people regularly send money home, thus working for the Ukrainian economy in one way or another. But they are almost nowhere to be seen in demonstrations for Ukraine. They are not the most generous donators to the charity projects launched to help their country in the difficult time. It is too early to say how lost this contingent is for Ukraine. But its overall potential is far weaker than that of the generation of Ukrainian political emigres that settled down in France 100 years ago.

"Ukrainian migrants in Paris are generally not active as citizens," the study concludes. This is quite obvious. In the best of times, the largest rallies for Ukraine in France have attracted several hundreds of people. Meanwhile, the Paris region is home to at least 15,000 Ukrainians. This trend will hardly change in the future. The new diaspora is losing the structure that was typical in the previous waves and does not rush to get involved in politics. As a result, the function of public diplomacy falls on the shoulders of the 10-15% of activists who do not limit their interests to purely material values. ■

# After autocephaly

What to expect after the Ukrainian Orthodox Church receives autonomy

Yuriy Doroshenko

The tomos of autocephaly for the Ukrainian Orthodox Church has transformed into a national idea for Ukrainians. It is essentially one of Ukraine's ambitions on its way to the civilized European future that may well play a huge historical and nation-building role. Just a few years ago, getting so close to having its clerical independence recognized by the Ecumenical Orthodox Church was quite unthinkable for Ukraine. Ukrainians have always believed that autocephaly was inevitable, yet they never expected to get it in the near future. The greatest optimist in this issue has been Patriarch Filaret, the leader of the Ukrainian Orthodox Church of Kyiv Patriarchate. As leader of the united Ukrainian Orthodox Church (with the Moscow Patriarchate as part of it) back in the 1990s, he convened an assembly at the Kyiv Pechersk Lavra in 1992 and made sure that it adopted a request of autocephaly for Ukrainians to the Moscow Patriarch. He has been working ever since on fulfilling this idea. In 1992, Moscow brushed off the request while Filaret was dismissed and eventually excommunicated.

Onufriy (Berezovsky), the current leader of the Ukrainian Orthodox Church of Moscow Patriarchate [which names itself as simply the "Ukrainian Orthodox Church" while others specify by adding "Moscow Patriarchate" to it] also signed that request for autocephaly. It's an uncomfortable autograph for someone who is now passionately opposing autocephaly for Ukraine. The Ecumenical Patriarchate has just recently posted a scanned copy of the 1992 request at its official website, showing that it is well aware of the history of the Ukrainian Church.

## THE EXARCHS OF CONSTANTINOPLE

It has taken Moscow a long time to actually believe that the Ecumenical Patriarch will stand up to the wealthy Russian Orthodox Church. Nor can it bear to think that the Constantinople Patriarchate – small and located in the heart of the predominantly Islamic Turkey, but long-standing and firm in its faith – will clearly stand for fairness and the right of the Kyiv Church to lead its spiritual life independently from Moscow, thus challenging the Moscow Patriarch who sees himself as an Orthodox Pope with all the support from the Kremlin, Gazprom and FSB.

Ecumenical Patriarch Bartholomew was not intimidated by the visit of the Moscow Patriarch Kirill in August. Kirill rushed back home immediately after negotiations to explain the failure to Vladimir Putin who has wanted to replace him with Tikhon Shevkunov for some time now.

The fundamental clash between the Moscow Patriarchate and Constantinople over Ukraine is as follows: The Moscow Patriarchate sees autocephaly for Ukraine as a split, a diversion against Russia, a global conspiracy and treason. The Constantinople Patriarchate views it as a way towards the unification of the Ukrainian Orthodoxy which has been divided for over 25 years now, the reinforcement of the spiritual aspect of the Ukrainian nation, and an incentive for the development of Orthodoxy in general.

"In my view, the future of Ukrainian Orthodoxy without a change of its canonical status brings fatally dangerous consequences to Orthodoxy as a thousand-year-old factor of self-identification for the Ukrainian nation," Bishop Ilarion (Rudnyk), the current Exarch of the Ecumenical Patriarch, said in his interview with the

author of this article in 2005. "If the status quo of the Orthodox Church in Ukraine remains unchanged, it may lead to serious problems for the global Orthodoxy which will generally undermine its mission and place in the modern Christian world."

Just recently, Ecumenical Patriarch Bartholomew I went from promising to give autocephaly to Ukraine to actions following the meetings and discussions at the Synaxis. He appointed two exarchs, Ilarion Rudnyk of Edmonton from Canada and Daniel Zelinsky of Pamphilon from the US, both ethnic Ukrainians, – to prepare for the granting of autocephaly. These priests have been taking care of the religious life of Ukrainian diaspora and have now obtained the titles of exarchs as the Patriarch's envoys to work on one specific issue. Their role is an equivalent of an ambassador in diplomacy.

The appointment of these envoys was a breaking point on Ukraine's way to autocephaly. Bartholomew came closer to the implementation of his historic plan. "We're on the finish line", Petro Poroshenko told the exarchs of the Ecumenical Patriarch to their consent. This shocked Moscow which, struck by its imperial ambition, has thought of nothing better than stepping on the path of division and self-isolation. On September 14, Moscow hosted the Holy Synod of the Russian Orthodox Church. As a countermeasure to the initiative of the Ecumenical Patriarch, it decided to suspend the liturgical mention of him. The Synod also decided to stop mutual services with the hierarchs of the Constantinople Patriarchate and to stop the participation of the Russian Orthodox Church in the entities where they take part or chair. Interestingly, Metropolitan Onufriy of the Ukrainian Orthodox Church of Moscow Patriarchate suddenly got sick and appeared at the Synod via Skype. "We will have a consultation and inform you of our decision," Patriarch Kirill of the Russian Orthodox Church told his subordinate in an unhappy and bossy manner and logged off.

This is not the first time that the liturgical mentions between the two Churches are suspended. The Moscow Patriarchy suspended the mentions of the Ecumenical Patriarchate in its liturgy in 1996 when the latter restored the 1923 tomos and founded the Estonian Orthodox Church under its jurisdiction on February 20, 1996, appointing Bishop John of Karelia and All Finland as locum tenens of its leader. Moscow's reaction was similarly hysterical then. It suspended liturgical mentions of the Ecumenical Patriarch. Eventually, however, it realized that this was leading it nowhere and accepted a compromise. This is the most likely scenario now as all of the Moscow Patriarchate's grandeur stands on the clay feet of bureaucracy and Gazprom. This time, however, the process will be longer and more painful. As the Kyiv Church irreversibly breaks away from the Moscow Patriarchate, both the Russian Orthodox Church and the Russian state lose their imperial image, and the myths, including of "Moscow as the Third Rome" on which it had built its identity for centuries, vanish. The departure of the Ukrainian Orthodox Church means that the Moscow Patriarchate shrinks and is no longer the monster claiming absolute domination over other churches. The Ukrainian Orthodox Church of Moscow Patriarchate accounts for about 1/3 of the Russian Orthodox Church. It is a serious loss. And the leader of the Russian Orthodox Church will have to think of going back to the title of Patriarch of Moscow and All Russia, not of Moscow and All Rus as it is presently.



**On the finish line.** The presence of the Ecumenical Patriarch's exarchs in Kyiv is a convincing proof of how close Ukraine is to receiving autocephaly for its Church

## MOSCOW'S SCHISM

According to most analysts, the decision to suspend liturgical mention of Bartholomew I is a step of desperation and helplessness. The Moscow Church has put itself against the entire Orthodox world, stepped on the path of schism and is punishing itself. Interestingly, other Orthodox churches met this drama from the Russian Orthodox Church quite calmly while the Ecumenical Patriarch is firmly moving towards the goal he has declared.

His exarchs Daniel and Ilarion have confirmed this with the Patriarch's address to the President of Ukraine. "This remarkable decision (referring to the appointment of exarchs) by the First Throne of Orthodoxy will undoubtedly contribute to the process of granting autocephaly for which we pray and work day and night. With this happy news from the Constantinople Mother Church, the First Throne of the Orthodox Christian Church, we sincerely congratulate you and believe in the beautiful process that we have launched together for the spiritual prosperity and independence of the Christ-loving and long-suffering Ukraine," Patriarch Bartholomew wrote. This firm position of the Constantinople Patriarch is outlined in a specific plan that is being implemented now. Experts expect most churches to side with the Ecumenical Patriarch in the event of granting autocephaly to Ukraine, even if not immediately. No church will reject full communion with it. Greek churches will be the first to show solidarity. They will probably make some comments in favor of Moscow and flirt with it (everyone needs money after all), but they will still stick to the position of Constantinople. Apart from that, the illegal and forced transfer of the Kyiv Metropole to the Russian Orthodox Church in the 17th century has a historical, canonical and theological side to it which the Greeks have described and justified anew, so it can hardly be ignored now.

Importantly, the Ecumenical Patriarch has publicly outlined the fundamental points on the Ukrainian Church:

1. Ukraine is exclusively canonical territory of the Ecumenical Patriarch. The transfer of the old Kyiv Metropole to the Moscow Patriarchate in 1686 was illegal and temporary.

2. The Moscow Patriarchate itself has no tomos of autocephaly and emerged as a result of self-declaration. "Even if you look at the history of the Orthodox Church in Russia, you will see that its autocephaly was self-proclaimed in 1448 when Metropolitan Iona was elected independently in Moscow, without consent from the Ecumenical Patriarchate. Interestingly, the Orthodox Church in Russia

was never granted tomos of autocephaly," said Archbishop Job of Telmessos, another representative of the Ecumenical Patriarchate and ethnic Ukrainian.

3. It is the Ecumenical Patriarch who has the exclusive right to consider appeals from the bishops, the clergy and the faithful of other national churches in situations where they fail to receive canonical protection of their rights within their proper church. This is important because it overrides the excommunication of Filaret, a metropolitan of the Ukrainian Orthodox Church in the past and currently the Patriarch of Kyiv and All Rus-Ukraine.

For the purpose of objectivity, we must look at a negative scenario as well. Is there any possibility that the granting of tomos to Ukraine will stop or reverse? In theory, anything is possible. In practice, this is highly unlikely.

Firstly, the existence of the large Ukrainian Orthodox community beyond the orbit of "official" or canonical Orthodoxy undermines Ecumenical Orthodoxy, driving it on the sidelines of the religious world. Secondly, failure to complete the granting of autocephaly to the Ukrainian Church, as promised, and backing down under Moscow's pressure will undermine the authority of the Ecumenical Patriarch. If this happens, the Moscow Patriarchate will most certainly fulfill its long-time dream of declaring itself the first throne in the global Orthodoxy. This would turn the Ecumenical Patriarchate into a negligible church. The stakes here are too high and the risks of not granting autocephaly to Ukrainians are greater than the risks of doing so.

## THE ASSEMBLY OF KYIV

The procedure of granting the tomos of autocephaly to Ukraine is fairly simple. The Synod of the Constantinople Patriarchate should vote to grant autocephaly to the Orthodox Church in Ukraine. This is expected to happen anywhere between October 8 and 11. After this, Ecumenical Patriarch Bartholomew I signs the tomos, which is the certificate to grant autocephaly to Ukraine. This is followed by the assembly of the national Ukrainian Orthodox Church with the bishops who have signed the autocephaly request to the Ecumenical Patriarch. These include all senior clergy of the Ukrainian Orthodox Church of Kyiv Patriarchate, the Ukrainian Autocephalous Orthodox Church and part of the Ukrainian Orthodox Church of Moscow Patriarchate. We do not know how many of the latter have signed the request. Some speak of a dozen priests. Only Petro Poroshenko knows the exact number – the signatures were sent to

the Ecumenical Patriarch through him. Heading the list of signatories from the Ukrainian Orthodox Church of Moscow Patriarchate is Metropolitan Oleksandr Drabynko, the leader of the pro-autocephaly and pro-Ukrainian movement in that Church, a determined and consistent man. An important fact of this unifying and de facto founding assembly of the national Ukrainian Orthodox Church is that only the signatories of the request will participate in it. Quite recently, the Ukrainian Autocephalous Orthodox Church has ordained Havryil, the Bishop of Rivne and Volyn, as the new archiereus. Experts suggest that this ordination is linked to the hope of the Church's leaders to get more votes at the upcoming unifying assembly that will elect the Patriarch of the Ukrainian Orthodox Church. The task of *Sobor*, the assembly, is to elect the head of Church. The candidate can have the status of Patriarch or of Metropolitan. For example, the autocephalous Polish Orthodox Church is led by a Metropolitan.

### THE FALL OF THE PATRIARCH

It is the election of the new leader that can trigger the most intense battle. Many observers assume that some senior clergy of the Ukrainian Autocephalous Orthodox Church can play a destructive role as it is traditionally less disciplined than the Ukrainian Orthodox Church of Kyiv Patriarchate [The Ukrainian Autocephalous Orthodox Church – UAOC – one of the three major Orthodox churches in Ukraine, which was reestablished in 1990 – **Ed.**]. It is no secret that Moscow will do anything to prevent the election of Filaret, the Patriarch of the Ukrainian Orthodox Church of Kyiv Patriarchate and its long-standing determined opponent, as the leader of the national Ukrainian Orthodox Church. The Russians are well aware of his remarkable organizational capacity and great experience. So, they realize that the newly recognized Church under his leadership will further establish itself as a pro-Ukrainian spiritual force and will not become a faceless satellite of the pro-Putin Moscow Patriarchy. Analysts assume that the clergy of the Ukrainian Autocephalous Orthodox Church can be used to prevent the election of Filaret – its leader has already publicly discussed the need to have a “neutral” leader of the future Church. Some may suggest electing a representative of the Moscow Patriarchate, justifying this as a favor to the Ukrainian Orthodox Church of Moscow Patriarchate and a way to attract more of its clergy into the newly-recognized Church. Others may suggest ethnic Ukrainian archierei from within the Constantinople Patriarchate as a way to making the newly recognized Church more canonical.

However, such plans are obscure and unrealistic. Any candidate for the position of the Church leader, except for Filaret, will not have proper public support given Filaret's authority and contribution into the revival of the unified national Ukrainian Orthodox Church. Moreover, most participants of the upcoming Sobor have received episcopal ordination or apostolic succession from Patriarch Filaret. This is a crucial historical factor.

Obviously, all the clergy willing to join the newly-established national Church will have a chance to do so, but this will be after the assembly that elects the leader. “We plan for all the clergy of the Moscow Patriarchate and the Ukrainian Orthodox Autocephalous Church [who will choose to join the newly established Church – **Ed.**] to remain in their positions with their parishes. If any priest comes with half of his parish, he will run that half. If he comes with three hundred parishes, he will run those,” Patriarch Filaret explains the process of the future unification. His proposal is to accept the clergy of the Russian Orthodox Church of Moscow Patriarchate on the basis of brotherly love: “They are not strangers for us, they are one of us. All things of the past will be brushed off and forgotten, no matter what anyone says.”

These words by Patriarch Filaret are an important element in the effort to resist the propaganda attack unfolded by Russia where it portrays autocephaly for Ukraine as a trigger of religious tensions

and civil war. The only thing that can actually happen after the Orthodox community is structured with the autocephaly is a law the Verkhovna Rada will pass to reregister religious organizations in Ukraine. The parishes and the eparchies that do not want to join the unified Ukrainian Orthodox Church and prefer to stay with the Moscow Patriarch will be united under the umbrella of the church properly named as the Russian Orthodox Church in Ukraine. The fans of Russia, such as Onufriy, the current Patriarch of Moscow Patriarchate, should not find this too insulting.

### THE ORTHODOX HITCHCOCK

The Moscow Patriarchate spares no dark colors to paint the horrible prospect of life after the tomos for Ukraine. The Kremlin's propagandists are pretty good at scaring people. Ionafan Yeletskikh of Tulchyn and Bratslav, both in Vinnytsia Oblast, has been lamenting about the inevitable prospect of Moscow Patriarchate's churches taken away from it in Ukraine that comes under the jurisdiction of the Ecumenical Patriarchate. He has also suggested that the head of the new national Church will be Metropolitan Simeon of Vinnytsia who is now running the Vinnytsia Eparchy of the Ukrainian Orthodox Church of Moscow Patriarchate.

AS THE KYIV CHURCH IRREVERSIBLY BREAKS AWAY FROM THE MOSCOW PATRIARCHATE, BOTH THE RUSSIAN ORTHODOX CHURCH AND THE RUSSIAN STATE LOSE THEIR IMPERIAL IMAGE AND THE MYTHS

“Your churches will be plundered, your taxes will be heading to Fanar [the area of Istanbul where the Ecumenical Patriarch's residency is located – **Ed.**.]”, Ionafan complains. So, what he calls taxes is now going to Moscow now? Metropolitan Mitrofan of Horlivka and Sloviansk in Donetsk Oblast joined this effort of intimidation by predicting an upcoming bloodshed between the supporters and the opponents of autocephaly in one of his recent sermons. Vadym Novinsky, an MP and curator of the Ukrainian Orthodox Church of Moscow Patriarchate, has recently flown a group of hierarchs to a meeting with the Ecumenical Patriarch where he, too, blackmailed him with the upcoming blackmail if Ukraine were to receive the tomos. Moscow is predicting the same scary scenario. At one point, Rostyslav Pavlenko, Advisor to the President of Ukraine, had to reassure the clergy, saying that Ukraine guarantees the rights of the faithful of the Moscow Patriarchate after Ukraine receives the tomos. “Nobody will interfere with them practicing their faith and expressing their opinions freely; they will have the same protection from the state as the rest; provocations against them will be stopped as resolutely as any actions of violent resistance against autocephaly. The state does not differentiate between the Churches and the faithful of the different Churches,” he said.

### AUTOCEPHALY AS GEOPOLITICS

Russia is afraid of autocephaly for Ukraine for one simple reason: the independence of the Orthodox Church in Ukraine is a great threat to Russia's imperialism. Incarnated in its current leaders, Russia resists becoming a normal European state because its current militarism has muffled the Russians and is helping keep them under control. Viktor Yerofeyev, a Russian writer, has recently stated that the split between the Russian Orthodox Church and the Ecumenical Patriarchate over the potential autocephaly for the Ukrainian Orthodox Church may well be one of the key monuments of Putin's regime. Autocephaly for the Ukrainian Orthodox Church has for the first time put Putin's Russia on a crossroads over its further self-identification. Russia has so far failed to come to terms with the realization that the history of the Kyiv Metropole unfolds away from Russia. Unfortunately, the only reaction to this that Russia has managed to generate so far has been hatred against Ukrainians and the rest of the world. ■

# A reform that ruined the Soviet Union

Why the bomb laid under the foundation of the USSR exploded

Stanislav Kulchytskiy

The state Vladimir Lenin built was composed of two power verticals with “democratic centralism” as its basis. This meant that the lower ranks of the hierarchy were blindly obedient to the upper ones. As a result, *vozhdi* — the leaders — held the power within the dictatorial party vertical. The vertical of soviets, i.e. councils, was organizationally separated from the party and every rank of it was subordinate to the respective rank in the party vertical. All this combined ensured full managerial power for the soviet vertical.

The soviet vertical was comprised exclusively of communists and non-aligned sympathizers. As a result, the party and the soviets turned into a single political force that shared the same name: the soviet government. The dictatorship of the leaders was thus anonymous, masked under the simulacra of “proletariat dictatorship”. When *vozhdi* expropriated production facilities from small and big owners in the process of “building socialism” as

they pursued economic dictatorship in addition to the political kind, the “proletariat dictatorship” was replaced by the simulacra of “socialist democracy”.

## A CONTRACT OF DICTATORSHIP

The party vertical did not depend on the people while the functionaries of the soviet vertical got their mandates through elections. Party committees arranged elections without a choice in their dictatorial manner — they were determining who would join soviet entities. The soviet state looked like that of workers and peasants as it selected functionaries from the grassroots level. In fact, it was a totalitarian one as the state sovereignty belonged to the leaders, not the people.

The Bolsheviks used this double structure of power to disorient the population in national regions. “Lenin’s national politics” supported national liberation movements of subjected peoples provided that they would join the construction of soviet statehood.

One impressive example of this — the red Russia had to invade the Ukrainian People’s Republic three times before it finally gathered a million-strong army there. But on December 28, 1920, it signed a workers-peasants agreement with the soviet Ukraine it established whereby it solemnly confirmed the “independence and sovereignty of each of the parties to the agreement.”

A transfer to the new economic policy (NEP) removed the looming prospect of the economic collapse resulting from the communist experiment. Joseph Stalin and the leaders of the second echelon used this to try and strip national soviet republics of their status of states, which would essentially turn them into autonomous republics of the Russian Federation. The idea of “autonomization” was discussed without Lenin who fell sick then. The leader rejected it and offered an alternative whereby the independent republics, including Russia, would “together and as equals” create a federation of the second tier called the Soviet Union. Every union republic would preserve its status as a state reinforced by the constitutional provision on free exit from the Soviet Union. Obviously, the mechanism of leaving the Soviet Union was not described in the Constitution.

Organizing the state by establishing a “second tier” federation was more convenient for those in power. This triggered less resistance from the population in national regions than the integration of them into the borders of Russia would. In order to understand what happened next, it is important to note that the guarantor of the Soviet Union’s existence was the Communist Party vertical. If national republics were then diminished to autonomous regions within the Russian Federation, the vertical of soviet bodies would be the guarantor of the multinational Russia’s existence.



**Party & soviet tandem undermined.** The initiatives Gorbachev declared at the party conference of 1988 launched the ruination of the vertical built by the Bolsheviks



## TIME WAS TICKING

The Soviet Union had neither external nor internal enemies that could actually threaten its existence. The sole threat for it came from the system of power, anti-people in essence, and the inefficiency of its command economy. The communist regime got a second wind when Adolf Hitler pushed the Soviet Union into the anti-Hitler coalition, then another one when the price of fuels started going up.

Still, the degradation of the Soviet Union progressed rapidly. The soviet economy of coal and steel failed to stand up to the challenges of the post-industrial era in which the world's top countries already lived. The two intertwined verticals of power were working worse and worse.

The failed economic transformation of 1985-86 forced Mikhail Gorbachev to radicalize the vector of reconstruction or *perestroika* he declared. He pressured the Communist Party Central Committee into passing a decision at its January 1987 plenum introducing direct and alternative elections by the communists of party committee supreme leaders at all levels, from the secretary of the lowest (basic) party organization to the secretaries of oblast and republican organizations. This undermined the basics of “democratic centralism” but did not deliver a palpable result. Anatoliy Cherniayev, Gorbachev's assistant, wrote the following fragment in his book published in 2003: “The famous Central Committee January plenum on staff policy was the first one after Lenin to blame what was happening in the country and its crisis on the party and its Central Committee. However, it did not deliver the result expected from perestroika. The party remained reluctant and incapable of driving transformations. Gorbachev later admitted that the mere nature of the party prevented it from doing so. He came out with a solution: to use an All-Union Party Conference to strip the Communist Party of the Soviet Union of state power functions and restore the full power of soviets abolished by Stalin in the 1920s.”

This quote shows that people within Gorbachev's circle did not realize what they did by interfering with the leverages of power constructed by Lenin. If the assistants of Gorbachev didn't understand this, he didn't understand it either — in fact, the soviets never had full power under Lenin.

## FROM PARTY TO SOCIETY

The 21st All-Union Party Conference in June 1988 decided to transform soviet governing bodies into structures with full power independent of party com-

mittees and their apparatuses. That constitutional reform brought about the abolition of the party & soviets tandem. Why did delegates to the conference risk taking such a radical move?

The party nomenclature always held positions in soviets that were equivalent to their positions in the party. For example, the first secretary of the party's oblast committee had to be a deputy of the Soviet Union or a republican Supreme Council. After several decades, party officials had grown used to their status as deputies in councils. As a result, they met the transfer of power from party committees to council executive committees as something unusual but not shocking. The functionaries of the party vertical were willing to perform their managerial functions from a different seat — of the council or council executive committee chair of a respective level.

What did the reform actually change? The abolition of the party & councils tandem meant that the sovereign power went from the party to society. The countries where societies elect members of top state institutions are usually referred to as democracies. That reform thus turned the Soviet Union from a totalitarian state into a democracy overnight. That democracy, however, was very original — with no tradition of democracy, society relying on the state for everything, and with the communist backbone that paralyzed any free movement of the social organism.

All of the party's decisions had now to be authorized by soviet entities. Mikhail Gorbachev proposed the constitutional reform at the extraordinary 12<sup>th</sup> session of the Soviet Union Supreme Council (November 29 — December 1, 1988). The deputies who mostly represented the nomenclature of the communist party and soviets did not object the proposed reform.

Before it was submitted to the Supreme Council, the constitutional reform was put up for a general public discussion. But the public was not aware that it was discussing the construction of Lenin's government system that had earlier removed soviets from political decisions. The essence was skillfully masked by simulacra words to which both soviet people and soviet politicians were used. The number of comments and proposals during the discussion exceeded 300,000. But nobody mentioned that the reform would upend the soviet political order.

Gorbachev's team initially failed to understand the impact of the reform on

the socio-political life. Meanwhile, the assembly of the Soviet Union deputies formed after the March 1989 elections produced democratic opposition that was joined by Boris Yeltsin, a powerful rival of Gorbachev. Still, the Communist Party's dictate over society seemed to remain intact as the party functionaries were used to running the show while soviet officials were used to being ruled.

## THE CENTRIFUGAL FORCE

The parade of sovereignties — that's how Gorbachev described the aspiration of periphery elites to free from the embrace of the Soviet Union center — started before the first free elections to the supreme councils of the Soviet Union republics, that is, before non-nomenclature figures appeared in soviet governing bodies aiming to gain independence for their peoples.

On November 16, 1988, the Supreme Council of Estonia passed the Declaration of Sovereignty for the Estonian SSR.

THE SOVIET UNION HAD NEITHER EXTERNAL NOR INTERNAL ENEMIES THAT COULD ACTUALLY THREATEN ITS EXISTENCE. THE SOLE THREAT FOR IT CAME FROM THE SYSTEM OF POWER, ANTI-PEOPLE IN ESSENCE, AND THE INEFFICIENCY OF ITS COMMAND ECONOMY

It declared the republic's laws superior over the laws of the Soviet Union. The Lithuanian and Latvian Soviet Socialist Republics followed suit with identical initiatives on May 26 and July 28, 1989, respectively.

Established in September 1989, the People's Movement of Ukraine for Reconstruction was growing into a powerful factor in the country's socio-political life. Detached from the all-Union center, the Russian communist and soviet nomenclature led by Yeltsin was expanding a fight for the sovereignization of the Russian Soviet Federative Socialist Republic.

Paradoxically, it was the Russian Federation that was seeking sovereignization most proactively. In fact, the position of Russia within the Soviet Union was always obscure. It was a crucial republic in the Union and the Soviet Union center defended its interest first and foremost. The Union's unofficial table of rankings listed the Russians as the titular nation of the Union, not just the Russian Federation. This meant that they were never a national minority in any of the Union's republics. Still, Russia was deprived politically since the Kremlin could not afford to sustain two equally powerful centers of power — that of the Soviet Union and of Russia — in Moscow.

Elections to republican authorities were scheduled for March 1990. Just like earlier, power within the Ukrainian SSR was in the hands of Volodymyr Ivashko, First Secretary of the Communist Party Central Committee. However, his supremacy was based on the fact that he was Head of the Supreme Council, the Verkhovna Rada. After the abovementioned reform of the party and soviet system, the Supreme Council was the sole center of authority.

The March 1990 elections to the Ukrainian SSR Supreme Council saw an unusually active electorate. Two thirds of the 450 deputies elected were people with real power in their constituencies,

After the March 1990 elections, the parliament had **85%** of the Soviet Union Communist Party members. This was **16.5%** up from the share of communists in the 11th convention of the Supreme Council

i.e. representatives of the party and soviet nomenclature, directors of industrial enterprises, heads of collective farms etc. Now, the parliament had 85% of the Soviet Union Communist Party members. This was 16.5% up from the share of communists in the 11th convention of the Supreme Council. Still, the split of the party & councils tandem sidelined them in political life. “Despite the fact that the 12<sup>th</sup> (1<sup>st</sup>) convention of the legislature had 373 members of the Communist Party, they were unable to decisively influence decision making from this party’s perspective,” wrote Ivan Pliushch, then-Deputy Speaker of the Verkhovna Rada, in his memoirs published in 2010.

### “TIME TO ADMIT OUR DEFEAT”

Alongside elections to republican authorities, the extraordinary Third Convention of People’s Deputies of the Soviet Union took place. Gorbachev then introduced the position of the Soviet Union’s president that fit him — albeit alien to the soviet political system — thus diminishing the dangerous wobbling of power between the two centers of the party and soviets. But that’s when the elections of deputies in the Union’s republics created 15 new centers of power simultaneously, including one in Moscow. As head of the Supreme Council, Boris Yeltsin ended up at the helm of the Russian SFSR.

He did not hesitate to take up the opportunity offered by the norms of the Soviet Union and republican constitutions to remove the party & councils center from power, thus eliminating the dual

power structure that emerged in Moscow after the March 1990 elections. In parallel, the nomenclature in the national republics stopped counting on the help of Moscow where struggle between Gorbachev and Yeltsin was unfolding. Part of the national nomenclatures realized that they now depended less on the Kremlin regardless of who chaired it and more on their voters. As a result, the Ukrainian nomenclature started breeding more and more sovereignty-oriented communists.

On March 7, 1990, the Soviet Union Communist Party Central Committee politburo reviewed the results of the Russian elections. Most of its members assessed the elections as satisfactory, hoping that the all-Union center would manage to keep the Soviet Union’s central republic under control. Only Ivan Frolov, an assistant in Gorbachev’s team in 1987-1989, then Central Committee Secretary and politburo member from July 1990, did not share that optimism. A philosopher with the Soviet Union’s Academy of Sciences, he suddenly realized how dangerous the constitutional reform was, as well as the basis on which the pre-reform system of power was built. The party had stumbled into a deep crisis. Still, under Lenin’s concept, it had to serve as the foundation of the centralized state that was sold to the public as a fake union of free and equal republics with the constitutional right to leave the “federation”. Yeltsin’s intention to get into the seat of Russia’s president undermined Lenin’s construction of power with tragic consequences for the center of the Soviet Union.

“We have to admit our defeat, realistically and unambiguously,” Frolov said in one speech. “I think we have a very controversial result here: we have received so many votes for the party members and so on, and yet we know that there is a split... Popov is in the party, Afanasiev is in the party (Yuriy Afanasiev and Gavriil Popov, both soviet politicians — **Ed.**)... Afanasiev and others don’t want to leave it so that they can undermine it at the convention (the 28th convention of the Soviet Union Communist Party was approaching — **Ed.**). We need to energetically remove old members. We are losing the party because of them... And the last thing. Of course, Russian structures, party structures and these Councils present the most powerful bombs — nuclear or

so. They will destroy our Federation in general. That’s the reason why all these Popovs and others, Afanasiev and Yeltsin, have focused on them.”

On March 11, 1990, the new convocation of the Lithuanian Parliament gathered for the first session and announced the Declaration of Restored Independence of the Lithuanian State. On May 4, Latvia passed an identical document. On May 8, the Estonian SSR announced that it was exiting the Soviet Union. The deputies of the Baltic republics were right: these states had been integrated into the Soviet Union under the secret Molotov-Ribbentrop Pact which the Second Convention of the Soviet Union Deputies admitted and condemned in December 1989. After they declared independence, the three Baltic States spent over a year in an undefined status. Eventually, the USSR President Mikhail Gorbachev was forced to acknowledge their independence on September 6, 1991.

In May 1990, the First Convention of Russia’s Deputies took place. Despite desperate resistance of the Soviet Union center, Boris Yeltsin was elected as head of the Russian SFSR Supreme Council. The Convention of Russia’s Deputies passed the Declaration of State Sovereignty of the Russian SFSR. The document featured Ivan Frolov’s worst expectations. It ended the acts of the Union of Soviet Socialist Republics which countered the sovereign rights of the Russian SFSR. Its Article 7 declared that the Russian SFSR preserved its right to freely leave the Soviet Union in keeping with the procedure established by the Union treaty and the legislation based on it. The First Convention of the Russian SFSR Deputies ended with Yeltsin’s declaration of leaving the Soviet Union Communist Party.

### THE UKRAINIAN CONTEXT

When the Baltic republics were passing their declarations of sovereignty, the Supreme Council of the Ukrainian SSR condemned them. Parliaments of other Union republics reacted similarly. But Russia’s steps signaled that the Moscow center was deep in crisis and was no longer able to keep other nations under control. It immediately became clear that the multinational soviet state created by the Bolsheviks could not possibly exist unless it used violent tools.

On June 28, 1990, the Ukrainian SSR Supreme Council started discussing state sovereignty for Ukraine. In the process, the deputies were informed about Volodymyr Ivashko’s declaration of resignation as head of the Supreme

Council. They learned that Gorbachev offered Ivashko a newly-created position of deputy Secretary General of the Soviet Union Communist Party Secretary General. An all-Union position in a degrading party looked more promising to Ivashko than the powerful seat of the leader in a republican parliament. His political capitulation shocked Ukrainian society, demoralized the communist majority in parliament and made it easier for the opposition to pass a document that was quite radical for its time — it established Ukraine's sovereignty. The final text of the Declaration was supported by virtually all deputies. On July 16, 1990, the Ukrainian SSR Supreme Council passed the Declaration on State Sovereignty of Ukraine and elected Leonid Kravchuk, the leader of sovereignty-oriented communists, as its new chair.

Once the Declaration on Sovereignty was passed, the party and soviet majority in parliament took a long pause by not showing any intent to implement the document's revolutionary provisions. The next year was spent in tug-o-wars between the center of the Soviet Union and the leaders of nine Union republics, excluding the Baltic States, Georgia and Moldova. The parties were trying to get vaster powers while agreeing on one thing: the Soviet Union had to survive.

The emergence and defeat of the State Committee on the State of Emergency sped up the developments. When Leonid Kravchuk delivered his speech

On the Political Situation at an extraordinary session of the Ukrainian SSR Supreme Council on August 24, 1991, he admitted that the Declaration on Ukraine's Sovereignty supported by the people at the March 17, 1991 referendum had to be implemented in action. This included the immediate establishment of the Ukraine Defense Council and the National Guard of Ukraine, and the passing of laws on the separation of law enforcement authorities from the party. He underlined that all law enforcement authorities had to report to the Ukrainian government alone and not be part of any Union structures. "Given all the profound changes that have taken place in the country, we should also revise our positions on the Union Treaty," he ended his speech. "Ukraine can only enter a Union which entails the least possibility of anyone attacking our sovereignty." MP Ihor Yukhnovsky called on the Parliament to immediately declare Ukraine an independent democratic state, to back up and fix the declaration of independence by the All-Ukrainian referendum to be held alongside the presidential election, and to terminate the operation of the Soviet Union Communist Party on the territory of the republic.

Behind the scenes, Kravchuk managed to persuade the parliamentary majority to accept the opposition's de-

mands. The party and soviet nomenclature was scared by the news of Volodymyr Ivashko's arrest in Moscow, the re-subordination of the Soviet Army to the Russian leaders, the sealing of the Communist Party Central Committee's premises etc. After the break, the Parliament passed the Act of Declaration of Independence of Ukraine with 346 votes. The text was largely composed at night of August 23 by five MPs, including Serhiy Holovatyi, Mykhailo Horyn, Ivan Zayets,

IF THE SOVIET UNION'S FEDERATIVE STRUCTURE WAS A TIME BOMB IN THE FOUNDATION OF THE STATE, A SIMILAR BOMB LIES WITHIN THE FOUNDATION OF THE RUSSIAN FEDERATION.

NOBODY KNOWS WHEN EXACTLY IT CAN GO OFF

Levko Lukianenko and Viacheslav Chornovil.

### THE INEVITABLE TURN

Would the Soviet Union have survived if it hadn't been for the putsch led by the key figures from Gorbachev's team? Obviously, the putsch sped up the collapse. But it was inevitable after the constitutional reform of 1988 returned sovereign rights to the different peoples of the superstate, withdrawn earlier by Vladimir Lenin during the 1917 October Revolution.

As mentioned above, national soviet republics could have been brought together in one state in two ways after the forced restoration of the Russian Empire: by turning into autonomous republics of the Russian Federation or into the Union republics within the Soviet Union as the "second tier" federation. The state was the guarantor of the forced unification in the first scenario, the party played that role in the second scenario. The architects of reconstruction attempted to "heal" the party with the 1988 constitutional reform but the treatment proved too strong. The party could not be reformed. Therefore, the collapse of the Soviet Union could not be stopped.

The leaders of the Russian Federation have managed to stifle the appetite for state sovereignty in its autonomous republics with carrots and sticks. Still, Russia's federative order is as much a simulacra as the Soviet Union's "second tier" federation was. An actual federation is based on every subject having constitutional rights which the center can't appeal against. If the Soviet Union's federative structure was a time bomb in the foundation of the state, a similar bomb lies within the foundation of the Russian Federation. Nobody knows when exactly it can go off. ■



After the putsch. GKChP sped up the declaration of Ukraine's independence. But the factors leading up to it largely brewed in 1988-1991

PHOTO: UKRINFORM

# Yuriy Andrukhovych: “I don’t like banality, so I don’t meet the readers’ expectations”

Interviewed by **Bohdana Romantsova**



PHOTO FROM THE YURIY ANDRUKHOVYCH'S ARCHIVE

On September 17, Yuriy Andrukhovych visited Kyiv to present *Lithography*, his new album with the band Karbido, at the Ukrainian Radio’s Recording Studio. Before that, *The Ukrainian Week* spoke to him about investments in culture, the new generation of writers and Ukraine’s place in the literature map of the world.

**You have just released *Lithography*, your fifth joint album with the band Karbido based on the lyrics of your *Lithography* cycle of poems published back in the 1980s. Can you tell us more about your work with Karbido? Is it still a Polish band after a Ukrainian drummer joined it?**

— We started working together in Warsaw back in 2005 at the annual poetry festival. The organizers invited Karbido as a music background for the poets’ performances. The band did not have to know the poems by heart, but it had to respond to how the person recites the poems and create the ambience for it with improvisation. It was somewhat different with me – I had already recorded a CD with the Polish jazzman Mikołaj Trzaska by then. So the organizers decided that it would be best for me to arrive a day earlier and try to create something with Karbido in advance. We got on really well then.

About ten poets participated in that poetry night, seven or eight of them Ukrainians as that year’s festival was thematically accented on Ukraine. You see, even poetry events always walk hand in hand with our political developments. The Orange Revo-

lution had played its role – an anthology of Ukrainian poetry was immediately published in Poland. I had a long 20-minute performance with Karbido. But the band is constantly changing. Karbido is a flexible structure where different musicians get together for one or several projects. The bassist is the only musician staying in the band from the time of our first performance. Tomasz Sikora plays saxophone but he was our sound director at that Wrocław Festival.

**Why did you choose the *Lithography* cycle, not your more recent poems?**

— The project was initiated by Port Franko, a festival in Ivano-Frankivsk. Its priorities included working with specific locations in Ivano-Frankivsk, recultivation of the city territory, including of the Potocki Palace complex. The palace used to host a military hospital and is almost ruined by now. But Porto Franko activists and organizers thought of using the location for innovative art projects. So this was a request from the festival organizers interested in creating something new, devoted to the historical aspects of our city’s development. We did not finish the project by 2016, so we presented it at the 2017 festival. In the meantime, we were looking for a new drummer and found Ihor Hnydyn to work on *Lithography* at the Białowieża Forest as part of Karbido. Now I’m finally close to answering your question. When we had to decide on the lyrics for the project, I remembered my *Lithography* cycle published back in 1989 with the *Seredmistia* (The Heart of the Town) collection and was never performed anywhere. I reread it and thought that I could fix half a line of so, but the text was worth working with. I had written that cycle based on clear criteria: the poems had to rhyme well and have interesting, unexpected rhythmical patterns. *Lithography* went well with the music solutions because I had invested great efforts into making those poems have their own internal music back in 1989.

**Popular Ukrainian writers, including Serhiy Zhadan, yourself and Irena Karpa, are making their music projects and working with ready-made bands. Why is this trend emerging? Is this a romantic aspiration for synesthesia, a combination of different media? Or is it that the writers do not believe that poetry without any accompaniment can still impress the audience?**

— Let’s not mention “don’t believe” because this is not about it. Irena Karpa’s case is different – she is a musician who became a writer. She started as a singer at the punk band Fucktychno Sami (Alone, Actually) and wrote her first prose as a well-known performer in the subculture community.

In fact, many of are dependent on music. We are music lovers. This is about passive consumption up to a certain point, when you can’t write anything unless you turn on a specific tune. Over the years, you collect your favorite music, performers and pieces. At some point, writers develop personal contacts with bands – like I have with Karbido. This is not a uniquely Ukrainian phenomenon. I know at least three or four European festivals in Slovakia, France and Austria, dedicated to such alliances exclusively: their whole programs are built on the performances of poets and music bands. I see it as a consequence of rock-n-roll emerging and spreading in the world in the 1960s and 1970s, and music becoming something bigger than just the filling of time with songs. It got into virtually every aspect of life. At some point, we felt like we needed to present the texts in different formats, including through music.

**Do your projects with Karbido help you attract new audiences? Who is your reader today? Is the image of your reader affecting your writing?**

— I don’t know about the new audience. I haven’t done any research of it. People come up to me after every concert to tell me that they have recently started reading my books. But I don’t know whether this could be measured statistically.

I have no chances with the mass audience. I can’t actually picture my mass reader. I get incentives from individual readers who have their personal individuality in my eyes. These are the people who have told me about how they changed their life under the influence of my books. Some have quit their job and established routine and went to India where they spent several years in ashrams, even though this is not something I promote in my books. But these are personal stories, I know the names of these people and we stay in touch. It’s difficult to say how many readers I have because the audience is multilayered. Most of my readers follow my publicist speeches or interviews, so I’m not sure I can count them as

my readers. Some read my op-eds, and they are my readers. I have no idea how many people read my novels. Even fewer people probably read my poems. I can't picture a structured demand for my next piece and meet it by calculating what people expect in advance. I don't think this is realistic.

**Do Ukrainian writers lack popularity abroad because there is a lack of translations? Or is it because they are aesthetically worse than their European colleagues?**

— I think there is an objective reason for this: a serious gap in the promotion of the Ukrainian language. Many countries have no translators from Ukrainian. I think that's the case of Sweden, so it's too early to talk about a Nobel Prize for us now. There are no good translations from Ukrainian into Swedish; Ukrainian books are mostly translated from other languages there. Even places with successful projects, such as the German-speaking countries or Poland, have a handful of translators from Ukrainian. Meanwhile, the supply in Ukraine is growing as more interesting texts and authors appear, but not the translators. The people who have worked with the texts by Serhiy Zhadan, by me and other writers, want to keep working on our books. They have no physical capacity to translate five or six other authors from Ukraine, and we should do something about it. I have said many times that the government should set up scholarships for foreigners, invite them to spend a year or so in Ukraine learning Ukrainian. That's how they could not just learn the language, but understand the mentality and the different contexts. All this is a must for translators. We need to realize that culture requires huge investments. And they should be treated as investments. We should not save on cultivating and educating future translators of Ukrainian literature.

**Your latest novel is titled *The Lovers of Justice*. On the one hand, it has the familiar themes, motives and texts that have seen the world already – this has put off some readers. On the other hand, it has religious motives that are not typical for you – you mention them in just a few interviews. Where does this religious side come from?**

— I'm not interested in simply thinking of a plot or building a story with many spin-offs. What interests me in a novel is an original twist, including in composition – so that people question whether this is even a novel. However, if the readers have such doubts about *The Lovers of Justice*, this signals of a serious gap in the readership memory of Ukrainians. Even in the 1970s, the time of poor soviet Ukrainian literary criticism, people realized that the genre of

novel in the 20<sup>th</sup> century could mean anything. So they accepted chimeric, magical and other original novels. I have forbidden myself to adjust to any expectations of the readers. The most interesting thing for me is to create a new unexpected structure in a novel, to discover something within the genre if still possible. So I may well insert a poem and a play into my next novel, with several sections of traditional prose in between them. I don't like banality, so I don't meet the readers' expectations.

**You said that you have no chance of being liked by the mass audience. This seems somewhat too modest. Yuriy Andrukhovych is a well-known brand for many, and readers have a number of expectations for you. Have you ever feared falling hostage to your image?**

— I don't have a clear line of conduct with a clear set of certain principles. Sometimes I think of whether to express things in one way or another as it may affect expectations or perceptions. But most of the time I don't think about it. What I find more impactful is to express an important and well-formulated thought. I am one of those people who sometimes express an idea so that it goes on living, even if we realize that it may have unpleasant consequences. I don't model my image to fit certain audience.

**The intertwining of culture and politics is a painful issue. Ukrainian film director Oleh Sentsov has been on a hunger strike for 120 days now [the interview was recorded on September 10]. Virtually all sensible artists have publicly supported him, from film director Pedro Almodovar to the J. M. Coetzee, the Noble Prize-winning writer. That has barely changed anything, as if culture can do nothing when it comes to tyranny. Is that so?**

— No, it's not. But culture often has no leverage of direct action. Those in power sometimes feel free of public opinion. This is the case with dictators, the countries where freedom of speech is blocked, and censorship and persecution of dissidents prevail. That's where culture cannot have direct influence. Still, even then it prepares a time bomb for those in power. Every action is important for the work with the future. By contrast, cultural initiatives have direct effect in democratic societies where those in power are greatly dependent on public opinion. If Sentsov was behind bars in a democratic country for some strange reason, a collection of signatures would immediately result in his release. In this case, we see not helplessness of culture, but something with deferred effect. The torturing of Sentsov will bury Putin eventually, he will fall victim to his own ruthlessness.

**You went on a tour in Eastern Ukraine this spring with *The Endless Journey*, or *Aeneid*, a**

**multimedia project which you call a collage lecture. You later said in interviews that the audience came even from Stanytsia Luhanska, a frontline town. Is the *Aeneid* important in the East? What exactly is a collage lecture?**

— Our art group treated this as an enlightenment project from day one. We wanted our work to be used by teachers in schools, professors in universities and students. A collage is an original approach to delivering lectures, a fragmented clip-like presentation of information that keeps the attention of the audience. We had organizational and financial support exactly because we performed in Eastern Ukraine – at universities, schools and music schools. A whole bus came to our performance in Severodonetsk from Stanytsia Luhanska – ArtPole group had already conducted several art initiatives in Severodonetsk before. They have established very friendly contacts with people from Stanytsia Luhanska, so they headed to *The Aeneid*, too. I was moved: people got up at 6 a.m. to watch the performance at 12 and head home after it.

**You have delivered lectures at the Slavic Language Studies Department of the Humboldt University in Berlin. Have you noticed any difference between the young people from Ukraine and Germany?**

— I had about 30% of Germans in my course. Education is international in the EU, so I had students from the former Soviet Union countries, Spain, Italy – they all studied at Humboldt University of Berlin. I can't compare them to Ukrainian students because I have no teaching experience in Ukraine. What I can say, however, is that all of the students in Berlin were very well prepared and motivated. One of our activities in class was to make up non-existing poets in classes, created their biographies and wrote poetry on their behalf.

**Who would you mention as strong writers of the new generation in Ukraine? Is there a conflict of generations in Ukrainian literature?**

— On the one hand, there seems to be no progress without a conflict of generations. But I think that I felt the arrival of the 90s much stronger, when everyone constantly said that the era of the 1980s' writers was over. Then, after 2000, I felt no conflicts. We seem to have developed mutual respect over the years. What I can say about the youngest writers is that some are sending their manuscripts to me. I know these writers better than the published ones. I keep living and waiting for a text that will turn my world upside down one day. ■



Go to [ukrainianweek.com](http://ukrainianweek.com) to read the full version of the interview

# The main character of abstract art

Modern non-figurative Ukrainian painting is well-known abroad, but underrated at home

Diana Klochko

No twentieth-century genres of painting, including surrealism and pop art, are surrounded by as many prejudices as abstract art. As a lecturer, I am very familiar with the paradox: few people come to hear about individual abstractionists or its different movements, but they are the most open to dialogue, questions and expressing their own interpretations of works. In everyday life, I often hear the phrases that "anyone", "a child" or "I" could do the same thing.

What obstacles stop Ukrainians from accepting the visual language of one of the most important styles in modernism? Why is there still such a great distrust of abstract art, no matter how much you talk about the Ukrainian, in particular ornamental, roots of the experiments by Kazimir Malevich, Vladimir Tatlin, Alexander Archipenko, Sonia Delaunay and Vasyl Yermilov? Why is it so hard for the mass audience as consumers of visual experiences at modern gallery expositions to appreciate non-figurative painting?

These questions are not rhetorical. Firstly, because abstraction is part of the cut-off, i.e. physically destroyed, modernist tradition of the Ukrainian avant-garde, and secondly because the current artistic process in Ukraine is also related to understanding the traditions of non-figurative imagery.

## MONOCHROMES AND THE APPROPRIATION OF BLUE

Even if the names of Yves Klein, Piero Manzoni, Enrico Castellani and Lucio Fontana are known by Ukrainian connoisseurs of 20th-century European post-war art, they are still much less familiar than the term "abstract expressionism". Thanks to this movement, a full-fledged American art market arose in the 1950s and New York snagged the title of "art centre" from Paris. Accordingly, almost all innovations that emerged in Europe were viewed with less interest, particularly by the media. This was due to the fact that monochrome painting turned out to be much more important for the development of different movements in European culture: it influenced both 1960s minimalism and the high-tech aesthetics of architectural and design in the 1980s.

In those years, Ukrainian art — even in the context of counterculture — did not work with abstraction in general and monochrome in particular. Figurative art and painting remained virtually the only genre in Ukrainian artistic education and at various levels of the art scene. Only in the late 1980s and early 1990s (and later as the Painting Reserve association) did artists emerge in Kyiv who initiated a movement towards seeing the tasks of oil painting as intensifying colour and

distinguishing its special role in transforming the spatial elements of a work.

Each participant chose their own original strategy and the most radical in the context of monochromes was Tiberiy Silvasi. As he would later recall, in the late 1970s he had certain visions of a "blue space", although they rather remained an experimental experience of unfinished work with canvas. Something like a large shadow of Yves Klein's "international blue", which for some reason almost mystically (as there was no information about his performances and experimental canvases in the Ukrainian media of that time and his works themselves remained inaccessible, even as poor quality reproductions) appeared in the shadows of Ukrainian landscapes.

Since the late 1990s, it has been clear that Silvasi is creating a national version of that famous ultramarine, but not as a replica with reflections of female bodies or attached sponges, nor as an allusion to the blue colour of the national flag. Silvasi felt a meditative oriental element in Klein's practices (the French artist lived for some time in Tokyo and practiced martial arts), which led him to the understanding of "our monochrome", which appears not so much in a certain space as in time. Not the saturated blue background of Giotto, but the changeable purple of Kyiv frescoes whose power gradually becomes evident in the



**Ukrainian purple.** Since the late 1990s, it has been clear that Tiberiy Silvasi is creating a national version of ultramarine — something like a great shadow of the Yves Klein's "international blue"



**A search for new imagery.** Gradually, Ihor Yanovych's artistic abstractions distinguished work with black as a colour, which makes it possible to show the organic drama of extinction and the energy of creation at the same time

morning light. The blue background of the frescoes at Saint Sophia's Cathedral was destroyed by barbaric "restoration" in the nineteenth century, and now it is only possible to symbolically restore their approximate shade from tiny preserved pieces and fragments.

The painter formulated his creative task for years before arriving at the formula "the ritual of cultivating painting". He said in an interview that there are canvases in his studio that have several dates on them, because he has been working on them for years. The relationship between individual textures and shades of colour in Silvasi's work comes together as separate projects that sometimes have a spatial character, i.e. his artworks fit into a certain gallery setting as part of an exposition. The characteristics of the lighting, contours/framing by the walls, the size and outlines all become an element of the way objects are embedded into a certain space almost as if by a designer — it suggests that viewers reflect on what influences what, transforming the familiar into the new. Sometimes this visual communication concerned a part of the gigantic space of the Mystetskyi Arsenal in Kyiv, other times a massive invasion at the Bottega Gallery and Ya Gallery, or small-scale appearances, for example, at the Mikhail Bulgakov Museum

The tactic chosen by Silvasi has led to him becoming an informal classic of contemporary painting, whose projects are perceived as a unique school for colouristic education. Rigorously and slowly cultivating his painting, he created the

continuity of his own intellectual biography (particularly in an international context) and developed the eye of his audience.

His relationship with time is a conscious withdrawal from relevance and from literary, political and social reactions in order to find colour and texture, which turned out to be more important than what is transient. Silvasi's work hangs over the debate about whether art as a picture has died and is living on in this way with a continuity of creation and contemplation of the graphic surface. Distancing himself from telling stories about a character or object, Silvasi finds the reality of a colouristic statement that each viewer can feel in an associative and hands-on way. Instead of telling stories, the artist gives the viewer the opportunity to spend some time alongside the pulsation of peace and saturation of emotions to verify their sense of shades and proportions without haste.

### **DYNAMIC GRAPHICS AND THE EXPRESSION OF BLACK**

Silvasi has become a public intellectual who thinks with colour. Graphic designer Ihor Yanovych chose another path.

In the European tradition, graphic abstractions tended towards rational geometry. Hilma af Klint, František Kupka, Theo van Doesburg and Pete Mondrian all argued in different ways that dynamism should manifest itself in compositions with geometrised images and the domination of dark/black verticals or diagonals. Like Kazimir Malevich and Wassily Kandinsky, who worked

with geometric figures as an idea of constructing an extremely urbanised world.

Ihor Yanovych is a ceramist by training and had experience in creating monumental murals when he decided to move away from figurative painting in the late 1980s in order to look for a new type of imagery. Gradually, his artistic abstractions distinguished work with black as a colour, which makes it possible to show the organic drama of extinction and the energy of creation at the same time. His familiarity with graphic techniques and the opportunity to view works by artists such as Antoni Tàpies and Francis Bacon in European museums and galleries assured him that monumentalism in graphic art is also possible without the support of geometry. Irrationality, spontaneity, the search for original techniques and non-standard materials, the explosiveness of his stains and lines, cyclicity and seriality (including the use of numbering) are all features of the artist's style that gradually made him one of the most authoritative graphic artists in Ukraine who seeks both expression and harmony at the same time.

Is there anything here from the arabesques of oriental calligraphy or Pollock's dripping? In his projects, it is not the composition itself that matters, but the cultural context — the combination or collision of graphic works with the architectural or sculptural environment in the form of specific artefacts or photos. The power of juxtaposition causes the viewer to have numerous associations, often called musical or jazzy, because the endless, capricious brush movements



**The most important element.** In Petro Bevza's work, the plastic characteristics of a stain become a dynamic composition of fragments that affect each other, not contrasting, but enhancing the effect of the light beam

and colours that always leave a different trace and an unusual trajectory on the paper or canvas bring forth images of "variations on a given topic." With maximum acceleration of the rhythmic beats, which even gives the dynamics of colouristically restrained canvases/sheets a galloping feel. The work with brushes of different sizes, trickles of paint, sprays and textures wards off any similarity with real objects. Consequently, the artist ceases to be a visual manipulator: they create a space in which the viewer can feel the "oceanic emotion", but can also opt for distant observation of the tonal decisions.

Thus in Yanovych's works, the notion of "black" — extremely important for the characterisation of the totalitarian 20th century — becomes a moving substance of another society that since Umberto Eco has been called "liquid".

### PENETRATING THE WALLS

Not all the artists who practice non-figurative painting make it their main artistic method. Last year, Petro Bevza impressed the public with his project *Innyi*, which for the first time showed a collection of paintings without any geographical, biographical, historical or anthropological narrative. Throughout his career, the painter (he has also been involved in land art, performances and architecture) always paid special attention to the combination of space and colour

through light. This is one of the most difficult problems for painters, which since the nineteenth century (basically due to the emergence of photography) has been solved radically by the methods of plein air and tonal contrast or ignored. Abstractionists followed the latter strategy: modernism emphasised that optical illusions are less important than structural innovations.

In Ukrainian tradition, the light-bearing nature of colour has a certain symbolic and historical meaning, namely the shimmering glow of a surface above a mosaic smalt. However, in most cases modernity perceives light not through what is natural (the smalt pigment has an organic basis), but as an artificial illumination of the object. Electric light changes our perception of space and of a surface as such — this paradox of the new luminescence is what the artist is trying to record. In an interview, he confessed, "...New challenges — primarily for colour, because light, like form, creates the message of colour". In order to bring contemporary challenges relevance, Bevza used the lexicon of abstract artists, but without their orientation towards geometry. In Petro Bevza's work, the plastic characteristics of a stain, so important for João Miro or Helen Frankenthaler, become a dynamic composition of fragments that affect each other, not contrasting, but enhancing the effect of the light beam.

The combinations can be so sharp that they border on optical discomfort, although it is not destructive.

A modern person requires stronger visual stimuli than 100 or even 50 years ago. The eye is evolving and the screens that accompany our lives change both the experience of colour and light itself. The flame of a candle or hearth can inspire us to watch for hours, but our return to information on a smartphone or tablet occurs through a signal of anxiety, albeit a micro one. Bevza's project records this stage of combining the different natures of light on one plane (existential, sensual).

Even if the basis for individual compositions was the macro level of examining the veins of flower petals or footage of a certain coastline taken from a drone, when the impressions gained from them are transferred onto a plane, the mystery of the combination of heterogeneous stains increases the intensity of the spectator's contemplation.

In the nineteenth century, it was impossible to admire isolated fragments of stains on a ruined wall. In the twenty-first century, this is a habitual experience for a traveller that will snap an album of their individual route on a smartphone. The optics of various "stains", not united by a classical composition, are becoming an everyday thing.

Petro Bevza's non-figurative project demonstrates how such a new op-



tical practice can turn into a new artistic aesthetic.

### HOW TO LEARN THE VOCABULARY OF ABSTRACT ART?

People often disagree: these interpretations are just your imagination — the artists did not put these meanings in their works. I reply that modernism argued that in any work there is no single correct meaning, and the more meanings a work generates, the greater its symbolic, social and, finally, financial value.

Abstract art has accustomed its viewers to the fact that categories of thinking can be transmitted by means of visual art, and this is precisely what gradually changes the attitude of people towards the environment, their surroundings and everyday life.

In addition, it is possible to communicate freely with our abstract art contemporaries. All three artists I have written about are public figures: they willingly give interviews, write texts, publish books and are open to conversation and new interpretations. After all, the main character of abstract art that is not depicted is not even the creator, but

the viewer. It would be a sin not to take advantage of that.

It is another issue that Ukrainians have not been lucky enough to study this categoric lexicon as it was filled. Even now, Ukrainian art schools offering world art courses try not to broach this topic and there is still no solid research on our compatriot abstractionists of the early twentieth century. I hope that at least this will change. For today, abstract art works are quite accessible: they can be found not only in private collections, but also in the largest museums of contemporary art. Even art museums in Kyiv, Lviv, Kharkiv and Odesa are bringing them back for permanent expositions.

Announcements and press releases from galleries not only in the capital tell us about their new projects, organise public talk events, invite lecturers/interpreters to speak, and publish catalogues or books. However, in ten years' time Ukrainians will not be able to see most of the works from these projects: they will be bought and taken away to different cities in different countries. Ukrainian abstractionists are much better known and appreciated abroad. Each of the

aforementioned artists has a bunch of foreign projects in prestigious art institutions under their belt. Talented artists are closely followed abroad. Their works are purchased both for museums and private collections. After all, purchases for the numerous museums — private and state-owned — are the norm and not a happy event like in Ukraine, where we have how many museums of contemporary art? "Too many to count on one hand", as they say.

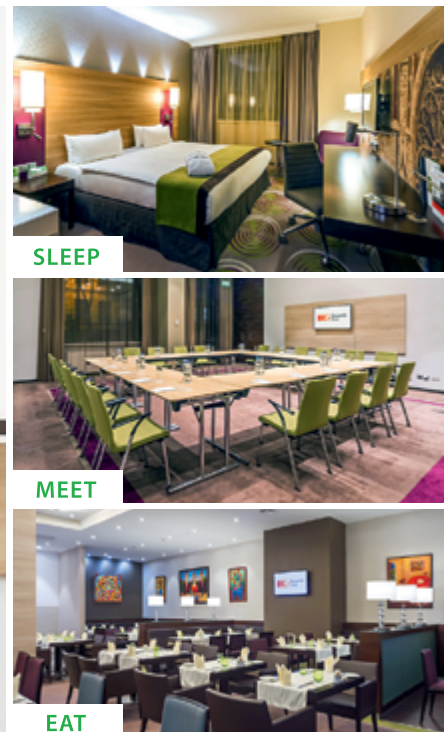
It could well be the case that our grandchildren will only be able to see the works of Silvasi, Yanovych and Bevza in rare catalogues or at MoMA. As in Ukraine no one went to the trouble of preserving things for our descendants in time. This genre, among the top styles of modernism, requires thoughtfulness, not superficial emotionality, decent investments, and not awkward patter. After all, the main character of abstract art that is not directly depicted is less the creator than the shrewd and enlightened viewer whose opinion is uber-important for the authors. It seems there is a risk we could lose that. Together with the works of abstractionists that remain far beyond the horizon of our borders. ■



# IHG<sup>®</sup> Rewards Club

The biggest hotel loyalty program in the world





SLEEP

MEET

EAT

## IDEAL HOTEL FOR BUSINESS AND LEISURE!

+38 044 363 30 20, e-mail: [reservations.hikyiv@ihg.com](mailto:reservations.hikyiv@ihg.com)

100, Velyka Vasylkivska Str., Kyiv, Ukraine

 [holidayinnkyiv](https://www.instagram.com/holidayinnkyiv)  [Holiday Inn Kyiv](https://www.facebook.com/HolidayInnKyiv)

[www.holidayinn.com/kyiv](http://www.holidayinn.com/kyiv)

 **Holiday Inn**<sup>®</sup>

AN IHG<sup>®</sup> HOTEL

KYIV

October 11, 13, 15, 19:00 — October 12, 13, 18:00 — October 19, 19:00

### Austrian Autumn

**Leonid Kohan**  
**Philharmonic Hall**  
**(vul. Voskresenska, 6, Dnipro)**

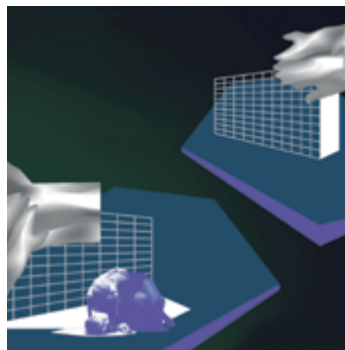
The Austrian Autumn Festival program includes three major concerts, opening with a symphonic orchestra concert under head conductor Natalia Ponomarchuk and featuring world-class virtuoso violinist Dmytro Tkachenko as the soloist. The performance will include Concerto for Violin and Orchestra by Erich Wolfgang Korngold and Symphony #1 in D major, the "Titan," by Gustav Mahler. The following two days of the festival will present classics by Josef Haydn and other surprises.



### Taking the Stage 2018

**Stage 6. Dovzhenko Center**  
**(vul. Vasylykivska, 1, Kyiv)**

This mini-festival of British drama will bring Kyivans and guests 11 20-minute fragments of the future works of finalist in the Taking the Stage Theater Competition. This competition among scenes will take place over the course of two days, during which a panel of Ukrainian and British judges will select two winners. The third place winner will be chosen by the audience. Proceeds from ticket sales will be used to organize future plays, so every member of the audience will automatically be sponsoring a new performance.



### The HARDKISS

**Palats Sportu**  
**(Sportyvna Ploshcha, 1, Kyiv)**

Catch the presentation of the third studio album by Ukraine's favorite progressive pop group The HARDKISS. "The Iron Swallow," aka Yulia Sanina, calls the eponymous album "a combination of that which cannot be combined — both a bird and a spaceship maintaining a clear course." What can the group's fans expect? Intimate lyrics, powerful electronic sound, and even more Ukrainian songs. After their Kyiv launch, the band starts a tour of Ukraine to promote the new album. Next are Zaporizhzhia and Mariupol.



October 20, 19:00 — October 21, 19:00 — October 23, 19:00

### Musical Moments of the Big City. Venice

**House of Actors**  
**(vul. Yaroslaviv Val, 7, Kyiv)**

You are invited to a cycle of concerts that travel to some of the best-known cities in the world — Musical Moments of the Big City. This musical journey will allow you to visit the great cities of Europe and the US: Berlin, Kyiv, Madrid, New York, etc. Listen and learn about the lives of these cities, their personalities and interesting facts — and listen to the music of composers who wrote their masterpieces right there. The fifth concert in this series goes to the Italian city of Venice. This time, you will be able to savor the music of some of the greatest composers of all times: Antonio Vivaldi, Benedetto Marcello and Tomaso Albinoni. Our journey will be accompanied by the Kyivski Solisty National Chamber Ensemble.



### Orpheus and Eurydice Forever

**Ukraina Concert Hall**  
**(vul. Velyka Vasylykivska, 103, Kyiv)**

The ancient Greek myth remains popular to this day, especially when it is presented in a new form. The electro-rock opera, "Orpheus and Eurydice Forever" was first performed in Ukraine in 2016 and continues to play to full houses. This world-class show with some of the country's best actors, orchestras and choruses conveys the subtle mysticism and romantic atmosphere of the classical story in a new light. A special feature of this production is the rhythmic electronic music by the great DJ Starkov and the virtuoso performance of the leads, Mykhailo Brunskiy and Solomiya Pavlenko.



### Damien Escobar

**Opera House**  
**(prospekt Svobody, 28, Lviv)**

With American violinist Damien Escobar, Lviv audiences will get to hear the instrument in an entirely new way. Two-time Emmy Award-winning musician will perform violin covers of hits by Adele, Alicia Keys, Justin Timberlake, and Whitney Houston, as well as his own compositions. This New York star of modern violin music experiments with crossover violin, combining elements of classical music, jazz, pop, R&B, and hip-hop. A blend of styles, explosive emotions voiced by the instrument and more await audiences at the Damien Escobar concert.





atmosfera  
restaurant

COME AND DINE ON CLOUD NINE



Pushkinska str. 29

Premier Palace Hotel

(044) 244 13 04

[facebook.com/AtmosferaRestaurant](https://facebook.com/AtmosferaRestaurant)

[instagram.com/atmosfera\\_restaurant](https://instagram.com/atmosfera_restaurant)



# Music Heals Hearts

V ANNIVERSARY CHARITY GALA DINNER

In support of Center for Pediatric Cardiology and Cardiac Surgery in Kyiv  
XV Anniversary of the Center



SATURDAY, NOVEMBER 24, 2018  
19:00

Dallas Ballroom, Hilton Kyiv Hotel  
30 Tarasa Shevchenka Blvd., Kyiv

100% of the donations from Charity Gala Dinner "Music Heals Hearts" will be spent for purchasing of new equipment in the intensive care unit in the Center.

To participate in Gala Dinner please contact us via  
+38 67 690 2321