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The Ukrainian Week

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ТИЖДЕНЬ

Shadow-boxing: Kramer vs Lutsenko

Andriy Holub

On May 2, the on-line version of the New York Times posted an article by Andrew Kramer stating, "Ukraine, Seeking U.S. Missiles, Halted Cooperation With Mueller Investigation". The piece caused quite a stir, placing, as it did, responsibility for blocking investigations on the Office of the Prosecutor General of Ukraine, which denies this. On May 4, three Democrat senators, Bob Menendez, »





Dick Durbin and Patrick Leahy turned to PG Yuriy Lutsenko with an open letter about the claims made in Kramer's article. Their request for clarification ended with three questions, quoted from the letter:

Has your office taken any steps to restrict cooperation with the investigation by Special Counsel Robert Mueller? If so, why?

Did any individual from the Trump Administration, or anyone acting on its behalf, encourage Ukrainian government or law enforcement officials not to cooperate with the investigation by Special Counsel Robert Mueller?

Was the Mueller probe raised in any way during discussions between your government and US officials, including around the meeting of Presidents Trump and Poroshenko in New York in 2017?

The main fact that is at the core of the Kramer article is an April order from the PGO that supposedly forbade the carrying out of any investigation in a case in which Paul Manafort figured. This would, of course, mean that any international cooperation in investigations would also become impossible. The situation would have been convenient for the current US President and the PGO order oddly coincided with the start of deliveries of Javelins to Ukraine.

ACCORDING TO SERHIY HORBATIUK, ON MAY 5, THE PGO FINALLY HANDED ALL FOUR OF THE CASES MENTIONED HERE TO HIS DEPARTMENT TO HANDLE—A DAY AFTER LUTSENKO RECEIVED THE LETTER FROM THE THREE US SENATORS AND THREE DAYS AFTER THE KRAMER ARTICLE WAS PUBLISHED

Robert Mueller's investigative team is the main topic overseas. In May 2017, he was appointed to investigate whether there was evidence of cooperation between the Russian government and Donald Trump's election headquarters during his 2016 campaign for president of the United States. The investigation extended to possible Russian interference in the US election. One of the key individuals in the case is Paul Manafort, who was Trump's campaign manager for several months. At the end of 2017, Manafort was accused of a slew of crimes, including money-laundering and tax evasion.

For a significant period, Manafort's activities were closely tied with Ukraine. Before he found himself at the peak of his career as a public relations professional, running the campaign of a future US president, he worked as a consultant for many years for Ukraine's ex-President Viktor Yanukovich and his Party of the Regions. This kind of cooperation, according to Ukrainian press, took place at least between 2006 and 2014, when Manafort helped what was then the Opposition Bloc, a party based on what was left of Yanukovich's PoR.

Some episodes in this relationship have been picked up by the radar of Ukraine's law enforcement agencies, which are investigating the crimes of the Yanukovich regime. The NYT refers to four criminal investigations that involve Manafort. All four are being handled by the PGO's Special Investigations Department, headed by Serhiy Horbatiuk.

One involves a payment of US \$750,000 to Davis Manafort, a consultancy founded by Paul Manafort. The money was transferred through offshore accounts for the delivery of computer equipment that never happened.

A second case involves the whitewashing the Yanukovich Administration after Yulia Tymoshenko was jailed. Yanukovich officials used the services of Skadden Arps, a law firm, to tidy up their reputation. The company was paid more than

UAH 8 million, worth over US \$1 million at the time the contract was signed, out of the Ukrainian budget to prepare a report claiming that there was no political motive behind the jailing of the opposition leader. This case has already gone to court, with the suspect being former Justice Minister Oleksandr Lavrynovych. According to press reports, Manafort himself put together Yanukovich's strategy for lobbying his interests in the US and EU and organized the contract with the well-known law firm.

The third case involves payouts made from Party of the Region's cash stash, known as a "black cash register" in Ukrainian. In this case, the suspects are the Kaliuzhnyi brothers, ex-MP Valeriy and MP aide Yevhen, who law enforcement says personally signed the Party's illicit accounting books about money used for various expenditures. In essence, they acted as middlemen for the paying out of bribes or laundering of money. One of the items for which the brothers received cash was recorded as "Paul Manafort". Today, the Kaliuzhniys are officially wanted for their crimes and, according to some information from investigators, are hiding in Russia.

It's important to understand that Paul Manafort himself is not a suspect in any of these three cases, although he will certainly be a key witness.

The fourth case that is mentioned in the NYT article merits a separate discussion. According to Kramer, there are not one but two cases involving Skadden Arps, but he does not provide any details. Some information can be gleaned from the PGO's response to Kramer's enquiry, which was only made public in Ukrainian media after the article came out in the US. However, the PGO press service did not mention the questions asked by the journalist. In the text of the response, in addition to the three cases mentioned above that are directly linked to Manafort, there is also mention of a criminal case "on suspicion that the former Minister of Justice embezzled public funds worth UAH 2,523,000 or about US \$315,000 at the time, to pay TOV Yevropeiska Pravova Hrupa [European Law Group] without justification." In fact, Olena Lukash is the suspect in this case. In December 2013, after the Euromaidan had already started, Lukash ordered YPH to analyze certain parts of the Ukraine-EU Association Agreement. But this case is not connected to Skadden Arps or Manafort in any way. At any rate, there is no information pointing to a link in any publicly available source at this time.

To understand why the NYT article refers to four cases while the PGO's response mentions the Lukash case, we have to go back half a year to November 20, 2017. On that day, the PGO investigators lost their authority to investigate any case whatsoever. Some of these cases were turned over to NABU, the national anti-corruption agency, mainly those involving corruption in the higher corridors of power.

On December 15, the law changes to return certain powers to prosecutors. However, the day before, Prosecutor General Lutsenko issues an order to transfer cases that fall under NABU's remit to the Bureau.

The press has speculated about the reason for his decision. Among others, they interpret it as the latest battle in the war among law enforcement agencies, which reached its peak just about then. One opinion was that Lutsenko was trying to "bury" NABU with over 2,000 cases from all over Ukraine and to thus block the nascent watchdog agency's work. Among those 2,000 there were about 30 criminal cases that were being handled by the PGO's Special Investigations Department headed by Horbatiuk. However, soon after this, Special Anti-Corruption Prosecutor Nazar Kholodnytskiy issued an order to return those cases back to the PGO's Special Investigations Department. The PGO leadership indicated

that it was against this, once again. This kind of ping-ponging of the criminal cases went through several rounds until the spring, when they were ultimately not returned to the Special Investigations Department.

"The PGO should have once again given the powers to investigate these cases to our department," says Horbatiuk. "It did this in most cases, except for four cases, that have not been delegated to anyone, and no one can continue investigating them."

And these are the four cases that Andrew Kramer was writing about in the NYT. Lutsenko's avoidance of delegating these cases to specific investigators is what the article refers to as "an order to stop them." All of this did, indeed, happen in April, just before the Javelins came to Ukraine, and since Manafort is involved in most of the cases, it's been interpreted as an attempt to please Trump.

However, the logic of this argument doesn't really follow. Firstly, the Lukash case bears no relation to Manafort, let alone to Trump. Secondly, the circus with the investigation of the cases affects a lot more interests in Ukraine, not really those abroad, especially as it started long before the delivery of the Javelins. Thirdly, the selectiveness of the PGO in its approach to individual cases is obvious and suggests that the PGO is playing in the court of individuals who are connected to those cases. But Lutsenko has shown this kind of selectivity more than once in the past: he also tried to take the Lukash case away from SID before and he succeeded in removing the case against former Minister of Revenues and Taxes Oleksandr Klymenko. Even when it handed cases over to NABU, the PGO did this selectively and not en masse, leaving individual cases in its own hands, including one against Serhiy Kurchenko, the money man for the Yanukovych Family. In other words, whatever he has done, there's no real evi-

dence that Lutsenko stopped certain investigations to appease President Trump.

A separate issue raised in the Kramer article is about a Ukrainian prohibition on cooperation between American and Ukrainian law enforcement agencies. "Neither American law enforcement agencies, nor the FBI nor Mueller have turned to the PGO with any requests for legal assistance in relation to the Manafort case," Yevhen Yenin, Assistant Prosecutor General for International Cooperation, wrote on his Facebook page. "In other words, there was nothing there to 'halt' in the first place." In commenting for *The Ukrainian Week*, Yenin said that he meant that there were neither queries nor letters from the US side: "On the contrary, Lutsenko himself sent a letter to the US in February proposing closer cooperation and we never even got a reply."

SID Director Horbatiuk says that no requests have come to his department from the US side, either. Back in 2014, his department sent two official requests to the US Department of Justice, followed by five reminders about the requests, and, last year, some additional information to the original request. These requests were, in fact, for documents and to interview for individuals material to certain cases, including Manafort. The DoJ provided the documents but did not hold any interviews. The last time, Horbatiuk wrote a letter to Special Prosecutor Mueller himself, earlier this year, but so far there's been no response.

According to Horbatiuk, on May 5, the PGO finally handed all four of the cases mentioned here to his department to handle—a day after Lutsenko received the letter from the three US senators and three days after the Kramer article was published. The hope is that the PGO will react equally quickly to publications in the Ukrainian press in future. ■

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Europe in weightlessness

Can western democracy survive the populist offensive?

Philippe de Lara, Paris



The anger factor. The forces labelled as “populist” are heterogeneous. The concept of populism is not fully adequate as it overestimates the unity of protest against liberal values and underestimates its disruptive power

Since the collapse of communism and the enlargements of the EU at the turn of the century, many political alerts have been disturbing the stability and self-confidence of liberal democracies, specially of “European construction”: the growth of anti-system parties in all countries, the rejection in 2005 of a new European treaty by two founding nations of the EU, France and the Netherlands, the perception of the great recession of 2008 as a betrayal of the promises of globalization, the unexpected coming to power of eurosceptics and anti-liberal forces in Austria, Hungary, Italy, Czechia and Romania. Yet, all this could not alter the peace of mind of elites or rather a strange mood of confident resignation in the “politics of inevitability”, as Timothy Snyder rightly coined it. We still lived in the boring and peaceful world of “the end of history”. 9/11 was a huge shock and triggered wars that are still ongoing today, but in the aftermath Islamic terrorism did not alter the business-as-usual mood in western countries, despite twelve deadly attacks between 2004 and 2014 causing about 215 deaths (and more than 170,000 people killed by Islamic terrorism in the world in the same period. Africa’s share is overwhelming, followed by Afghanistan and Iraq).

2015 was a turning point: in that year alone, Islamic terror killed 414 people in western countries, 155 of them in France. More than one million refugees arrived in Europe (216,000 in 2014), triggering panic and anger across the EU. The same year, “populist” parties had major success in many elections: in Denmark, the People’s Party won 21.1%, while the Liberal Party, once dominant fell to 19.5%; in Spain the “indignants” of Podemos, a party born just two years ago, won 20.7%; in Poland, PiS won presidential and parliamentary elections with 37.6% and has ruled Poland since then; in United Kingdom, the breakthrough of UKIP at 12.6% in 2015 preceded Brexit next year. The year before in Hungary, the fascist Jobbik had jumped from 16.6% in 2010 to 20.2%. At the European elections, “national-populists” parties were on top in France, United Kingdom and Denmark and gather

at least 140 seats (of 751) in the European Parliament. In the meantime, Vladimir Putin consolidates his power. His 5th (de facto 6th) re-election in 2018 was obtained by much less fraud than in 2012. It was time to take populism and authoritarianism seriously. The politics of inevitability turned out to be no longer inevitable.

In France, Emmanuel Macron’s victory in 2017 appeared rightly as a victory against populism, including in its distinguished guise of Francois Fillon, once a frontrunner candidate of the center-right Les Républicains, but also an overtly pro-Russian politician ready to break the European solidarity on sanctions and to recognize the annexation of Crimea. But France was an exception. In Austria (2017), in Germany (2017), in Italy (2018), in Netherlands (2017), at the Brexit referendum in the United Kingdom (2016), not to mention Trump’s election in the United States, populists won or progressed enough to become central players in the “system” they denounced from the outside a few years ago. Mostly right extremists or conservatives, populists have also a no less successful left brand: in Spain, Podemos increased in 2016 its previous score to 21.2%; in Germany, Die Linke did not match the triumph of AfD (which went from 4.7% in 2013 to 12.6% now) but maintained its share at 9.2% and won 5 more seats; in France, La France Insoumise (LFI) reached 11.03% and 17 seats in the legislative election following Macron’s election (it had none in the previous Assembly); in Italy, Five Stars increased their score to 32.7%, slightly beating the so-called Center-Right coalition (37%), actually dominated by the far-right Lega Nord (47% of the 265 seats of the coalition). In 2019, parliamentary elections will be held in eight EU countries and at the European Parliament. Results are in most cases highly unpredictable.

The magnitude of the challenge to democracy is obvious. Understanding it is not so obvious, and that’s our problem. The forces labelled as “populist” are heterogeneous. The concept of populism is not fully adequate (no more than conservatism). It overestimates the unity of protest against liberal values and underestimates its disruptive power. “Nationalism” is even worse because 1) it confuses aggressive and xenophobic nationalism with patriotic pride and care for national culture and identity (Ukraine pays a heavy toll for this confusion), 2) it is blind to non-nationalist mobilizations: extreme right groups are more often than not hostile or indifferent to nation. They are fighters of “Christian civilization” or of white supremacy. Homophobia and racism have no nationality (Putin’s imperialism neither, so these groups are welcomed in Moscow, making the national-populists uneasy). Such groups are very tiny, but this does not impair their capacity to violence. Inside or outside of electoral competition, this nebulous web of organizations destabilizes the political field by introducing a new political divide (or divides), unamenable to the traditional right-left division: winners and losers of globalization, pro-Europeans and eurosceptics, partisans of protective closure and of openness. They permeate moderate parties: for instance, with its new

leader Laurent Wauquiez, Les Républicains in France is no longer the party of business and mild conservatism, but the protector of modest households, victims of insecurity and lower incomes. There is more -- these forces do not tend to reshape the political debate and political alternatives. They rather tend to shift from one issue to another (immigration today, multiculturalism against identity tomorrow, tax rebellion later, etc.) and a growing part of them is inclined to violent politics, both at the far right and the far left: openness to otherness and concern for the planet can be as violent as racism.

Populist parties are often on the verge of split or explosion: the French National Front may split on Europe or family values issues, Geert Wilders' authority is challenged within his party and outside by the eurosceptic Forum for Democracy!, Five Stars live in permanent psychodrama, and one remembers the seemingly fatal crisis of FPÖ in Austria after the sexual scandal and the untimely death of its founding leader Jörg Haider in 2008. But with all the ingredients of fleeting movements, these parties continue to establish themselves in the political landscape.

Last but not least, the concept of populism confines the issue to politics. Meanwhile, disruptive votes and allegiances go along with wider social phenomena: 1) disposition to verbal and physical violence on any issue, serious or futile: local administration, noisy neighbours, academic controversies, as well as immigration or abortion. 2) Conspiracy theories have a growing influence. A recent poll in France (IFOP, 2017) reveals that 35% of respondents believe that the American government took part in the 9/11 attacks, including 47% among young people (18-34), 44% among people unemployed and attending school. 22% suspect or are sure that Islamist attacks in Paris in January 2015 (20 people killed, including satirical journalists, policemen, customers of a Kosher grocery store) were in fact planned or manipulated by the French secret service. This last figure jumps to 34% in the group of respondents aged 18-24. 55% of respondents believe that the Department of Health conspires with pharmaceutical companies to hide the harmfulness of vaccines from the public.

All this is worrying and bewildering. Yet, there is at least one constant and universal feature of all disruptive parties: they are supported by Russia and supporting Russia. This may be a good starting point to grasp the uncatchable. Russia exports not only lobbying, fake news, cyber-attacks and corruption of politicians and of elections (plus outright war in Ukraine). It exports meaning: however irrational, inconsistent, eaten up by revenge, and unsuccessful domestically and globally, even ridiculous (see Vladimir Putin's ambiguous disgust for homosexuality: as Snyder puts it, Putin is "offering masculinity as an argument against democracy"), Putin makes sense of the crisis of democracies. Russia does not have to be an attractive model to provide an intelligible framework for a situation felt as meaningless by many western citizen.

Timothy Snyder new book *The Road to Unfreedom. Russia, Europe, America* explains how this works: "The collapse of the politics of inevitability ushers in another experience of time: *the politics of eternity*. Whereas inevitability promises a better future for everyone, eternity places one nation at the center of a cyclical story of victimhood. Time is no longer a line into the future, but a circle that endlessly returns the same threats from the past. [...] Now, what has already happened in Russia is what might happen in America and Europe: the stabilization of massive inequality, the displacement of policy by propaganda,

the shift from the politics of inevitability to the politics of eternity. [...] As social mobility halts, inevitability gives way to eternity, and democracy gives way to oligarchy. An oligarch spinning a tale of an innocent past, perhaps with the help of fascist ideas, offers fake protection to people with real pain. Faith that technology serves freedom opens the way to his spectacle. The oligarch crosses into real politics from a world of fiction and governs by invoking myth and manufacturing crisis." Putin's prospect is as absurd as it is simple, yet efficient: after reducing "Russian statehood to his oligarchical clan and its moment, the only way to head off a vision of future collapse was to describe democracy as an immediate and permanent threat. [...] In 2013, Russia began to seduce or bully its European neighbours into abandoning their own institutions and histories. If Russia could not become the West, let the West become Russia." This making sense of our predicament is tremendously attractive because it fills a gap, but also because, despite its unique delirium, we resemble Russia in two features: 1) systemic corruption spreads in all Western countries, fed by tax cheating, grey economy mixing legitimate and criminal money, leading to a paradoxical blend of daily acceptance and deep distrust towards elites. For that matter, Ukraine's originality is to combine post-soviet kleptocracy with western-like corruption and clumsy efforts to get rid of both. 2) Russia's public sphere is pervaded by lies, but unlike the old-style soviet lie, it is not based on political

FREEDOM IS A SUPREME VALUE OF EUROPEAN CIVILIZATION,
BUT TO CHERISH A VALUE IS NOT ENOUGH
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propaganda but on credulity and bullshit. People are conditioned to believe anything, but what they believe does not matter. Likewise, in all democratic countries, conspiracy theories on all kinds of subjects are flourishing, ultimately fueled by the belief that all our misfortunes are caused by a single global conspiracy, globalization (or capitalism, or Jews, or Freemasons, or whatever). Credulity goes along with distrust towards all elites, politicians but also doctors, professors, etc.

This situation is not unlike that in the post-war Europe: expectation of justice and progress born during the war against barbarianism confronted with attempts of reconstruction and delusions of ordinary life and ordinary governments, succumbed to the sirens of communism. This happened not only in France and Italy where Communist Parties had strong influence. In all democratic countries, a lot of people were seduced, impressed by soviet communism, or at least convinced by its irresistible efficiency. Europe overcame this challenge.

This is a new one (although it also stems partly from the soviet legacy). International reactions to the Skripal case and the April chemical bombings in Syria are perhaps signs of leaving this state of weightlessness. Maybe international retaliations against Assad and his Russian mentor will follow, maybe European countries will not just expel diplomats but pass Magnitsky Acts, maybe they will stop Nord Stream 2, thoroughly investigate hostile foreign activities on their soil. Freedom is a supreme value of European civilization, but to cherish a value is not enough to recognize that we neglected to cultivate it and that it is in danger. ■

Act, don't watch

The Kremlin's gas pipelines bypassing Ukraine are a threat to the country's energy security. What can it do to protect itself from upcoming risks

Oleksandr Kramar

The European gas market and the architecture of its supply routes are undergoing tectonic changes, after which it will never be the same as in previous decades. Therefore, it will be impossible for Ukraine to take the same place and play the role that it did in the previous configuration. Attempts can be made to slow the process down, but it is impossible to stop. In addition, the perennial passivity of Ukraine inexorably leads to it being pushed to the periphery.

The chance to become the centre of the new gas architecture – a diversified hub through which the fuel would be delivered from different sources (not only Russia, but also Azerbaijan, Turkmenistan, Iran, etc.) – has already been snatched away to Turkey. In recent years, Ukraine has even been renouncing this role to Poland, which has built a LNG (liquefied natural gas) terminal on the Baltic coast to accept shipments from Qatar, the United States or any other country and is preparing to build a pipeline from Norway.

Holding on to Ukraine's status as the main transit country of Russian gas at any price would be both dangerous and naive. Firstly, this could only happen if the Ukrainian GTS is fully transferred under the control of the Russian Federation and consent is given to vassal-like dependence on the latter in the political sphere. Secondly, even under such conditions, Russia would seek to diversify its supply routes to eliminate any risks of dependence on another country, even a loyal one.

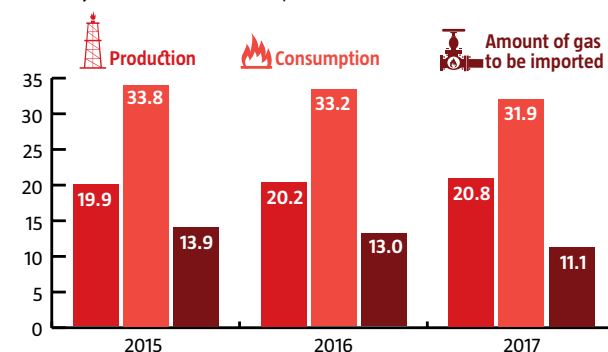
This is clearly demonstrated by the experience of Belarus, whose transit potential in supplying Russian gas to the EU has been put on the back burner for many years in favor of developing new lines of Nord Stream. Full control of Gazprom over its GTS and a pro-Russian orientation have not helped Minsk.

Against this background, more and more flows of natural gas will bypass Ukraine. Over the last decade, the share of Russian fuel transported to the EU through the Ukrainian gas transmission network has decreased from 70-80% to 44% in 2017 and in the coming years it is supposed to drop to 10-20% or, at worst, a negligible amount. In the meantime, about 25% of transit now takes place through Belarus and 30% via the active part of Nord Stream. In the fourth quarter of 2017, Ukraine's share of transit dropped all the way to 39% due to an increase in the use of Nord Stream, which reached 100.7% of its nominal capacity.

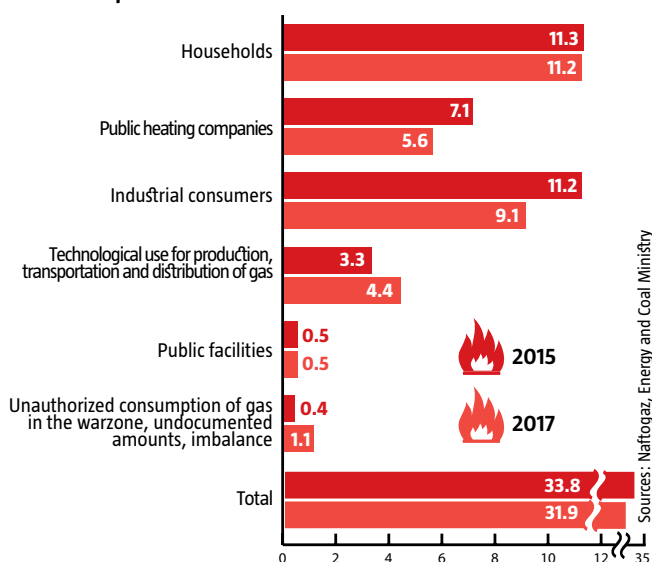
Gazprom is not only on the home stretch of Nord Stream 2 development, which should double the capacity of the Baltic route, but is also completing the con-

Too slow

The gap between domestic production and consumption of gas is shrinking too slowly to meet the 2020 needs, bcm



Gas consumption in Ukraine



struction of the first line of the Turkish Stream along the bottom of the Black Sea. The latter is capable of putting an end to the transit of Russian gas through Ukraine to not only Turkey, but also at least several neighbouring EU countries that now receive it via Ukraine. In fact, by the third week in April the Pioneering Spirit pipe-laying vessel was only 30km away from the point where the Turkish Stream will come

ashore near Kiyıköy. Completion of work on the seabed for the first line, which has a capacity of 15.75 bcm (billion cubic metres), is expected as soon as in early May. Although the further route of the gas pipeline from Turkey to Europe is still uncertain, at the very least Bulgaria and its neighbours in south-eastern Europe will be able to receive Russian fuel through an already existing gas pipeline system. In particular, those that previously supplied fuel to the region and western provinces of Turkey through Ukraine (the Trans-Balkan gas pipeline with a capacity of 12 bcm). For example, in 2017 Bulgaria and Romania alone received 4.5 bcm of transit through Ukraine and Greece another 2.93 bcm. This is almost half the capacity of the first line of the Turkish Stream, although most of the gas from it should go to Turkey.

While Gazprom is diversifying its supply routes to the EU, the EU and its individual member-states are actively working to vary their own sources of fuel. German Chancellor Angela Merkel was right when she recently commented on the Nord Stream 2 issue to say that regardless of how Russian gas is supplied to the EU – along the bottom of the Baltic Sea or through the Ukrainian GTS – this will not in itself increase or decrease dependence on Russian gas.

What Nord Stream 2 could do is undermine European unity and increase Gazprom's capabilities for exerting pressure on individual countries, especially former transit partners. However, a real decrease in dependence on Russian gas does not depend on whether or not it is built, but on whether the supply of fuel from other sources will increase. The EU is working on this. For example, in order to ensure the supply of Caspian gas from Azerbaijan via the Southern Gas Corridor, the German government is preparing to lend EUR 1.2 billion to an Azerbaijani state-owned enterprise through a German bank. Moreover, in October 2017, the European Investment Bank (EIB) also released information that it had allocated US \$1.3 billion for the construction of this very route.

Imports of LNG to the EU are also growing – there was an increase of 12% in 2017 and even 16% in its fourth quarter compared to the same periods in 2016. The main suppliers here are Qatar, Nigeria and Algeria, but fuel supplies are also increasing from new sources, such as the United States or Trinidad and Tobago. However, LNG is bought most enthusiastically by Mediterranean countries in the EU, for which pipeline transportation from Russia or Norway is more expensive due to the long distance. In November 2017, the Polish PGNiG announced a 5-year contract with Centrica for the supply of American LNG. At the moment, however, US supplies to the European market are still very low and the Americans prefer other markets due to higher returns there. For example, in 2017 the US exported an equivalent of 17.2 bcm of LNG, of which only 2.2 bcm came to the EU, while almost 60% went to Asia and the remainder to Latin America (26%).

WHAT TO DO

Ukraine alone is not capable of stopping Russia's bypass routes, and here it really has to rely entirely on the position of the EU and especially the US, for which it is important to stop this project both geopolitically and economically. If active diplomatic opposition does

not work and construction of Nord Stream 2 starts after all, sanctions against companies that participate in it will remain one last argument in Washington's arsenal.

However, Ukraine still holds sufficient tools for internal actions to minimise threats to the country even in the event that Russia's bypass gas pipelines are completed. After all, the loss or a sharp decrease in the transit of Russian gas through the Ukrainian GTS would mainly lead to financial losses. But the inability to satisfy demand for the fuel due to a shortage of domestic gas production, which currently covers one third of consumption and is slowly decreasing, is a challenge to national security.

If the large-scale transit of Russian gas through the Ukrainian gas transmission system comes to an end, purchasing the necessary volumes from EU companies under the virtual reverse flow scheme could become a problem. Transportation from further afield – from routes like TANAP – or purchases from liquefied gas terminals on the Baltic coast of Poland or the Mediterranean in Croatia cannot be considered the best option. Indeed, the cost of such gas in Ukraine would be

After a slight increase in production in 2016-2017, since February 2018 Ukraine's gas industry has returned to reducing production: **1.59 bcm** instead of **1.6 bcm** in the same month of 2017 and **1.61 bcm** in the same month of 2016. The trend continued in March with **1.74 bcm** extracted compared to **1.78 bcm** in March 2017

significantly higher than in other European countries, making a significant proportion of Ukrainian manufacturers uncompetitive.

The best option for Ukraine in these new circumstances is to get rid of the need to import natural gas at all. It seems that this has been declared at the governmental level. However, the problem is that in practice everything is quite different. Measures to save energy and money or increase fuel extraction are still funded residually or blocked by administrative intervention. For example, local authorities sabotage the provision of necessary permits for the increase of domestic gas production by the largest player in the sector, the state-owned company UkrGasVydobuvannya [Ukrainian Gas Extraction].

As a result, after a slight increase in production in 2016-2017, since February 2018 the gas industry has returned to reducing production (1.59 bcm instead of 1.6 bcm in the same month of 2017 and 1.61 bcm in the same month of 2016), which continued in March (1.74 bcm compared to 1.78 bcm in March 2017).

Ukraine's leadership demonstrates its inability or reluctance to counter the sabotage of plans to increase gas production by local representations of the central government, or equally undermines the activities of individual companies that are associated with political rivals. For example, UkrNafta [Ukrainian Oil] reduced its volume of gas extraction by 17% in 2017 – from 1.3 to 1.1 bcm. The main reason for this was the fact that the State Geology Service blocked the extension of the company's special permits. The volume of gas extraction by private producers in the same year »

also decreased to 4.1 bcm from 4.2 bcm, although in previous years they had dramatically increased their performance.

Even worse is the situation with decreasing gas consumption. Since 2015, it has remained almost unchanged: according to Naftogaz, the national oil and gas operator, consumption in 2017 fell by only 6% – from 33.8 to 31.9 bcm. This decrease mainly came from the industrial sector, whereas the municipal and household sector has the biggest potential for savings. For example, according to official data, in 2017 households consumed practically the same amount of natural gas (11.3 bcm) as in 2015 (11.2 bcm). This is especially surprising when one looks at regional heating plants reducing consumption by more than 20%, from 7.1 to 5.6 bcm over that period.

Yet again fertile ground has appeared for abusing price differences for certain categories of consumers.

POLITICAL DECISIONS AND THE WILL OF THE COUNTRY'S LEADERSHIP ARE NEEDED TO ENTRUST NAFTOGAZ TO ACT AS AN AGENT OF THE STATE IN GUARANTEEING LONG-TERM ENERGY SECURITY AND FORMING THE MAXIMUM POSSIBLE STRATEGIC RESERVES OF NATURAL GAS IN UGS

While fuel for municipal needs is sold at UAH 6.94 per cu m, the price of gas for commercial customers in May 2018 will amount to UAH 9.14-10.04 per cu m, depending on their volume of consumption and status with debts and prepayments. The loophole whereby fuel can be written off as that used for household consumers at US \$100 cheaper per thousand cubic metres creates a breeding ground for corruption and inhibits energy savings. So does the current ill-conceived subsidy system, which provides no adequate incentives for energy conservation or the resources that Ukrainian citizens need to do this, including loans.

The old system of cross subsidization within Naftogaz, which until 2013 provoked wasteful energy consumption, is currently simply implemented through the state budget in a slightly different way. Naftogaz pays tens of billions of hryvnias in taxes and rents from domestically produced gas at prices close to market level and then these funds flow to consumers through the subsidy mechanism of the Ministry of Social Policy.

Over the past few years, a black hole in the market has been growing, made of losses during transportation and distribution, imbalances and so on that are written off, which in the case of Ukraine were already sky high compared to international standards. From 2015 to 2017, 5.5 bcm of gas was written off in this way, compared to 3.7 bcm in 2015. Representatives of international organisations in Ukraine are already talking about this problem without mincing their words. In particular, the managing director of the European Bank for Reconstruction and Development (EBRD) in Eastern Europe and the Caucasus, Francis Malige, frankly stated recently that "A lot of gas still 'goes missing' during distribution. In saying this, I don't mean that it goes missing for everyone. Too much gas is still being stolen during distribution."

Therefore, it is obvious that the plans to reduce consumption and increase production that would give Ukraine a chance of reaching self-sufficiency in the

gas sector by the 2020-21 heating season cannot be realised. This, in turn, shows not only the need for decisive steps to intensify the reduction of fuel consumption in the domestic sector and increase of production by private companies, regardless of their ownership. It is also necessary to prepare insurance mechanisms to cover the time lag between the probable suspension of large-scale transit on the Ukrainian GTS – and consequently the virtual reverse flow scheme – and Ukraine's achievement of self-sufficiency in the gas sector by balancing domestic production and consumption at approximately 25 bcm per year.

In this regard, it is already necessary to make a commitment at the state level to fill Ukrainian storage facilities to a maximum level and create a strategic resource while gas is still passing through the Ukrainian GTS in large volumes. After all, if Ukraine could bring reserves in its underground gas storage to 30 bcm before the start of the 2019-20 heating season, a reduction in consumption and increase in production would make it possible to provide the country with the fuel at least until the end of the 2021-22 heating season, or maybe even 2022-23.

This time – almost three years after the probable end of the transportation of large volumes of Russian gas via the Ukrainian GTS in 2019 – should be enough to find an acceptable alternative to imported fuel. Or to balance production and consumption in a way that makes it possible to get through the 2022-23 heating season and all the following with ease.

If it is not possible to fill storage facilities to the brim before the start of the 2019-20 heating season, the country may face serious problems with fuel provision by late 2020. Preparing for them under time pressure will be much more difficult and more expensive, potentially leaving Ukraine vulnerable to blackmail from Russia.

At the moment, Naftogaz is pursuing a diametrically opposed policy aimed at maximising short-term financial gain (less reserves means less funds held up and no procurement means more savings) to the detriment of the country's long-term energy security. At the end of this year's heating season – April 2018 – reserves in the country's UGS facilities were at one of the lowest levels in recent years.

Ukrtransgaz, the national gas transmission and storage operator, boasts that "Ukraine started 2018 with its largest underground gas reserves for 5 years – 14.7 bcm. This made it possible to successfully get through the 2017/18 autumn-winter period with its record long-lasting low temperatures in March this year, as well as reduce the need for gas imports from the EU during a period of traditionally high prices at European hubs."

From a solely corporate perspective, this policy from Naftogaz leadership may be correct. Therefore, political decisions and the will of the country's leadership are needed to entrust Naftogaz to act as an agent of the state in guaranteeing long-term energy security and forming the maximum possible strategic reserves of natural gas in UGS. There is still time. Reverse flow capabilities make it possible to accumulate up to 30 bcm of the fuel in Ukrainian storage tanks by November 1, 2019. However, every month of delay in decision-making will increase the cost and make the performance of this task more technically complex. ■

Political free-for-all

The strange multiplication by division of political parties in Ukraine and their internecine infighting

Denys Kazanskiy

There are actually times when Ukrainian politicians and journalists privately recall the Yanukovych era with nostalgia. Because things were much simpler in politics back then, and much easier to figure out. There was Evil, personified by Party of the Regions, the communists and the Yanukovych family—and in order to remain on the side of Light, you had to stand up to them. A strong common enemy forced politicians from the national democratic camp to set aside their differences and work together. Everyone who was against Yanukovych had the sympathy of the opposition and could count on the moral support of a large chunk of ordinary Ukrainians. The country's pro-Ukrainian voters were ready to forgive the flaws of those politicians who confronted the Regionals.

But the days of emotional alliances are now in the past. After the fall of the Yanukovych regime and his flight to Russia, the situation changed radically. Since 2014, it's everyone out for themselves in Ukrainian politics. Whereas the country had been previously divided largely into two camps that took turns being in power and being in opposition, there became considerably more than just two after 2014. The opposition split into several branches: the old opposition, the "Young Turks," the nationalists and the old pro-Russian guard, that are as likely to squabble among themselves as to fight those who are in power. The situation is further complicated by the fact that even these groups are not monolithic but consist of numberless competing teams who could break away or, equally possibly, join forces to establish yet another party in the run-up to the next election.



The all-inclusive opposition. Ukraine's current opposition spans from the generally pro-European parties that support reforms to the pro-Russian ones, like *Za Zhyttia* led by Vadym Rabinovych and Yevhen Murayev, that criticize any transformations

THE EXTREME CRISIS OF 2014-2015 IS ALREADY BEHIND AND NOW POLITICIANS ARE LOOKING TO FIND THEIR SPOT UNDER THE SUN.

THE RESULT WILL DEPEND ON HOW CAPABLE THEY WILL BE TO REACH A COMPROMISE AND WHAT KINDS OF ALLIANCES THEY CAN FORGE AMONG THEMSELVES

The first group includes the veterans of Ukrainian politics, such as Yulia Tymoshenko whose *Batkivshchyna* party has managed to be both in power and in opposition over the course of nearly two decades, having survived several major crises and found itself once again on the rise. Pundits have buried Tymoshenko repeatedly, but every time she has managed to pick herself up again and reach solid ratings while her opponents went into collapse. Today, she is the frontrunner among presidential candidates, even if only with slightly over 24% in the first round according to a March poll by the Kyiv International Institute of Sociology so far, and so feels no need for her party to join forces with anyone. For instance, during a joint press conference back in February 2016, the *Batkivshchyna* leader announced that she planned to run together with another political veteran, one-time SBU Chief Valentyn Nalyvaichenko, but eventually the two went their separate ways. Today, Tymoshenko's position is far stronger, as Nalyvaichenko trails among the outsiders.

The Young Turks more-or-less include individuals who became politically active after the Revolution of Dignity: *Samopomich* and a number of smaller parties along the lines of *People Power*, *Movement of New Forces*, *DemAlliance*, and *The Wave*. Everyone in this cohort claims that they are refreshing the Ukrainian political scene: their first priority is fighting the corrupt systems that will not be brought down by those in power or by Yulia Tymoshenko, should she win. Despite the promise of this niche, these young politicians are having enormous problems finding common ground. Multiple attempts to join forces into a single party have so far not led to anything. This could mean that the Young Turks will end up looking for common ground with oligarchic parties once again, and will cut deals to be placed on their lists—just as they did in 2014.

The nationalist niche was taken over completely by *Svoboda* back in early 2010, but today there is the *National Corps* led by Azov commander and current MP Andriy Biletskiy. Of all the parties in Ukraine today, NC seems to be the most determined to actually build a real party from the ground up. It's been actively recruiting young people this past year, organizing concerts and making its presence felt all the time, putting up posters and handing out flyers in all the major cities. Both parties nevertheless intend, so far, to run for the parliamentary election as a common front. In March 2017, NC, *Svoboda* and *Pravyy Sektor* signed a manifesto that they were joining forces.

The pro-Russian camp is mostly represented by the remnants of the once-monolithic *Party of the Regions*, which fell apart days after Yanukovych and his cohort fled Ukraine for Russia in February 2014. Although this flange was strongly unified in the past, now it demonstrates the same merry

messiness that the democratic camp always did. A number of new election projects are active in southeastern Ukraine these days. The biggest of these, the Opposition Bloc and the Za Zhyttia party enjoy relatively strong ratings and are competing with each other for the pro-Russian voter. OppBloc is under two familiar oligarchs, Dmytro Firtash and Rinat Akhmetov. The second one, say informed sources, is under Putin *koum* and leader of the Ukrainian Choice movement Viktor Medvedchuk. Yet another party on the pro-Russian side is Vidrozhennia or Renaissance, run by an ex-Party of Regions' Vitaliy Khomutynnyk, who is apparently also considering a run for the presidency, and Serhiy Taruta's Osnova or Foundation, who has also been collecting former Regionals and people connected to them. The prospects for Nash Krai or Our Land, are less clear: it's apparently a project of the Poroshenko Administration and is being handled by Deputy Chief-of-Staff Vitaliy Kovalchuk. Because of internal conflicts with others in the Poroshenko Administration, Kovalchuk is currently in mid-air, and with him Nash Krai.

The main advantage of the pro-Russian forces in the past was that they were consolidated. It helped them win in the 2014 election, but this has been lost since then. Moreover, Russia's occupation of pro-Russian regions of Ukraine has seriously weakened their positions. Indeed, the fragmentation of the former Regionals greatly reduces the risk of a comeback by pro-Russian forces and the coming to power of a new Yanukovich. Still, the risk remains overly high and has a chance of coming to pass. Poll numbers for OppBloc and Za Zhyttia make that pretty clear. Should they decide to join forces and front a single candidate or party, their chances of winning will be that much higher.

Things are looking messy on both sides of the aisle: in the opposition and in the ruling coalition. Indeed, the strains in the coalition are easily as high. Relations between the president and his circle, and pretty much all potential allies have been damaged. For instance, talks about joining the Bloc of Petro Poroshenko and Arseniy Yatseniuk's People's Front are in stalemate. There seems to be little common ground with Premier Volodymyr Groysman, as well, who is on much better terms with top cop Arsen Avakov, also with the People's Front, and Yatseniuk than with his boss. In fact, there has even been talk that he might make a run for the presidency. These backroom squabbles could lead to surprise combinations with various parties in the opposition, which has clear chances of coming to power down the line. Lately, there have been many rumors about a possible joining of forces between Tymoshenko and Avakov, who is seeing the president's prospects slowly dwindle and is looking for other ways of staying in power.

History has shown, time and again, that Ukrainian politicians, like Ukrainian society, tend to unite only when under threat from a strong enemy. This is what enabled them to consolidate in 2014, to get behind a single candidate and allow him to come to power without a run-off. But in the run-up to the 2019 elections, the political environment in Ukraine is extremely fragmented, in a kind of "war of everyone against everyone" that verges on a melee at times. The extreme crisis of 2014-2015 is already behind and now politicians are looking to find their spot under the sun. The result will depend on how capable its participants will be to reach a compromise and what kinds of alliances they can forge among themselves. ■



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One-sided bans

Yuriy Lapayev

Why are Ukrainian users more and more often finding themselves banned by Facebook?



PHOTO: REUTERS

Different values. People who don't shy away from sensitive political issues in social media will hardly be comfortable users for the administration of Facebook, a company focused on the consumption-oriented society

Every day, most of Facebook's 11 million Ukrainian users see the familiar blue and white interface on their computer screens or smartphones. Most, that is, since some of them simply don't use any social nets on a daily basis. But there are also those who cannot see it because they are being prevented from doing so. The current wave of Ukrainian accounts being banned and blocked by Facebook is only the latest in a series that began in 2015. Officially, this is supposedly connected to the new security policy Facebook has introduced since a slew of political scandals emerged over its sale of users' personal data and accusations that it was "fostering" interference in the 2016 US election. Now Facebook is trying to be the model of proper security, but these efforts are having some unexpected side effects for Ukrainians.

The reasons given for blocking an FB account can be several. Right now there are no clear indications of what exactly users cannot do in the network. However, the most widespread is the blocking of the use of language that is insulting towards specific groups of people or nationalities. Moreover, the degree of offensiveness is determined by the social network itself, often in a fairly inconsistent

manner. More than likely, there is a list of "red flag" words that are supposed to be caught by moderators.

Based on observations of user activity, however, there is a well-developed network of bots that begin to file hundreds of complaints about a specific post or individual on order. This leads to a far faster rate of blocking against that person. Today, the most popular insults, based on the frequency of notifications about being blocked, are words like "moskal" or "katsap," terms that historically have referred to Russians in a pejorative manner, just like "maloros" and "khakhhol" are used against Ukrainians. A person using such terms can end up on the wrong side of Facebook and find their account blocked for 3, 7 or 30 days, depending on their previous track record.

In their hunt for compromising evidence, moderators can review that individual's timeline as far back as the critical 2013-2014 period. Plenty of Ukrainians have been blocked for posts that are as much as four years old. What's more Facebook's administration has been very unpredictable: a ban can be issued simply because someone reposted news about Zakarpattia Governor Ghennadiy Moskal whose last name sounds exactly like a pejorative name for

the Russians mentioned above. Another person can leave numerous absolutely aggressive comments using the entire range of offensive language and be left in peace.

Ukrainian users have noticed one particular trait: more attention is being paid to leaders in Facebook, not to ordinary users, people with very large numbers of friends and followers. Typically these can be show business or sports stars, politicians or community activists. Where professional politicians avoid “hate speech”, volunteers feel such constraints far less. Because they, and even more so those who are taking care of the needs of the front in eastern Ukraine or soldiers who have managed to return from the front alive, have plenty of reason to call things by their names. Those who have seen war first hand and not just during a news program, or who have buried a brother at arms are unlikely to be cautious about what they say in their comments.

And so nearly all well-known activists already have several reserve accounts in order to be able to communicate with their friends uninterrupted. Sean Townsend, the spokesperson for Ukraine’s Cyber Alliance, recently himself returned from the latest ban, admits that he ended up in the moderators’ bad books through “hate speech” that was found in posts about war crimes in the self-proclaimed proxy republics in occupied Donbas, “DNR” and “LNR”, which had been exposed by hackers. Townsend notes that Facebook’s community rules allow users to condemn unacceptable things. But trying to contact the social network’s censoring commission to get an explanation has proved impossible.

Yet not everyone is blocked simply for offending Russians. Some Ukrainians have been blocked for relatively neutral posts and even illustrations. Sometimes these are not even expressions of their personal opinion: people have been blocked for reposting someone else’s post or comment. Fortunately, there are fewer complicated and absurd instances like the case in 2015 where an MP was blocked because he shared another MP’s announcing that he had been blocked for sharing a video from the first MP! Veteran bloggers have been banned for publishing excerpts of books they have written or for expressing their views about the system of benefits for participants in the ATO.

Moreover, it’s not just Ukrainians who have been victims of blocked accounts. A similar situation has taken place with activist Georgian users. One blogger told *The Ukrainian Week* that his account was blocked on April 1, 2018 for something he had posted in 2011, in which he expressed his position about the then-upcoming Georgian parliamentary election... without anything that could be called “hate speech.” The comment made no direct mention of Russia or its inhabitants: it simply criticized Georgian political parties that were under the sway of pro-Russian oligarch Bidzina Ivanishvili. This blogger thought that the blocking of his account was connected to his anti-RF news activity. He and his team had apparently fallen under the sights of the Russian secret service after Georgia had established news resources to counter Kremlin propaganda in the early 2000s. The latest was the 6th ban in the last four years.

It appears that Ukraine’s and Georgia’s common enemy is active not just in the real world. Blocking activist users or members of Ukrainian or Georgian volunteer communities such as InformNapalm just before controversial studies are about to be published is nothing more than an attempt to shut people’s mouths so that they can’t disseminate information about Russia that Moscow doesn’t like. And although Russian Facebook users are also banned—

which they blame on the insidious US State Department, global conspiracies and Mark Zuckerberg himself with his “digital concentration camps” —, such incidents are significantly fewer than in the Ukrainian segment of Facebook.

The moderators have also raised many eyebrows, as the company has not revealed who they are, what their personal motivation and interests are, or who supervises their activities and how. Zuckerberg was questioned about this very aspect in recent hearings in the US Congress, where he stated that the company was working on an AI system that would evaluate online content in real time. Despite statements such as this, so far the moderating is done by humans and not always objectively.

Last but not least, the behavior of Facebook administrators could well be dictated by the fact that the company has no national representative office in either Georgia or Ukraine. Despite a direct appeal by President Poroshenko to Zuckerberg and an announcement by the Facebook founder in 2015 about considering opening an office in Ukraine, nothing actually happened. The owner of the

UKRAINIAN USERS HAVE NOTICED ONE PARTICULAR TRAIT: MORE ATTENTION IS BEING PAID TO LEADERS IN FACEBOOK, NOT TO ORDINARY USERS, PEOPLE WITH VERY LARGE NUMBERS OF FRIENDS AND FOLLOWERS. TYPICALLY THESE CAN BE SHOW BUSINESS OR SPORTS STARS, POLITICIANS OR COMMUNITY ACTIVISTS

world’s most popular social network noted that Ukrainian users were being served by the company’s Dublin office, whose employees have no political position regarding the conflict between the Russian Federation and Ukraine.

Clearly, Ukraine’s government has no leverage over such a powerful global and, most importantly, private company. Deputy Information Minister Dmytro Zolotukhin says that his agency has sent enquiries regarding blocked accounts to Facebook’s European offices. According to the responses, the blocking was taking place “because of violations of Facebook’s policies.” Still, the ministry continues to find ways to present its views of the problem to Facebook’s management. The main obstacle, says Zolotukhin, is the lack of effective legal and regulatory means that might force the company to uphold free speech principles.

For Ukraine, foreign experience might come in handy here. For instance, Germany recently passed a law on combating aggression and hostility in social networks that indicates just how the network’s administration should respond to the dissemination of distorted information and manifestations of disrespect. But there will always be a dilemma between moderating content and freedom of speech. This was evident in a suit against Facebook brought by a citizen of Germany who was able to persuade the court that the deletion of his comment and the blocking of his account were wrong. Facebook now has to either challenge the court ruling or pay a €250,000 fine. As long as the necessary legislation is not in place, users have to themselves keep track of what they are writing or have written in the past. To help users search for the kinds of phrases that might catch the eyes of censors, a plug-in has already been written for browsers that automatically finds information about all the user’s publications. Meanwhile, in order to express their opinions, Ukrainians can always take advantage of the fact that their language is rich in synonyms. ■

The power of human rights

The appointment of a new ombudswoman revealed that the law on this representative figure needs to be changed to protect the post from political influence

Hanna Chabara

Ukraine had its new ombudswoman appointed on March 16. Following parliament's vote for the candidacy of ex-Minister of Social Policy and People's Front MP Liudmyla Denysova, passions around her appointment have died down a bit, although the issues raised remain unresolved. They include the open voting procedure that MPs entered into the Law on Parliamentary Regulations (although the Law on the Ombudsman for Human Rights envisages a secret election), missing the deadline for the appointment, which, by law, was supposed to take place no later than June 6, 2017, and not involving the public in the nomination process. This large number of violations caused a great deal of concern among human rights activists. From the outset, they stated that the appointment of the ombudsman should be in line with the Paris Principles, i.e. with the involvement of representatives from civil society. The same complaints were heard from international partners, such as the UN, OSCE, Freedom House and Amnesty International. The press service of the president promised that he would fix the error of the open vote, but he did not and a corresponding bill from MPs was rejected. Ukrainians ended up with an ombudswoman with no specific human rights experience and an unresolved legislative conflict.

SQUABBLES REGARDING THE INSTITUTE OF OMBUDSMAN BROKE OUT FOR GOOD REASON, AS IT BECAME SIGNIFICANTLY STRONGER DURING VALERIA LUTKOVSKA'S TERM, GAINING BROAD POWERS ON ACCESS TO PUBLIC INFORMATION, PERSONAL DATA PROTECTION AND ANTI-DISCRIMINATION

Human rights activists propose two ways to remedy the situation: to challenge the appointment of the ombudswoman in the Constitutional Court and make changes to the legislation so that the next ballot in five years follows all the rules. These two processes can occur simultaneously. For example, the president, ombudswoman and at least 45 MPs can make a constitutional appeal. Activists have put their hope in the latter, calling on MPs to appeal to the Constitutional Court regarding the unconstitutionality of the ombudswoman's election. Mykhailo Kamenev, executive director of the NGO Human Rights Initiative, notes that the CCU (Constitutional Court of Ukraine) could cancel both the appointment of Denysova and the law containing the open voting rule on grounds of procedural violations, as recently happened with the 2012 Kivalov-Kolesnichenko language law.

The result of this decision may be the launch of a new procedure to elect the ombudsman. "If the court says that no violations occurred and explains why, we will continue

to live with this ombudswoman, this procedure and the understanding that it is possible to vote for laws in such a way," says Kamenev. The Constitutional Court can refuse to open proceedings, for example, because of a "lack of due legal justification" – wording that, according to the expert, is often seen in the CCU's decisions. Now, he says, the CCU has a significant credit of trust, which gives rise to hope that proceedings will be opened. According to him, the main task will be to convince the Constitutional Court that changing the procedure for electing the ombudsman from a secret to an open ballot is a violation of one of the fundamental principles of the institute's functioning – its independence. They will be armed with comments from Parliament's Main Legal Department regarding the Law on the Constitutional Court, which was used to change the procedure in the first place. The remarks point out that the Law on Parliamentary Regulations is not in accordance with what the Law on the Ombudsman states about this procedure, while open voting threatens the independence and political impartiality of the ombudsman.

Hypothetically, the appointment of Denysova could be the subject of a constitutional complaint – a new instrument in Ukrainian legislation, through which any citizen may appeal against a law to the Constitutional Court. However, it is necessary to get through courts of the first and second instance, as well as the Supreme Court, first. In addition, says Kamenev, the complaint must be filed by the person whose rights were violated. "In this process, it may be assumed that the rights of former Ombudswoman Valeria Lutkovska could have been violated, as she lost her position as a result of these decisions. But I doubt that she will take such a step," the expert says. In his opinion, Lutkovska does not need to struggle for the post, as this would only lead to reputational losses.

Kamenev insists that there is already an agreement with MPs who are prepared to appeal to the Constitutional Court. Mustafa Nayem (Petro Poroshenko Bloc faction) confirmed that a submission was being prepared during a briefing in parliament on April 18. "We will begin collecting signatures during the next plenary week. A submission is currently being prepared. I hope we will find 45 colleagues in parliament who will join us with an appeal to the Constitutional Court. Once again, I want to emphasise that this is not a war against individuals – it's a war for an institution that should be independent and not subject to any political force," said the MP.

Even if the conflict with the election procedure is set aside, the legislation on the ombudsman needs to be changed due to several of its outdated standards. To do this, there is no need to wait for a decision from the Constitutional Court. Human rights activists are convinced

that it is better to do it right now, during the inter-election period. According to Tetiana Pechonchyk, chair of the Human Rights Information Centre, strengthening the independence of the ombudsman institution is the recommendation of the UN Universal Periodic Review, the largest monitoring mechanism for human rights. "The Government of Ukraine accepted this recommendation, committing itself to strengthening the independence of the ombudsman institution over the next four years," said Pechonchyk. In addition, the human rights community is demanding such changes. "We have witnessed that the process of electing the current ombudsman was accompanied by many political influences that undermine the independence and credibility of this office, so we believe that it is necessary to make changes to the law," said the activist.

In her opinion, four key changes are needed: a decrease in the age limit, secret voting, a transparent contest and the involvement of the public in the selection commission. "The current law has an age limit: only a person who has turned 40 may become the ombudsman. However, you can even become president at 35. This is an artificial requirement in the law and we believe that the age cap should be reduced," she says. The secret ballot, as has already been mentioned, ensures the independence of the institution. "We believe that a transparent and open selection stage with clear criteria and procedures should be introduced to which interested candidates from the human rights field could apply," said the human rights activist. According to the current legislation, candidates are nominated by the parliamentary speaker or a quarter of MPs. "We believe that representatives of the public, more specifically national and international human rights organisations, should be involved in the selection committee. They should take part in the selection process, conduct interviews and elaborate clear criteria in order to recommend truly strong and independent candidates to parliament as a result of this competitive procedure," said Pechonchyk.

She added that the Human Rights Information Centre is ready to work on appropriate changes to the legislation and draw up a draft law. However, there are doubts that the current parliament will strengthen the independence of the ombudsman institution.

Squabbles regarding this position broke out for good reason, as the institute of ombudsman became significantly stronger during Valeria Lutkovska's term. A National Preventive Mechanism was introduced in Ukraine, which allows detention facilities – prisons, confinement cells, psychiatric hospitals, etc. – to be inspected without prior warning. The Ombudsman+ model provides for the involvement of representatives of the public in this monitoring. The ombudsman gained broad powers on access to public information, personal data protection and anti-discrimination. Contacts between the office of the ombudsman and the human rights community have been established. "For us, the institution of the ombudsman is basically a connecting link between our organisation, civil society and the authorities. In fact, it is perhaps the most important channel for bringing research and conclusions about human rights violations to the authorities and demanding real steps from them: the adoption of laws, cessation of human rights violations and so on," said Maria Guryeva, a spokesperson for Amnesty International in Ukraine. "The ombudsman office is the key state institution for the protection of human rights. If



Ombudsman and the party. Liudmyla Denysova has some powerful political supporters from the force she represents

we take into account the fact that human rights always concern relationships between the authorities and citizens, this is one of the state bodies that has a very broad mandate to criticise everything that is happening in other government bodies, pointing out their mistakes and rule violations. Of course, such great responsibility requires that this person be sufficiently competent, professional and independent to be able to talk about rule violations in the work of any government authorities with authority and impartiality," explains Tetiana Pechonchyk.

The greatest significance of the ombudsman institution in the current political configuration lies precisely in the National Preventive Mechanism, Kamenev says. "Most detention facilities – pre-trial custody centres, prisons, temporary holding cells, etc. – are under the jurisdiction of Minister of Justice Pavlo Petrenko and Minister of Internal Affairs Arsen Avakov. There are certain concerns when the ombudsman belongs to the same political force as the two key ministers in the field of incarceration," he stressed. In addition, according to the expert, the ombudsman can make statements that are taken much more seriously by the international community than those from the public and MPs. Because the ombudsman is by definition an independent body, this can be used in different ways.

In addition, ombudswoman Lutkovska took part in the Minsk talks on resolving the conflict in the Donbas and freeing Ukrainian prisoners from the occupied territories, as well as visiting political prisoners in the annexed Crimea as a result of negotiations with her Russian counterpart. This is another argument in favor of the fact that such a person should be politically unbiased. According to Kamenev, the institution of the ombudsman is one of the few to have not changed since the Revolution of Dignity and continuing to operate with the same personnel. This indicates the stability of this body, a certain confidence in it and the need to defend its independence. ■

The mood of the Donbas

At the end of April, the Ministry of Information Policy published results of polls from Donetsk Oblast. According to organizers, they were conducted on both sides of the conflict line

Andriy Holub

Following the occupation of Crimea and parts of the Donbas, there is hardly any reliable data on the citizens who are currently living in those territories. This goes for even basic statistics: age and education, level of prosperity, the number of inhabitants in villages and cities, etc. It is known that migration in the Donbas and in Crimea has intensified considerably. However, it is impossible to track this accurately for obvious reasons: statistics are kept by the occupants. To take them into consideration would mean to some extent legitimising the occupation authorities, not to mention the dubious quality of their work.

Keeping tabs on public sentiment is a similar problem. Since 2014, Ukraine's top sociological centres have ceased their activities in the occupied territories. The results of all public opinion polls contain the phrase "with the exception of Crimea and the occupied territories of Donetsk and Luhansk oblasts". The rare exceptions to this rule have sometimes ended in scandal. In 2015, GfK Ukraine unveiled a survey on the socio-political attitudes of Crimeans. The research was commissioned by Berta Communication and conducted by political scientist Taras Berezovets with financial support from a Canadian foundation. Employees of GfK Ukraine interviewed Crimeans by phone. Within a few days, the Sociological Association of Ukraine (SAU) issued a sharp statement that criticised the telephone interview method itself and

pointed out the risks: respondents are limited in freely expressing their opinion, as they may feel threatened by Russian authorities.

"Ukrainian centres should be very careful about polls in Crimea and occupied territories. A sociologist is responsible for the safety of the interviewer and respondent. Of course, commercial organisations can conduct such research, but at their own risk," Yevhen Holovakha, Chair of the SAU Professional Ethics Committee, said in an interview to The Ukrainian Week.

SAU does not directly prohibit polling in the occupied territories. They simply point out that the results of such surveys should be carefully scrutinised and made public only if they are highly reliable. At the same time, there are barely any newsworthy events in this field. An exception worthy of attention occurred at the end of April, when a study on the sentiments of Donetsk Oblast inhabitants, including its occupied part, was published.

According to its organizers, the study entitled "Aspects of identity and identity awareness of the inhabitants in the Kyiv-controlled and occupied parts of Donetsk Oblast" was conducted by request of the Ministry of Information Policy with the assistance of the Donbas Think Tank and the US National Endowment for Democracy. Fieldwork was carried out in December 2017. This was the second such poll – the first took place in June 2016. Comparing the results allows us to see how the views of the population have changed.

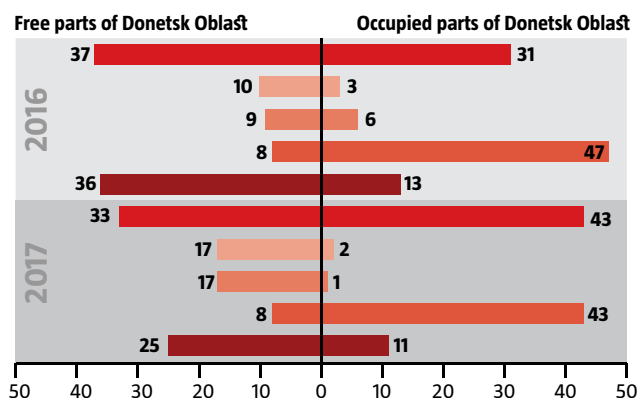
Both polls were conducted by the Ukrainian division of German agency IFAK Institut. This organisation, including its Ukrainian office, is part of ESOMAR. The name says little to the general public, but it is one of the most influential associations of public opinion researchers in the world.

However, the reliability of the research company itself does not answer questions on whether it is possible to conduct high-quality surveys in occupied territory. The organizers explain that the polls can be conducted thanks to relationships preserved with groups of interviewers who still live on the other side of the conflict line. According to publicly available information, the management of the Ukrainian IFAK Institut office comes from Donetsk. The head of this organization, Serhiy Hovorukha, explains that although he has been working in Kyiv since 2006 and the company operates on the national level, many of its projects concerned the Donbas in particular.

"There are a lot of interviewers with experience in the occupied territories. We worked with them on different projects before. They're trained professionals, not volunteers," says Hovorukha. He adds that it was possible to bring about 90% of the original questionnaires back from the occupied territory and transfer them to the client. The surveys were conducted through personal interviews at respondents' homes. Households were chosen randomly.

The future of the Donbas, %

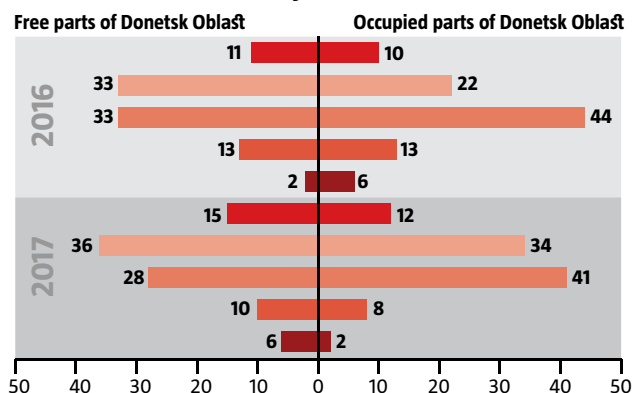
- Granting territories in «DPR» and «LPR» a special status within Ukraine
- A complete blockade of the occupied territories
- Continuation of military action until Ukraine returns all its territories
- Granting independence to «DPR» and «LPR»
- Other or difficult to answer



The attitude of Ukrainians

Do you agree that against the backdrop of the conflict in the Donbas most Ukrainians are generally well disposed towards inhabitants of the region? (%)

Strongly agree Partly Strongly disagree
Agree somewhat Disagree somewhat



The population data used to select a sample was taken from the pre-war period. Hovorukha says that it was precisely due to the lack of fresh statistics, including from territories controlled by Ukraine, that the sample was made based on the simplest possible parameters of age and sex.

"The margin of error for our research is around 4%, however it could be higher because we do not know the parameters of the community as a whole. But there is no other way at the moment," says the sociologist. Hovorukha replied to a question about his attitude towards conducting polls in the occupied territories in principle by saying that he would rather not have to do this, but there is no other tool for understanding the trends and nature of public opinion.

According to Dmytro Tkachenko, adviser at the Ministry of Information Policy and head of the Donbas Think Tank, surveys were not conducted near the front line, but otherwise covered small, medium and large towns and cities, including Donetsk. "We are still able to do such research without any problems – 600 questionnaires in big cities are not so noticeable," he says.

According to the research report, 600 people were actually interviewed in the occupied part of Donetsk Oblast. Another 705 respondents were in the area controlled by Ukraine. These numbers were almost the same during the first phase of the study in summer 2016. The questions covered various areas, including self-identification, attitude towards the war and emotional state.

The main positive change that the organizers of the study draw attention to is the growth of a civic identity compared to a territorial sense of belonging in the free part of Donetsk Oblast. At the end of 2017, 42% of those polled identified themselves primarily as citizens of Ukraine, compared to 32% a year earlier. The sense of territorial identity, i.e. self-identification as resident of the given region, fell from 61% to 45%. At the same time, the level of self-identification as a "citizen of the Donetsk People's Republic" in the occupied part of the oblast decreased somewhat (from 18% to 13%). Accordingly, the territorial identity of the population is growing there (from 60% to 72%).

Serhiy Hovorukha notes that additional research is needed on these issues: "It is important to understand whether this [the growth of a civic identity – Ed.] is a situational fluctuation. Therefore, a third sampling is required. If the trend continues at this level, we will be able to talk about a positive tendency."



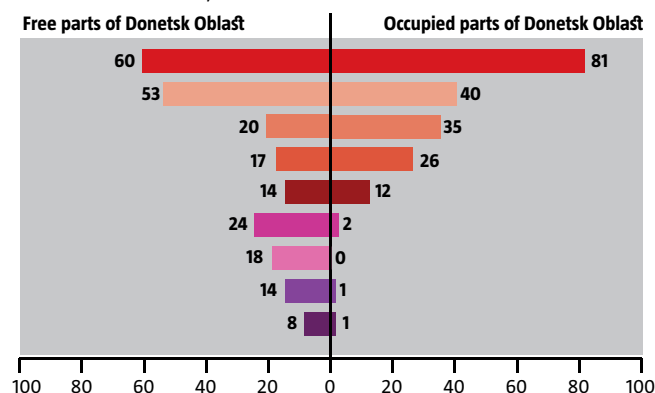
In the opinion of Dmytro Tkachenko, a second and negative tendency is that the "citizens of the DPR" are not very happy with the Russians, but Ukraine is rapidly losing the hearts and minds of people living in the occupied territories. This is evidenced by certain figures from the research. More than 40% of respondents believe that they are more like Russians than the rest of Ukraine in terms of their values and way of thinking. Only 7% have the opposite opinion. Another 34% separate themselves from both Russians and Ukrainians.

According to the inhabitants of the occupied territories, most of the factors mentioned in the questions are more likely to divide than unite them with inhabitants of other regions: the desire to change life in Ukraine for the better (35% – unites, 49% – divides), love for Ukraine (32%, 42%), belonging to the community of Ukrainian citizens irrespective of nationality (35%, 52%), disappointment with current changes (37%, 54%), values and way of thinking (29%, 62%) and even religion (35%, 51%). The only uniting factors are culture and traditions (57%, 34%) and mistrust of the current Ukrainian authorities (53%, 35%). It is important to note that in the free territories all these factors nevertheless unite citizens with residents of the rest of the country, with a sizeable margin to boot. In addition, the majority of the population both in the occupied and free territories of Donetsk Oblast continues to stay in touch with relatives and acquaintances in other oblasts – 72% and 68% respectively.

According to the study, two thirds of inhabitants in the occupied part of Donetsk Oblast have not heard the term "hybrid warfare". The results in the rest of the oblast are not much better: 45% of those polled were not familiar with the phrase. If we look at the awareness of society as a whole, the situation seems terrible. In the occupied territories, there were no respondents who fully trusted the Ukrainian media – only 3% partly trust them. The situation is not much better in the free parts of Donetsk Oblast. At the end of 2017, only 16% fully or partially trusted Ukrainian media. This is half of what it was a year earlier. However, over the last year the number of those who do not trust the Ukrainian media at all has indeed decreased (to 26% from 40%). The number of those who partially trust and partly do not has increased (to 39% from 25%). The Russian media does not have a lot of trust either, but here there is a certain ten-

What the residents of Donetsk Oblast fear (2017), %

- Renewal or intensification of hostilities
- Lower living standards (rising prices, wage problems, etc.)
- Frozen conflict
- Unemployment
- More crime
- Passivity of the judicial system and lawlessness
- Place of residence will join the «DPR»
- Change of power due to a coup or revolution
- Place of residence will join the Russian Federation



dency towards polarisation in the views of residents of the free part of the oblast: the number of those who trust these sources and the number of those who do not trust them are both growing. As a result, over the year the proportion of those who partially trust and partly do not decreased from 45% to 28%.

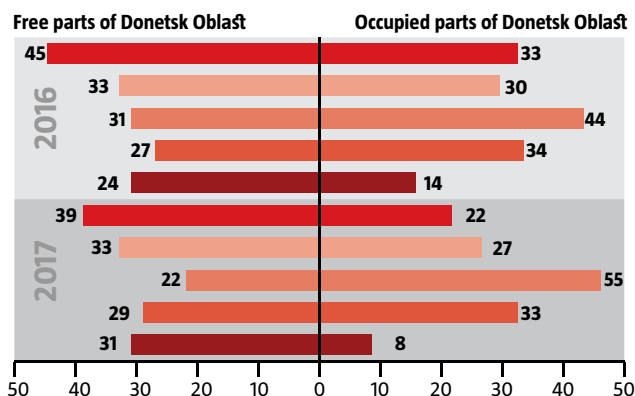
Another topic of the sociological study was the general emotional state of the oblast's inhabitants. While a feeling of hope prevails in the occupied territories (51%), the free areas are uncertain about the future (50%). Nevertheless, the change in results over time shows some improvement in the emotional state of people in both parts of the oblast. In the occupied territories, there was also a decrease in fatigue and anxiety in addition to the growing sense of hope. The sense of fatigue and anxiety decline significantly in the free part of Donetsk Oblast (to 33% from 51%) and a sense of hope is growing there too (to 29% from 12%).

Almost half of respondents in the occupied territories (49%) do not feel a difference between the standard of living in the "DPR" and Ukraine. In the free territories, the majority still sees a difference, but their proportion has declined (to 55% from 64% in 2016). In general, the perception of Ukraine as a place with better opportunities has somewhat deteriorated for residents of Donetsk Oblast on both sides of the demarcation line. The figures for employment, prices, healthcare and even respect for rights and freedoms, in particular freedom of speech, have fallen. Perhaps the biggest outsider is the judicial system. The level of confidence in it has halved over the past year. The proportion of inhabitants in the occupied territories who believe that the "DPR" is better in this respect has increased to 17% from 12%.

The authors of the study state that the overall life quality in Ukraine negatively affects the sentiment of citizens in Donetsk Oblast. However, there are other problems, including communication and coverage of the oblast's problems in the media. In addition, they mention the need for a strategy of reintegration and post-war recovery that is accessible and understandable to citizens. Ideally, everyone has to know what to expect when Ukraine returns to the whole of Donbas. ■

Evaluation of the current situation

- Political crisis
- A struggle between other countries for spheres of influence in Ukraine
- Civil war
- A struggle between Ukrainian oligarchs for spheres of influence
- War with Russia



The art of the impossible

The opposition in Ukraine is mostly reactive and it chooses actions that will be most useful for criticizing the current Administration or gaining the attention of a specific part of the electorate. What Ukraine needs most right now is a consolidating program and a party that could present its own alternative for the country

Oleksandr Kramar



The extreme fragmentation of voter sympathies, coupled with continuing enormous pent-up demand for new political forces that has been recorded in all polls lately signals that there are serious political problems brewing in Ukraine. If the current political class and the voter mood continue as is, these problems could start being felt very soon.

What surveys are demonstrating ever-more clearly is a kind of ideational disorientation and slipping coordinates, both among voters and among politicians themselves. In the past, these were based on an evident dichotomy between two camps: the pro-European and the pro-Russian. But the loss of its former positions in the second group has broken down this structure. Meanwhile, the political class remains a manifestation of the old discourse that bears no relationship either to the new realities within modern Ukraine, or to the geopolitical and geo-economic challenges facing the country—and growing more urgent with every passing day.

IF THE CURRENT TRENDS PERSIST IN UKRAINE'S POLITICAL ENVIRONMENT, THE RISK GROWS THAT THE COUNTRY WILL BE ENMIRENED FOR DECADES TO COME IN A SWAMP THAT WILL ONLY REFLECT INTERNAL AND EXTERNAL INDICATORS WITHOUT ANY UNDERSTANDING OF THE STRATEGIC PURPOSE OF DEVELOPMENT AND PLANS FOR REACHING IT

The fundamental problem in Ukraine is that neither those in power nor their opponents, who traditionally call themselves “the opposition,” actually have an understandable position, a vision of what they are doing and for what purpose—never mind at the national level or in relation to any of the country's major population groups. Being in power is its own goal and not a means for presenting alternative policies. This makes it difficult for the society as a whole to establish some kind of political structure, divided into supporters of a center-right or center-left course for the country.

In the developed world, political parties at least try to carry out the policies that they promise during elections, if nothing else, in the interests of their own electorate, even if their opponents don't accept it. Eventually there is a rotation and representatives of the opposite camp have a chance to demonstrate their alternative strategy. In Ukraine, instead of orienting themselves towards specific social groups, politicians promise to be all things to all people: increasing spending while cutting taxes, offering or maintaining fiscal benefits to various industries that are the foundation of the economy today while stimulating new the development of new industries, maintaining or introducing breaks on payroll taxes and social contributions for certain groups of employees that effectively cover most of the countries workers while maintaining free healthcare and education and improving protections for socially vulnerable groups... Who is eventually elected depends on the persuasiveness and personal charisma of the given politician.

The absence of constructive programs outlining priority measures, the goals and the means for achieving them is the fundamental reason why today's political class is so excessively—and artificially—fragmented. Because political thinking revolves around categories of personal interests or the interests of specific groups

that favor this or that policy. The only anchor that finds a hold is whether a particular action or rhetoric matches the interests of preserving or gaining power with the purpose of using the instruments this provides for personal enrichment or that of the politician's sponsors.

With no clear political position, actions tend to be reflexive and chaotic, while the opposition is mostly reactive and it looks for or chooses of initiatives or actions that will be most useful for criticizing the current Administration or gaining the attention of a specific part of the electorate. What's more, approaches can change almost diametrically in the process of developing one theme or another, and the tug-o-war among the Administration's opponents grows more aggressive as they compete for the same protest voter. Even those few opposition forces that actually have some vision of an alternative tend to focus not on promoting their own vision but on criticizing those currently in power, while some of the propositions they promulgate as an alternative are unsystematic, mutually exclusive, and even completely disconnected from reality.

This kind of situation requires that the media and opinion leaders shift their focus to stop playing up to protest moods and populist criticism and push voters to think in terms of the ever-more relevant question of the nation's survival and how to move to a trajectory that will provide sustainable economic growth. What is needed is public debate not against but in favor of a clear program of change that will find support among a good majority of Ukrainians. There also needs to be understanding of the need to pay a reasonable price for the possibility to break out of the vicious cycle of degeneration.

The largest possible number of Ukrainians need to develop an awareness that there is no such thing as a free lunch: when expenditures for one area or another grow, taxes have to be raised, whereas if we want the tax burden to be lightened, then something has to be cut. If budget spending on a certain part of the economy is limited, we need to be prepared to extend its funding directly to voters or find common alternative mechanisms for covering it, such as various types of insurance and so on. How decisions are made in a democracy is determined by the society itself, but that means understanding the cost and consequences, and being prepared to pay for them both directly and indirectly. Otherwise, exaggerated expectations, populist horse-races and demagoguery will only make the situation worse, along with the real standard of living, and will lead to the further deterioration of all the country's life-support systems: from education and healthcare to public administration and services, law enforcement and the judiciary, public housing and utilities, and the environment.

The politics of “for everything that's good and against everything that's bad” guarantees the swift and disastrous disenchantment of voters in those whom they chose within months of any election, because people aren't prepared for the real policies that their elected representatives will follow. Constant demands or promises to increase spending are not accompanied by warnings about the need to simultaneously collect more taxes. On the other hand, initiatives to cut taxes, duties and excise are never accompanied by explanations of which budget expenditures will have to be reduced as a consequence. Roadworks? Education? Healthcare? Defense?

If reactive populism continues to dominate in Ukraine's politics, the country will continue to fall behind economically, not just in relation to developed countries, but even in relation to most Asian and African countries. Meanwhile, a dangerous tendency to distrust the political class altogether is growing in Ukraine, which threatens the preservation of the state itself. What's more, people don't seem to understand that the problem lies not in the failure to carry out clearly impossible populist promises, but in the fact that such promises are made in the first place.

Resorting to reactive populism and obviously impracticable promises distracts attention from and hampers or actually blocks transformations that the country desperately needs. The opposition concentrates on resisting and countering reforms, feeding the widespread public misconception that it's reforms that are the cause of their problems or of the worsening situation in one area or another. The new generation of politicians has been good at exploiting the inclination towards populism among a large portion of Ukrainians who are not very interested in the real intentions of politicians or their readiness to carry out promises. The imaginary "punishment" of the last political projects and their replacement by similar "new" ones ends up only being time lost for the country. Those setting these parties up and their sponsors assume from the start that they will be short-lived: they have Plans B and C ready in their back pockets, and are only concerned with making back whatever resources they invested in that brief period.

For instance, some Ukrainians believe that reforming or streamlining the education system will supposedly lead to its deterioration, reduced access or funding cuts. No one points out that the long-term degradation and pitiful funding of this branch, which is caused by completely other factors, is precisely what needs to change in order to save what is still salvageable and to make education more effective in the current conditions. The same can be said about the healthcare system and the pension system. Medicine has been chronically underfunded for decades. This has lowered the quality of services and forced people to pay for supposedly free medical treatment for all those years. Meanwhile, efforts to officially bring the sector in line with the long evident realities on the ground by separating what the state will pay for and what patients will have to cover are now being condemned as the reason behind reduced access to healthcare services!

Criticisms coming from opponents of these and other reforms that are being undertaken by the current government mainly due to outside pressure and are therefore inconsistent and unsystematic, although they could easily be more carefully thought through and comprehensive, are strictly of a reactive nature—"leave everything like it is, just throw more money at it"—, instead of offering more constructive and realistic alternatives that reflect the situation in Ukraine today. But such initiatives are not forthcoming and the fact that reforms are coming out of the pockets of ordinary Ukrainians, and will require greater tax and insurance contributions from them, is not being openly admitted. This suggests that opposition politicians are either don't understand or are pretending not to understand that, should they come to power, they will continue to do the exact same as the current lot.

The same can be seen with anti-corruption ideology, whose banner a slew of opponents of the government, if not the majority of them, keep claiming for themselves. Even some representatives of the current Administration are actively exploiting it. The idea of fighting corruption, generously fueled by the stirring up of envy and class hatred, could actually become that powerful universal mobilizing force that can win over a major part of the protest vote. Except that corruption has not been overcome in any country to this day: despite the cautious and stable traditions of their political spheres, from time to time major corruption scandals erupt in the most developed countries of the world—including the G7. Combating it is, after all, a domestic matter, similar to the mantras about "building communism" in the USSR: build all you want, but you'll never build anything.

THE POLITICAL CLASS REMAINS A MANIFESTATION OF THE OLD DISCOURSE THAT BEARS NO RELATIONSHIP EITHER TO THE NEW REALITIES WITHIN MODERN UKRAINE, OR TO THE GEOPOLITICAL AND GEO-ECONOMIC CHALLENGES FACING THE COUNTRY

The world is filled with deeply corrupt countries, especially in Asia, which nevertheless have posted high growth rates for decades, and so, overcoming corruption cannot in any sense become a panacea or an agenda priority. In addition, real solutions to solve the problem actually don't see punishment for corruption as playing a major role, if nothing more than because its very severity encourages those who depend on it to be dishonest in deciding whether to punish or turn a blind eye and thus establishes a closed caste of untouchables and mutual back-scratching. At the same time, while everyone's focused on fighting corruption, very little attention is being paid to the less impressive but more effective destruction of its underpinnings. This requires boring but substantive reforms that would minimize or make it inconvenient or unjustifiably risky, including by raising the salaries of civil servants—a highly unpopular move for most voters—, replacing administrative mechanisms with market ones, and so on.

If the current trends persist in Ukraine's political environment, the risk grows that the country will be enmired for decades to come in a swamp that will only reflect internal and external indicators without any understanding of the strategic purpose of development and plans for reaching it. This scenario is the most dangerous both in terms of Ukraine's progress and in terms of its vulnerability to Russian and other manipulations. Right now, what Ukraine needs most is a consolidating program and a political party that could present its own alternative for the country. After coming to power on the basis of such a program, this party will be able to function as the pro-active political elite that is long overdue, both for domestic modernization and for implementing its own policy in the international arena. The need for a new, young Ukrainian force is felt more and more with every passing year—one that can offer an ideology of development founded on Ukraine's own strengths, with a center-right platform in socio-economic matters and national consolidation based on a Ukrainian cultural foundation. ■

And the last shall be first

Reforms in the roadways management system are starting to show results

Lyubomyr Shavalyuk

If someone asked you to build a successful country, what would you start with? Some would decide to unite all its citizens around a common goal, because such a nation will freely wade any sea and tackle any challenge without problems. Others might try to change the mentality of their fellow citizens, because successful people make a successful nation. Someone else would firstly build an effective system of social relations that would open up the potential of every person, turning the sum of individual achievements into the success of the entire nation. Another might try to make use of the competitive advantage of the country's soil, using this foundation to develop a powerful agricultural sector on a global scale...

Each of these ideas has some sense to it. Yet not one of them can be achieved in its pure form, as Ukraine's experience has demonstrated. In 2014, after the Revolution of Dignity, Ukrainians were faced with the challenge of building a successful country. To do this, reforms were launched in a dozen different areas. Four years have passed and right now we can confirm that the transformations are far from what might be desired in many spheres. Only those reforms where all the necessary factors—progressive people united by a common goal and ready to change and be changed, an effective coordination system, a sector that was ready for transformations—were in place can now be called successful: when the right components are in place, even the most depressed sector can be transformed into a leading one.

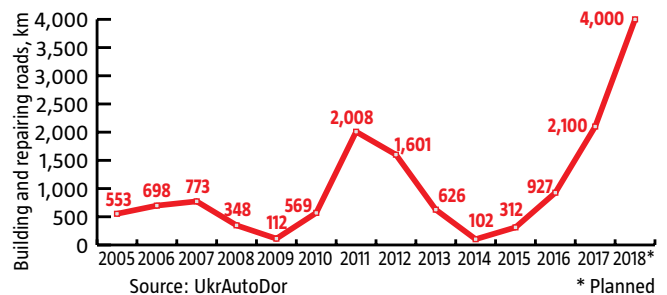
Reforming the most surprising sectors

Among such sectors in Ukraine is the roadways management system. Considering where it all began, this is hard to even imagine. When the Revolution of Dignity was taking place, this sector was in a pathetic state. In 2013, UkrAvtodor, the state roadways corporation, gobbled up UAH 15.5 billion, 40% of which went to service and pay of debts that had been incurred for the Euro-2012 football championships, while the rest went to build and repair all of 626 km of roads (see Kilometer after kilometer).

Four years later, in 2017, UkrAvtodor spent a larger budget, UAH 20.2bn, of which only a quarter went to cover debts while more than 2,100 km of roadways were repaired or rebuilt. Spending on road construc-

Kilometer after kilometer

If it carries out its plans for 2018, Ukraine will have built and repaired a record number roads since independence



tion grew 78%, while the amount of repaired and new roads increased nearly 350%. And this was despite the fact that the dollar, to which the cost of a significant part of the materials and equipment needed for this work is tied, tripled in value compared to the hryvnia during this time. When numbers are compared, it becomes clear just how corrupt the roadways management system was and how much it has changed since then.

Indeed, the roadways corporation was so corrupt that only the blindest of the blind was not aware of how much theft was involved during the construction of roadways. Materials were stolen brazenly and at all levels: it was enough to just look at the kitschy palaces of the directors of petty county roadworks to understand where it was all going.

Analysts were predicting that, under the circumstances, it would take decades to resolve all the problems the sector was facing. They were convinced that there was no point even thinking about quality road in Ukraine at this time. Indeed, it was hard not to agree with them. Only a handful of individuals were of a different opinion, united by a common vision with a ready concept for reforming the branch, and prepared to act, the minute the right circumstances appeared. When the Revolution of Dignity took place, they saw a chance to bring out and carry out their idea. The result is evident: the situation in Ukraine's road construction is radically different and the sector has confidently transformed itself from an outsider to a leader.

PULLING UP FROM BEHIND

Maybe it's for the better that Ukraine suffered through a terrible economic crisis over 2014-2016. Its budget had almost no money at all for roads, which offered a painless opportunity to institute new principles for the sector to function, means to avoid corruption, to polish a new system based on very limited funding, and to prepare the base for a qualitative leap. According to Slavomir Novak, the acting director of the State Agency for Roadways in Ukraine or UkrAvtodor, all procurements have been handled exclusively through the ProZorro system for over a year. Thanks to this, the economies have been remarkable, and if we compare the results of roadworks in 2013 and 2017, the difference is striking: foreign companies have entered the market, competition has appeared in the sector, and the quality of the work of Ukraine's roadworks teams has gone way up. Working in the sector has suddenly become prestigious again.

A new system was also set up to support the quality of execution. According to Novak, the guarantee for standard repair work is at least five years, while complete reconstruction is guaranteed for at least 10. If an expert review determines that work was not done to the necessary quality level, the contractor will have to eliminate all the flaws at its own cost according to the new contracts. This gives reason for UkrAvtodor management to feel confident in the quality of the roads that were repaired last year.

Qualitative changes in the sector have also had an impact on roadworks personnel themselves. Possibly it's too soon to draw conclusions, but they seem to have become more confident in tomorrow's day and have been mobilizing resources. At the end of 2017, local employees of UkrAvtodor confirm that they have enough resources accumulated to increase the scale of road repair and construction severalfold. It's just a question of the volume and regularity of funding.

GETTING SMART ABOUT FUNDING

Until not long ago, funding was not an easy question. Last year was the turning point. According to Treasury figures, the state budget allocated UAH 15.2bn for roadway infrastructure. Initially, plans were to spend over UAH 10bn more, but money from an experimental customs program, whose surplus revenues had been the main source of funding for road repairs after the Revolution, came in at a far lower rate. As a result, by mid-December 2017, plans for road repair and construction had only been fulfilled at 68%, according to the Ministry of Infrastructure. Local roadworks managers unanimously began to declare that there was not enough money and that increasing the scale of the works made no sense. The problem needed a radical solution.

Nor was it long in coming. In early 2018, the Roads Fund began to operate. This is a budget fund that accumulates revenues to the Treasury that are related to the vehicular sector and directs them entirely at repairing and building roadways, and increasing road safety. The Fund is supposed to gradually accumulate capital. This year, 50% of revenues from excise taxes on fuels and vehicles made in Ukraine or imported from abroad, and duty on petroleum

products, vehicles and tires will be directed to the Fund. In 2019, this share will increase to 75%, and in 2020, fully 100% of these budget revenues will go to the Fund. In the future, the Fund will also receive funding from international donors, tolls, and fees from transferring roads to a long-term leases or concessions.

The Government expects these sources of state funding for road building and repair to grow to nearly UAH 70bn by 2020 (see Foundation for growth). Even in the current year, major funding has been planned: the Roads Fund will see around UAH 47bn come in, of which UAH 33bn will come from the budget and the remaining UAH 14bn from international donors. This kind of financial resources allow roadworks managers look confidently to the future and plan for many years ahead, something that is very much needed now, because there's plenty of work for everyone.

In the current year, major funding has been planned: the Roads Fund will see around **UAH 47bn** come in, of which **UAH 33bn** will come from the budget and the remaining **UAH 14bn** from international donors

Notably, the Cabinet has established a special procedure for distributing the money in the Roads Fund: 60% of all revenues will go to maintain and build about 47,000 kilometers of national roadways, and 35% or UAH 11bn will go to local roads. 20% of the funding for local roads will go to maintain streets and roads belonging to communities within the limits of population centers—about 250,000 km—and the rest will go to local highways between population centers, about 123,000 km. This places the accent on national roadways, which means that, in the not-too-distant future, Ukraine should find itself covered with quality road connections.

DOORS AND CORRIDORS

The new set-up means that already this year plans include almost double the length of roads that will be repaired or rebuilt, bringing the total up to 4,000 km in 2018. This gradual accumulation of funding offers the conditions necessary not to stop at this indicator but to raise annual roadworks to 10,000 km, which means that at least half of Ukraine's highways will be redone in the next decade. UkrAvtodor has already set an ambitious goal for itself: to connect all oblast centers with quality roadways over the next five years. If it succeeds, it will change the country visibly for the better once and for all.

Quantity is already switching to quality. Last year, the GO Highway project was presented, which plans to link Ukraine's Black Sea ports and Poland's Baltic Sea ports with a high-quality highway. This is actually not repair work but the massive construction of new highways. Ukraine has never seen anything like this before, but the first results should be in by 2019. This project will considerably increase Ukraine's appeal as a transit country and fits well with the "new Silk Road" transport corridor from China to Europe, bypassing Russia.

But this is not all. Right now discussions are taking place in the EU over a "European Plan" for »

Ukraine, similar to the Marshall Plan that helped Europe recover after WWII, to provide Ukraine with up to €5bn a year for development projects. The key bottleneck, say the Europeans, is Ukraine's poor capacity to use funding effectively. There's some truth to this, because the Infrastructure Ministry says that last year the country took only 38% of the allocated funds proposed by IFIs for road construction. In other areas, indicators are even worse.

Once the country proves its capacity to build quality roads with a minimum of corruption involved and western funding begins to stream its way, even more funds will be available for roadworks. The Europeans are interested in this, from both a business perspective and a political one. In the last few years, there has been a stable tendency for Ukraine to be included in European production chains. Factories are being launched that manufacture, say, spare parts for German cars, and they need good links to industrial centers in Europe. Europeans understand this and so they will likely support and lobby for the building of good roads in Ukraine. So far, this only concerns western Ukraine, but the trend should continue and gradually expand to the rest of the country. EU support, especially financing, will make it possible to increase road building severalfold.

BUILDING MORE THAN ROADS

Although the situation in Ukraine's roadways management system is cardinally different from what it was prior to 2014, it's important to understand clearly all the consequences of large-scale highway construction. Potentially, there are quite a few of them.

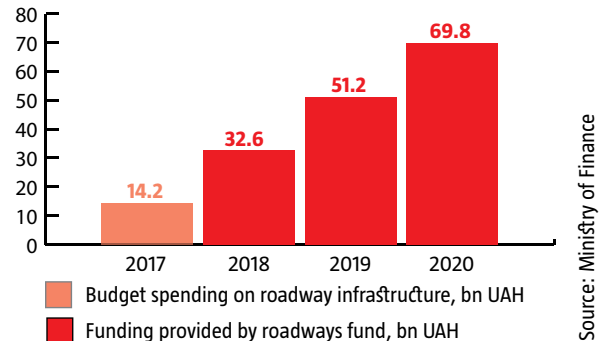
EXPANDING NETWORKS OF QUALITY HIGHWAYS COULD BE THE COUNTRY'S FIRST SUCCESSFUL NATIONAL PROJECT. FOR UKRAINE TO BE SUCCESSFUL, EVERY UKRAINIAN NEEDS TO LEARN TO BE SUCCESSFUL AND THAT MEANS HAVING HIGH QUALITY EXAMPLES AND MODELS THAT MILLIONS CAN DRAW INSPIRATION FROM

First of all, good roads mean that transport and transit potential can be realized, which already means considerable economic dividends. For one thing, enormous resources have to be mobilized to build roads, which means hundreds of thousands of jobs, because it affects not just the roadworks system but also related sectors, such as the production of gravel, sand and asphalt, the manufacture of heavy equipment, and fuel processing. Once the road opens, tens of thousands of other jobs are generated in eateries, hotels and motels, gas stations, shops, and so on. A country with good roads can take on considerable transit and tourist streams from neighboring countries and make considerable capital out of it.

Secondly, good roads bring people closer together. They reduce the distance from the most distant corners of a country and the most isolated social groups. Many of us have seen the statistic that most residents of Donbas had never left their region, which led to the closed mentality of the region—and the consequences are with us to this day. With good roads,

Foundation for growth

In 2018, Ukraine launched a state roadways fund that is supposed to provide a reliable public source of funding for road repairs and increase such funding fivefold over the next three years.



travel becomes much more accessible, and Ukrainians spend more time communicating, exchanging thoughts, ideas, and life experiences with each other in various parts of the country. What is most needed to shape the Ukrainian nation if not contact with each other?

Thirdly, large-scale road-building rallies the public. Everybody needs roads, without exception, and their condition in Ukraine has bothered everybody. If roads begin to be better quality, this will lead to more upbeat conversations, positive news reports, and growing public faith and trust in the government. The wide broadcasting of the road-building process will draw the attention of millions and inspire them. This, too, could become a unifying factor for Ukraine.

Fourth, expanding networks of quality highways could be the country's first successful national project. For Ukraine to be successful, every Ukrainian needs to learn to be successful and that means having high quality examples and models that millions can draw inspiration from. Right now, such examples are lacking, so Ukrainians need to work together to create them. Building good roads is a very good option.

And finally, good roads are a factor in civilized identity. Building good roads is a great chance for Ukrainians to show themselves, first of all, that they are different, that they are not decaying.

The way Slavomir Novak puts it, in Poland, politicians won elections based on the roads they built. In Canada and the US, mayors are often re-elected for the same reason. Perhaps this will happen in Ukraine, too. In any case, it should motivate politicians to support the processes that are already underway. Of course, no one can guarantee that populists won't carry the day at the next election, even as they eye the juicy budget roadworks are now getting, hoping to get their hands on public money once more and keeping the country on the same track to degradation. But it won't be as easy for them: this sector is picking up pace and transforming itself from outsider to leader. ■

A road to unity

Oleksandr Kramar

Why Ukraine should focus on developing its domestic transport infrastructure

History offers many examples of how dense networks of good roads ensured lasting unity in very heterogeneous state formations, such as the Roman or Inca Empires. In the recent history, the construction of railways followed by automobile roads contributed to the consolidation of the huge United States and the integration of Germany hitherto divided for centuries. Meanwhile, a lack of proper communication infrastructure ruined many states as their different parts developed as semi-isolated corners of empires, alienated from the rest of the country. Quite often, these alienated corners were better connected to the neighboring countries than their own state and drifted apart from it gradually but inexorably, unless they were reconnected by newer transport arteries in the process of industrial upheavals.

STITCHING THE FABRIC

Today's Ukraine is heading to a point where it has to choose the path it will take into the future. Technical degradation and obsolescence of its two major transport communication systems that used to connect different parts of the country has gained a dangerous pace in the past few decades, even by comparison to the poor situation in which they had been in the late years of the soviet occupation.

Ukraine has nearly half a million kilometers of automobile roads. This includes nearly 250,000km of urban and rural streets managed by local authorities. Some roads in Ukraine are privately owned or are part of the territory of enterprises. State roads of all categories account for 170,000km. On one hand, their density is 6.6 times lower than in France, a country comparable to Ukraine size-wise. On the other hand, this amount of road surface creates a big problem of maintenance, let alone upgrade. Given the deficit of funding, 91% of automobile roads in Ukraine have not been repaired for the past 30 years. Therefore, 39.2% of them do not meet modern standards of strength, and 51.5% — of surface regularity.

There are only a few hundred kilometers of highways in Ukraine compared to 12,500km of autobahns in Germany which is 1.5 times smaller than Ukraine, and 7,100km in France. Also, Ukraine has a mere 2,200km or 1.3% of category I roads — these must have a divide line and two-four lanes in one direction — and they are still far from European standards. As a result, the average speed of movement on Ukrainian roads is 2-3 times lower than it is in Western Europe. This makes long distances between different parts of the country even longer. Moreover, these roads are concentrated unevenly, mainly in Kyiv, Zhytomyr, Dnipro and Kharkiv oblasts, while a number of other regions barely have any.

In the last decade, the amount of funding for road construction and repair never exceed a third of what was minimally needed to maintain and fix Ukraine's network of automobile roads. The funding situation for local roads has been even worse. Their gradual shift to be managed by local authorities and local communities following decentralization will not necessarily improve the situation. Problematic and depressed regions may see continued degradation while decentralization of corruption in road construction can make struggle against it more difficult by increasing the ranks of potential kickback receivers. Stitching the country back together and stimulating more equal economic development that could fully reveal the potential of the entire nation and all of its territory means that all automobile roads across the country must be developed, not just the most important ones.

ON THE BANDWAGON OF THE PAST

As automobile roads in Ukraine are of poorer quality compared to roads in the EU and fewer people own cars, railways still dominate the transport sector. They carry 58-60% of freight and over 40% of passengers. The major role of railways in a nation's transport system reflects the potential it had in a distant past —

UKRAINE IS HEADING TO A POINT WHERE IT HAS TO CHOOSE THE PATH IT WILL TAKE INTO THE FUTURE. **TECHNICAL DEGRADATION AND OBSOLESCENCE OF ITS TWO MAJOR TRANSPORT COMMUNICATION SYSTEMS THAT USED TO CONNECT DIFFERENT PARTS OF THE COUNTRY HAS GAINED A DANGEROUS PACE IN THE PAST FEW DECADES**

cars replaced railways in freight and passenger traffic in developed countries in the second half of the 20th century. Meanwhile, the quality of railway infrastructure in Ukraine is moving farther away from the needs of both the industry and the passengers every year.

On one hand, Ukraine's railway network is still unparalleled in Europe (excluding Russia) in terms of rail freight traffic. With 340mn t in 2017, it carried over 25% more cargo than Deutsche Bahn, another major railway carrier in Europe. Exports, imports and transit account for most of this traffic but the share of domestic traffic is growing slowly: it was hardly over 1/3 of UkrZaliznytsia's total traffic several years ago and has climbed up to nearly 50% now. The rates for domestic transportation within Ukraine are among the cheapest in Europe and the world. Still, they generate revenues for Ukraine's railway operator. The main source of income, however, is the downplaying of depreciation and investment costs ■

An exhausted giant

The key indicators of rail transport development in Ukraine and Germany

Employees, '000 people



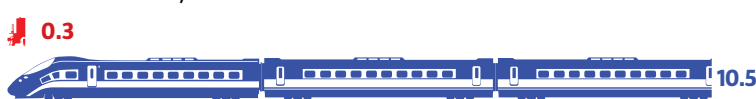
Freight traffic, mn t



Passenger traffic, bn people



Gross investment, EUR bn



Locomotives, '000 items



Train cars, '000 items



Railway length, '000 km



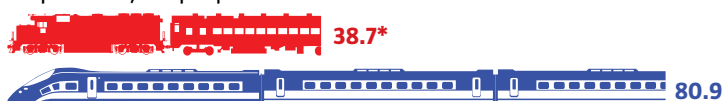
Electrified, '000 km



Size of the country, '000 km



Population*, mn people



UkrZaliznytsia

Deutsche Bahn

Assessments cover the territory under Kyiv's control. It does not include Crimea and parts of Donetsk and Luhansk oblasts occupied by Russia

Sources: Deutsche Bahn, UIC Synopsis-2016, Ministry of Infrastructure of Ukraine, State Statistics Bureau

which hampers the sector's modernization and development.

UkrZaliznytsia's passenger traffic is 12 times lower than that of Deutsche Bahn. It has been reporting losses consistently for many years. Ukraine's population is half of that in Germany but the distance between different parts of the country is far longer. One would expect this to encourage people to travel in trains more. Moreover, the state of roads and underdeveloped air transport create far less competition to the railway transport in Ukraine compared to the wealthier Germany.

In fact, lower rail passenger traffic in Ukraine reflects the critical state in which this transport sector has found itself. The key problem is the insufficient use of railway potential by Ukrainians. This is because of the flaws of Ukraine's train services, poor quality of many passenger trains and slow movement in most directions. These aspects are less important in freight traffic but very important for passengers.

Given the scale of investment in Ukrainian railway transport in 2017-2018, it is too optimistic to expect the implementation of even the modest plans to invest UAH 150bn (approx. EUR 4.7bn) into its development over a five-year term by 2021. This is less than half of over EUR 10bn invested in Deutsche Bahn annually. Ukraine's investment program of EUR 4.7bn allocates a mere EUR 0.9bn to buy new locomotives, EUR 300mn to modernize and repair the available ones, and less than that to buy 400 new passenger cars. At this pace, new trains will not replace the vehicles to be written off over this period, let alone the obsolete trains. As a result, the deficit of proper passenger trains will increase.

Over the years of independence, state rail transport in Ukraine has been a donor for private and mostly oligarch-owned business, allowing it to save on freight rates. Its representatives insist that their business will start having losses if the rates are raised. Also, they claim that the current freight traffic is highly profitable, although they speak of the purely operational part without mentioning investment into the upgrade of railways and trains. Until recently, Ukraine had a deficit of freight train cars. It often undermined output and export plans of agriculture and steelwork businesses.

The purchase of new train cars – by UkrZaliznytsia and private freight owners that use them – has somewhat shifted the problem in the past years towards the deficit of locomotives. Meanwhile, the major clients of rail freight traffic are proactively elbowing UkrZaliznytsia out of the freight traffic sector by using their own train cars and locomotives.

Access of more private players to rail transportation can encourage competition in this industry and spur business development in Ukraine. Still, such steps must be fitted to the wider strategy for developing rail transport in Ukraine. One thing that needs to be done is a radical change of the share of funds allocated for the development, upgrade and electrification of railways at the expense of the companies that want to work on them. The

old policy allowing them to do cherry picking while not investing in long-term development of Ukraine's transport potential has been a key factor of the past 25 years that delivered windfall profits to offshore shell companies owned by oligarch businesses as the railway system degraded at the same pace.

Another practice to be stopped is the subsidizing of passenger traffic by railway companies. This social function should be fulfilled by the national and local budgets, while ticket prices – especially for local traffic – should be raised to a level where they will fund the development of quality passenger services. Stopping cross subsidization and shifting revenues from freight traffic to investment can create conditions for Ukraine's railway system to turn into a modern and effective instrument for bringing different parts of the country closer together, and spur economic development. More investment can also create more domestic demand for materials and equipment necessary to meet this growing demand.

THE REALISTIC SCALE

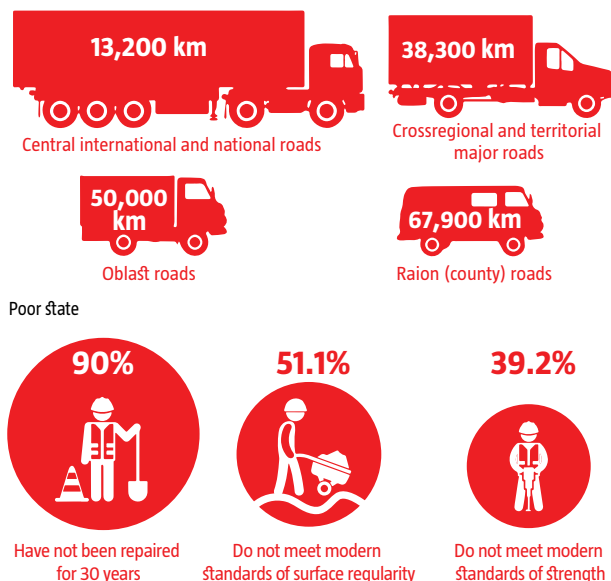
This highlights yet another problem that stands in the way of rail growth in Ukraine. The political leadership and companies responsible for shaping the demand for its services have a very shortsighted vision of how this transport can develop in Ukraine. The development of both railways and roads should be accompanied by a dynamic growth of small and medium-sized businesses that will service these railways and roads, the flow of freight and passengers, as well as the construction and maintenance of roads and vehicles. A trend whereby a lion's share of investment in the transport infrastructure flows out of Ukraine to import components, maintenance or installation services, is unacceptable.

This does not mean that Ukraine can do without purchasing foreign-developed designs, technology or components. For now, Ukrainian companies are often unable to offer a competitive product that meets the best standards. Still, imported technologies should be bought indirectly via Ukrainian business. Ukraine cannot afford to just reject an opportunity to produce most components needed to maintain its roads and railways domestically.

This requires a state strategy aimed at replacing owners and managers at the current enterprises unless they can adapt to the needs of the present day, or at creating new facilities where there aren't any. The share of localization in the production linked to the construction of roads and anything else it takes to carry and service freight and passengers should be 50% at the very least. An import-oriented model should not be the goal. Transport network development should become one of the key instruments in upgrading and improving the country's economy.

The choice today is not just between triggering an active development of roads and railways or letting them degrade further. It is also between letting Ukraine develop in a colonial or neo-colonial vector – when a handful of crossborder transit arteries develops while domestic infrastructure slips into further degradation and the already weak network of domestic connection gets even looser – or turning the development and reconstruction of the road network into a priority, putting an accent on strengthening links

Ukraine's roads



between different parts of the country and making intense movement of passengers and goods between the country's center and remote parts more accessible. In the latter case, Ukraine's transit potential and communication with the world – an undeniable crucial component as well – will be the continuation and result of a widespread and quality system of transport channels created with an initial focus on domestic development.

Otherwise, Ukraine risks aggravating a situation where it is easier to travel or carry goods between some parts of the country than between its remote ar-

THE DEVELOPMENT OF BOTH RAILWAYS AND ROADS SHOULD BE ACCOMPANIED BY A DYNAMIC GROWTH OF SMALL AND MEDIUM-SIZED BUSINESSES THAT WILL SERVICE THESE RAILWAYS AND ROADS, THE FLOW OF FREIGHT AND PASSENGERS, AS WELL AS THE CONSTRUCTION AND MAINTENANCE OF ROADS AND VEHICLES

eas and the center. That could lead to a situation where Ukraine or some of its regions turn into a supplement for the transport systems of other countries.

While in the soviet time all of Ukraine's roads led to Moscow or from Moscow to the key points at the borders or in seaports, the past few decades have seen investment into the construction and maintenance of roads and railways for international transit corridors, even if this funding comes from foreign loans guaranteed by the Ukrainian government. Internal financial resources of UkrAvtoDor [Ukrainian Road Operator] and UkrZalisnytsia are also channeled for these purposes. These transport corridors are indeed very important for Ukraine and its economic development. Yet, as the domestic network of roads is deteriorating, the gap deepens. It should be overcome by cutting investment into international transport corridors while maintaining or increasing investment into the development of the domestic transport infrastructure. ■

Russia's Azov blockade

How the Kerch bridge built by Russia shuts off the ports in Mariupol and Berdiansk

Denys Kazanskiy

Russia's occupation of Crimea and the construction of the bridge over the Kerch Strait had a significant impact on the economy of the Azov Sea area. Moscow has got exit from the Azov Sea under its sole control following the occupation of Crimea. The key problem is the way it has built the bridge to Kerch. Russia's intention was to build it in a way that would hit Ukrainian seaports the most. Its height was lowered down so vessels that are over 33 meters above the water surface will no longer be able to get into the Sea of Azov. As a result, Azov ports will lose much of their cargo flow and revenues.

The construction of the Kerch bridge was a topic of heated debate from day one. When Russia announced that it was going to link Krasnodarski Krai with the Crimean peninsula after the annexation of Crimea, a number of experts in Ukraine claimed that this was impossible. They were wrong. Russia is close to finishing the bridge and pledges to open for car traffic in May. This is earlier than scheduled initially.

QUITE PARADOXICALLY, RUSSIA'S LEADERS SPEAK A LOT OF THE INTERESTS OF RUSSIAN-SPEAKERS IN SOUTH-EASTERN UKRAINE AND CLAIM TO DEFEND THE DONBAS. MEANWHILE, THE CONSTRUCTION OF THE KERCH BRIDGE HITS THE ECONOMIC INTERESTS OF THAT SAME DONBAS

Obviously, this project was crucial to the Kremlin. It was right to expect that Moscow would make sure it is completed, however expensive it would be. The Kerch bridge is less of an infrastructural project, and more of a political one. Ukrainian experts based their skepticism on the experience of a similar bridge construction from the 1940s when the project failed. Yet, technologies have evolved significantly since, and Russia would spare no efforts or money to complete the construction.

The first Kerch bridge had been ruined by storms and ice. In February 1945, a huge mass of floating ice shattered its 30 pillars. This was followed by a decision to not restore it and the bridge was demolished completely. But the Soviet Union did not need it so badly: anyone could get into Crimea through Ukraine.

Today, the question of building the bridge is crucial, and Russia's leaders take it seriously. However much Ukrainians would like the new construction to follow the fate of the first one, chances are slim that this will actually happen. The first bridge was built hastily in a war-affected environment. That's why it did not last long. Ice will hardly ruin the new bridge. Therefore, Ukrainian ports in the Sea of Azov will have to adjust to the new reality, learn to survive in the new envi-

ronment and find a way to compensate for the losses caused by Russia.

The construction of the Kerch bridge has hit Berdiansk and Mariupol — especially the latter one as the Mariupol seaport is the deepest of all in the Sea of Azov and can harbor large vessels, unlike its neighbors. It is Ukraine's third largest seaport and a large enterprise that provides jobs to many in the city. In the past, it was the export point for a huge variety of produce from the Donbas industry, from coal and steel to equipment and industrial machinery. Now, the port is facing huge losses. On the days when the Russian builders were installing arcs on the bridge, traffic almost stopped in the Kerch Strait. This halted traffic in Ukrainian seaports as well.

"144 vessels we used to work with will no longer be able to go through the Kerch-Yenikalsky channel to the Mariupol port," Oleksandr Oliynyk, Director of the Mariupol Trade Seaport said in an interview for Radio Free Liberty. "This is because the Russian Federation has issued an official document saying that vessels of over 33 meters above the water surface cannot pass under the Kerch bridge."

According to him, large vessels like Panamax will no longer enter Mariupol because of the bridge as they are at least 5-10 meters above the height of the Kerch bridge in the place where they would normally cross the Kerch Strait. Mariupol has already lost a contract to supply 1mn t of pig iron to the US — that shipment has gone to Odesa seaport. The total losses faced by the Mariupol port from 1mn t of pig iron and 300-500,000 t of steel produce amount to nearly UAH 250mn of net income. The economy of sea freight is pretty simple: the larger the shipment, the lower the freight rate and the cheaper the shipment. From now on, it is impossible to ship larger cargos from the Sea of Azov. The managers of the Mariupol seaport are looking for solutions of this difficult situation. Mariupol is building a grain terminal to expand the range of goods it can ship and thus compensate for the losses incurred.

"The grain is shipped to the Middle East, Africa and Italy through the port in Mariupol. This sort of shipments does not require a vessel like Panamax. The most popular shipments are 10-20,000 t. So there is no problem with that. The vessels that are taking cargoes to the open waters transfer them through the ports in Mykolayiv and Odesa. While we are mostly oriented at the Mediterranean markets," Oleksandr Oliynyk shares.

There is little doubt that Russia has built its bridge so low in order to undermine economic interest of Ukrainian ports. According to experts, bridges that



PHOTO: UKRINFORM

Taken hostage by politics. Ukraine is forced to look for new channels to transport the produce of steelworks from Donetsk Oblast, as an alternative to the seaports of the Sea of Azov that are now blocked by the Kerch bridge

restrict ship traffic are no longer built in the world. Quite on the contrary, the goal today is to reconstruct old bridges so that they offer more transit capacity.

Apart from the height of the bridge, another problem looms. The unrecognized status of Crimea pushes many to quit working with seaports in the Sea of Azov in order to avoid sanctions. Since 2014, ships have been forced to pay fees to the occupying power for crossing the Kerch Strait. The fee for a vessel ranges from US \$2,500 to 9,000 based on the size, and international companies don't know how such payments will be interpreted.

Ukraine never gave its consent for this bridge to be built. In February, all materials on the bridge were collected and sent to the International Tribunal for the Law of the Sea. The consideration of it is likely to take years. This means that Ukrainian seaports in Mariupol and Berdiansk will incur losses. The budgets of these cities will lose revenues while residents will lose jobs.

Quite paradoxically, Russia's leaders speak a lot of the interests of Russian-speakers in South-Eastern Ukraine and claim to defend the Donbas. Meanwhile, the construction of the Kerch bridge hits the economic interests of that same Donbas. The Mariupol seaport

is in Donetsk Oblast. It is through Mariupol that the goods and commodities produced in the Donbas used to be exported. From now on, Mariupol's steelworkers will be forced to ship and receive 20,000+ cargo through Odesa and Mykolayiv. This will significantly increase their transportation costs as they will also have to use the railway to deliver the goods to and from.

Because of Russia, the Mariupol seaport and the city will lose hundreds of millions of hryvnia on a yearly basis while the residents of the Russian-speaking Mariupol will be hit the hardest even though many of them joined the "Russian spring" in 2014 and took it to the streets with the Russian flags. Now Russia is paying them back for the loyalty.

In fact, a long-time tendency is for the regions which Russia rushes to "protect" to suffer most from it. Transnistria, Abkhazia, Ossetia and the occupied parts of Donetsk and Luhansk oblasts have all turned into grey areas with the poorest life quality in the post-soviet terrain. The Russians failed to "liberate" Mariupol back in 2014. So they hit it in a more sophisticated way, by designing a bridge to be too low to allow traffic to the Mariupol seaport. Hopefully, the locals in Mariupol will learn their lesson from this expression of Russia's "brotherly friendship". ■



Jan Broeks:

«We are seeing more of a blurring of the borders between soft and hard power»

Interviewed
by Yuriy
Lapayev

In April, NATO Defense College and the National Defense University of Ukraine hosted the 18th International Kyiv Week. Director General of the NATO International Military Staff, Lieutenant General Jan Broeks visited Kyiv for the event. *The Ukrainian Week* spoke to him about NATO's readiness to face hybrid challenges from Russia, expectations for NATO's upcoming summit in Brussels, and about how Ukraine can contribute to international security.

Could you share the details of this year's conference?

I am delighted to have been invited to attend and deliver a keynote speech at this year's International Kyiv Week. I think this conference is the perfect example of the strong and enduring partnership that exists between NATO and

Ukraine. It is jointly organized by the NATO Defense College (NDC) and the Ukrainian National Defence University (UNDU), with support from NATO School Oberammergau (NSO). Each new edition helps further strengthen the ties between the NDC and the UNDU. Both of these institutions are strongly committed to close cooperation in the field of strategic-level education.

The International Kyiv Week is now in its 18th edition. It is the result of NATO's support for senior military education in Ukraine which was initiated on January 28, 2000, when Mr. Kuzmuk, the then Ukrainian Defence Minister, met the then NATO Secretary General, Lord Robertson, and they agreed to run an international course in Kyiv. The first International Week was held on 12-16 February 2001.

The International Kyiv Week has come a long way since those days. It is now an internationally recognized forum with four distinctive aims. Firstly, it aims to improve the knowledge of NATO, its organization and working methods within Ukraine. Secondly, it is an opportunity to discuss the challenges facing the Alliance and its partners in today's security environment. Thirdly, it allows participants to address some key issues in the field of international security. And lastly, it demonstrates the importance of a strong partnership between Ukraine and NATO.

Russia is applying hybrid warfare against Ukraine. Is NATO ready to adapt to the new warfare?

Hybrid warfare is not new. Countries have always used propaganda, deception and sabotage to destabilise other countries. What is new is the speed, scale and intensity of the hybrid tactics we see now. This includes increasingly sophisticated cyber-attacks, disinformation campaigns and propaganda, as well as political and economic pressure.

So it is more important than ever to be on our guard against attempts to disrupt our free societies. NATO has developed a hybrid strategy to counter such threats. We have set up an Intelligence Division to help improve our situational awareness and make better decisions more quickly. We have included hybrid elements in our training and exercises. We are also actively countering propaganda — not with propaganda — but with facts — online, on air and in print. And as hybrid warfare also affects the economy and cyberspace, we are strengthening our coordination with other organisations, including the European Union. NATO stands ready to defend all Allies against any threat, whether conventional or hybrid.

Is NATO interested in Ukraine's experience in hybrid warfare?

At NATO, we often say that the NATO-Ukraine relationship has been mutually beneficial and Hybrid Warfare is one of the best examples to illustrate this. We have seen many tools used in Ukraine from the Hybrid Warfare toolbox and the Ukrainians have provided data and intelligence regarding these tools. This has allowed us to better understand hybrid threats and methods.

What about Syria? Is NATO ready to a certain confrontation with Russia on Syria, including in the cyber sphere?

NATO is not present in Syria and there are no plans for this to change. In the region, we are currently focusing on training the Iraqi forces. Building the capacity of our partners and training their forces helps them to counter the threat of terrorism.

Individual Allies have been involved in military actions in Syria targeting the regime's facilities that develop and use chemical weapons. NATO Allies have expressed their support for this action, which degraded the regime's ability to further attack the people of Syria with chemical weapons. NATO Allies have also called on the Syrian regime and its backers to allow rapid, sustained and unhindered humanitarian access. Chemical weapons cannot be used with impunity or become normalised. They are an immediate danger to the Syrian people and to our collective security and those responsible must be held to account.

It is clear that there is no military solution to this conflict and NATO fully supports the efforts led by the

Lieutenant General **Jan Broeks**, born in 1959 in The Netherlands, studied at the Royal Military Academy in Breda from 1977 to 1981. After completion, he was posted to 103 (NLD) Supply Battalion. From 1983 to 1994, Jan Broeks served at different positions in military supply and logistics units. In 1994, he studied at the Army Command and Staff College at Camberley. On return to The Netherlands in 1995, he took a seat as lecturer in Strategic Studies at the Netherlands' Institute for Defense Studies. This was followed by promotion to Lieutenant-Colonel and postings both with the Directorate of Army Material and Army Command. From 1998 for 2 years, he commanded 100 (NLD) Supply & Transport Battalion. It was during this period that he attached to KFOR in the capacity as Deputy CO 1 (NLD) Humanitarian Relief Battalion. After this, he was posted as the Army Planner at the Defense Staff. In 2001, he was made Chief International Plans at the Defense Staff. In 2003, he became Head of the Department for General Policies as part of the Army Command Staff. In 2005, he moved to the position of Head of the Department for Management Support. In 2007, he took command of 1 (NLD) Logistic Brigade which was amalgamated with the Combat Support Brigade into a new unit, Land Operations Support Command, in 2009. He was the first Commander of this unit and, from January 2010, he prepared his units for the redeployment-mission in ISAF/Uruzgan and, as of August the same year, he commanded the mission-tailored Redeployment Task Force. In April 2010, Broeks took on his new appointment as Deputy Director for Plans at the Netherlands Defense Staff. Promoted to Major General, he became responsible for the execution of the transformation and reorganization/budget reduction program of the NLD Armed Forces and the MOD. In April 2013, he assumed the position of Military Representative of the Netherlands to the Military Committees of NATO and the EU, and was promoted to the rank of Lieutenant General. Since July 27, 2016, he has been the new Director General of the International Military Staff of NATO.

United Nations to achieve a lasting political solution. NATO calls on all members of the UN Security Council to uphold their responsibilities.

As for the cyber part of your question, cyber-attacks are a real and present threat for NATO. So we must remain vigilant and continue to adapt. Which is exactly what we are doing. NATO protects its own IT networks 24 hours a day. We have a rapid reaction cyber defence team on standby that can be sent to help Allies under attack. And we share information about cyber threats in real time among Allies and with partners. Cyber defence is a core part of collective defence, and a severe cyber-attack could trigger Article 5. As part of the adapted NATO Command Structure, we will establish a new Cyber Operations Centre. This will strengthen our cyber defences, and help integrate cyber into NATO planning and operations at all levels. We also agreed that we will be able to integrate Allies' national cyber capabilities into NATO operations.

Speaking about NATO's adaptation measures, can you comment on the situation with the German component of Very High Readiness Joint Task Force?

I assume you are referring to the recent announcement that Germany will take the lead of the NATO Response Force (NRF) Very High Readiness Joint Task Force (VJTF) in 2019, when it becomes the framework nation for its land component. This is just the latest example of Germany's commitment to NATO and to international peace and security. We are grateful for Germany's contributions to NATO operations, missions and »

activities, from Afghanistan to Kosovo to the Aegean Sea to our very own backyard.

What are your expectations from the NATO Summit in Brussels? In particular, can you talk more about the new Atlantic Command that NATO aims to create?

At the Brussels Summit in July, we will take the next steps in NATO's adaptation to the evolving security environment, building on the decisions from our 2016 Warsaw Summit and the 2017 meeting of NATO leaders.

We will work on five key themes for our decisions. First, how to further enhance our deterrence and defence, with stronger reinforcement and better readiness. Second, how to better project stability in our neighbourhood. This is essential in the fight against terrorism and for our own security. Third, stronger cooperation with the European Union on issues such as fighting terrorism, military mobility and capacity building for our partners. Fourth, fairer burden-sharing is the foundation for everything we do. We have made great progress, but there is more to do. And last but not least, modernisation of the Alliance, including the adaptation of the NATO Command Structure.

NATO's command structure is the backbone of our Alliance. We are working to ensure that it remains robust and flexible, enabling us to take quick and decisive action in response to political decisions.

UKRAINE ALREADY PLAYS A ROLE IN INTERNATIONAL SECURITY. UKRAINE IS ACTIVELY SUPPORTING NATO'S MISSIONS AROUND THE WORLD, EVEN WHILE FACING MAJOR THREATS AT HOME. **THIS SHOWS UKRAINE'S STRONG AND CONTINUING COMMITMENT TO INTERNATIONAL SECURITY**

In November 2017, NATO Defence Ministers agreed on the outline design for an adapted NATO Command Structure. An important part of this new design is a Command for the Atlantic. Its purpose will be to look after the 40 million square miles of the North Atlantic, to ensure that sea lanes between Europe and North America remain free and secure and to safeguard them for potential reinforcements and supplies with personnel and material. This is vital for our transatlantic Alliance.

At the previous Summit, one of the most discussed issues was an increase of defense spending by the Allies to 2% of GDP. Are all Allies increasing their defense spending now? The foundation for everything NATO does is fair burden-sharing. At the start of the year, Allies presented the first national reports covering three aspects: cash, capabilities and contributions to NATO missions and operations. They show that we are moving in the right direction. Over the last three years, European Allies and Canada spent almost US \$46 billion more on defence. And this year, we expect eight Allies to meet the 2% guideline on defense. We have turned a corner, but we still have a long way to go. Allies are also investing in major new capabilities. Since 2014, we have added US \$18 billion to spending on major equipment. On contributions, Allies are increasing their participation in operations, missions and activities. At the end of 2017, there were over 23,000 troops serving in NATO deployments, up from just under 18,000 in 2014. This is an increase of around 30%. So we are making pro-

gress, but we must do more to keep our Alliance strong in a more unpredictable world.

As a military, do you believe that we are witnessing the end of soft power era in international relations?

No, I don't believe at all that we are seeing the end of soft power. Since the end of the Cold War, soft power has played an increasingly important role in international relations. And while hard power has been one of the most prevalent forces in the history of international relations, the emergence of international organizations such as NATO and the EU, combined with globalisation, has made nations more interdependent economically, militarily and socially. This has in turn made military options less useful when trying to resolve conflicts.

I believe we are seeing more of a blurring of the borders between soft and hard power. Where the distinction between the two used to be easily made, we are now seeing instruments we usually associate with soft power used in hard power ways. Yet, I think, it is far more common for hard instruments of power to be used for soft power purposes than vice versa. For example, the military have clearly become another tool of soft power. We have seen armed forces called to participate in humanitarian and peacekeeping operations, assisting in rescue missions and after natural disasters. Civil-military interaction and operating amongst the people have become more common.

Personally, I would advocate the use of smart power, which seeks to integrate hard power and soft power into a coherent strategy.

What role do you see for Ukraine in the global security system?

Ukraine already plays a role in international security. Ukraine is actively supporting NATO's missions around the world, even while facing major threats at home. Ukraine supports our Resolute Support Mission in Afghanistan. It has joined NATO naval operations in the Mediterranean. And Ukraine helps counter improvised explosive devices with an engineering unit in Kosovo. Ukraine also supports the counter narcotics project with the UN Office on Drugs and Crime, training officers from Afghanistan, Pakistan and Central Asian countries to combat illegal narcotics trafficking. Ukraine also participates in UN and EU missions. This shows Ukraine's strong and continuing commitment to international security.

Can you comment on the suggestions of deploying peacekeepers in Ukraine's East?

A UN-mandated mission could make a positive contribution provided it has full access to the Ukrainian-Russian border and a robust mandate. It should effectively contribute to the settlement of the conflict based on the Minsk Agreements, rather than freezing it. It is crucial that any peacekeeping force has full, unimpeded, and secure access throughout the Donbas and in particular the Russian-Ukrainian border. Regardless of this new initiative, Russia must take concrete steps to de-escalate tensions. Including withdrawing its troops, equipment and financial and other support for the militants in eastern Ukraine. NATO will also continue to support Ukraine because an independent, sovereign and stable Ukraine is key to Euro-Atlantic security. ■

Gone in their prime

Many countries suffer from shrinking working-age populations. There are things they can do to mitigate the dangers

Many developed countries have anti-immigration political parties, which terrify the incumbents and sometimes break into government. Lithuania is unusual in having an anti-emigration party. The small Baltic country, with a population of 2.8m (and falling), voted heavily in 2016 for the Lithuanian Farmer and Greens' Union, which pledged to do something to stem the outward tide. As with some promises made elsewhere to cut immigration, not much has happened as a result.

"Lithuanians are gypsies, like the Dutch," says Andrius Francas of the Alliance for Recruitment, a jobs agency in Vilnius, the capital. Workers began to drift away almost as soon as Lithuania declared independence from the Soviet Union in 1990. The exodus picked up in the new century, when Lithuanians became eligible to work normally in the EU. For many, Britain is the promised land. In the Pegasas bookshop just north of the Neris river in Vilnius, four shelves are devoted to English-language tuition. No other language—not even German or Russian—gets more than one.

Mostly because of emigration, the number of Lithuanians aged between 15 and 64 fell from 2.5m in 1990 to 2m in 2015. The country is now being pinched in another way. Because its birth rate crashed in the early 1990s, few are entering the workforce. The number of 18-year-olds has dropped by 33% since 2011. In 2030, if United

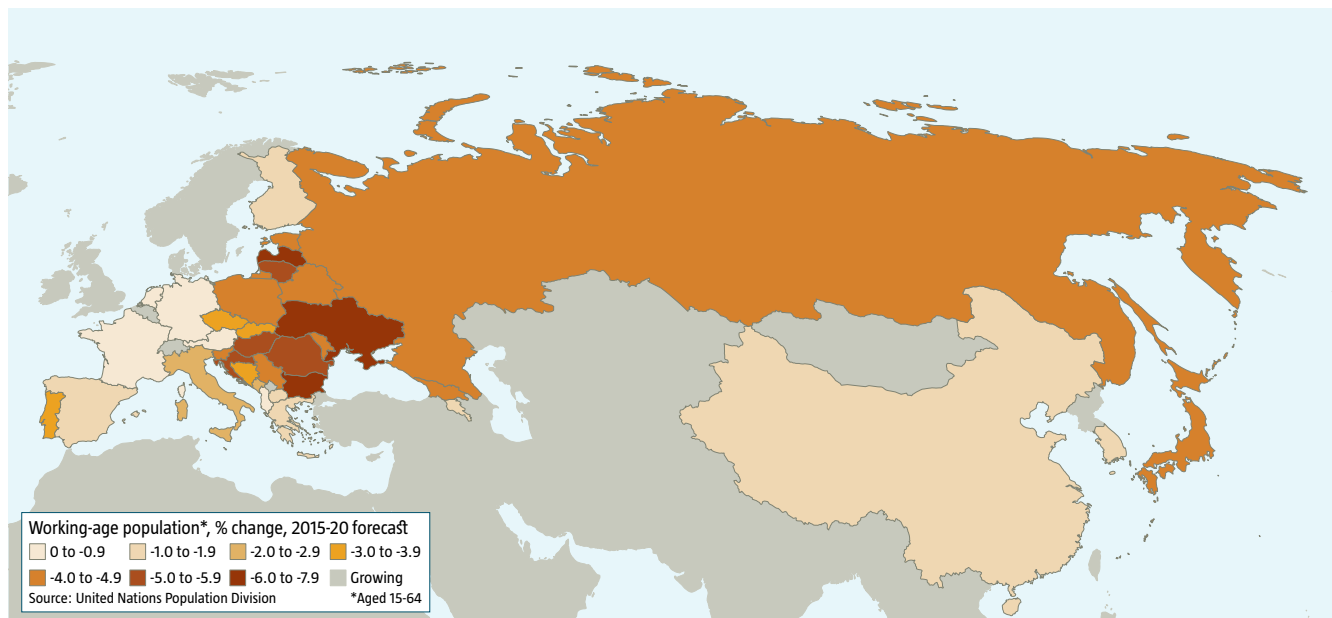
Nations projections are correct, Lithuania will have just 1.6m people of working age—back to where it was in 1950.

Lithuania was an early member of a growing club. Forty countries now have shrinking working-age populations, defined as 15- to 64-year-olds, up from nine in the late 1980s. China, Russia and Spain joined recently; Thailand and Sri Lanka soon will. You can now drive from Vilnius to Lisbon (or eastward to Beijing, border guards permitting) across only countries with falling working-age populations.

It need not always be disastrous for a country to lose people in their most productive years. But it is a problem. A place with fewer workers must raise productivity even more to keep growing economically. It will struggle to sustain spending on public goods such as defence. The national debt will be borne on fewer shoulders. Fewer people will be around to come up with the sort of brilliant ideas that can enrich a nation. Businesses might be loth to invest. In fast-shrinking Japan, even domestic firms focus on foreign markets.

The old will weigh more heavily on society, too. The balance between people over 65 and those of working age, known as the old-age dependency ratio, can tip even in countries where the working-age population is growing: just look at Australia or Britain. But it is likely to deteriorate faster if the ranks of the employable are

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thinning. In Japan, where young people are few and lives are long, demographers expect there to be 48 people over the age of 65 for every 100 people of working age in 2020. In 1990 there were just 17.

Some countries face gentle downward slopes; others are on cliff-edges. Both China and France are gradually losing working-age people. But, whereas numbers in France are expected to fall slowly over the next few decades, China's will soon plunge — a consequence, in part, of its one-child policy. The number of Chinese 15- to 64-year-olds, which peaked at just over 1bn in 2014, is expected to fall by 19m between 2015 and 2025, by another 68m in the following decade, and by 76m in the one after that (**see The Italian jobs**).

SOME COUNTRIES FACE GENTLE DOWNWARD SLOPES; OTHERS ARE ON CLIFF-EDGES. BOTH CHINA AND FRANCE ARE GRADUALLY LOSING WORKING-AGE PEOPLE. BUT, WHEREAS NUMBERS IN FRANCE ARE EXPECTED TO FALL SLOWLY OVER THE NEXT FEW DECADES, CHINA'S WILL SOON PLUNGE

Jörg Peschner, an economist at the European Commission, says that many countries face demographic constraints that they either cannot or will not see. He hears much debate about how to divide the economic cake—should pensions be made more or less generous?—and little about how to prevent the cake from shrinking. Yet countries are hardly powerless. Even ignoring the mysterious business of raising existing workers' productivity, three policies can greatly alleviate the effects of a shrinking working-age population.

NEVER DONE

The first is to encourage more women to do paid work. University-educated women of working age outnumber men in all but three EU countries, as well as America

and (among the young) South Korea. Yet female participation in the labour market lags behind men's in all but three countries worldwide. Among rich countries, the gap is especially wide in Greece, Italy, Japan—and South Korea, where 59% of working-age women work compared with 79% of men.

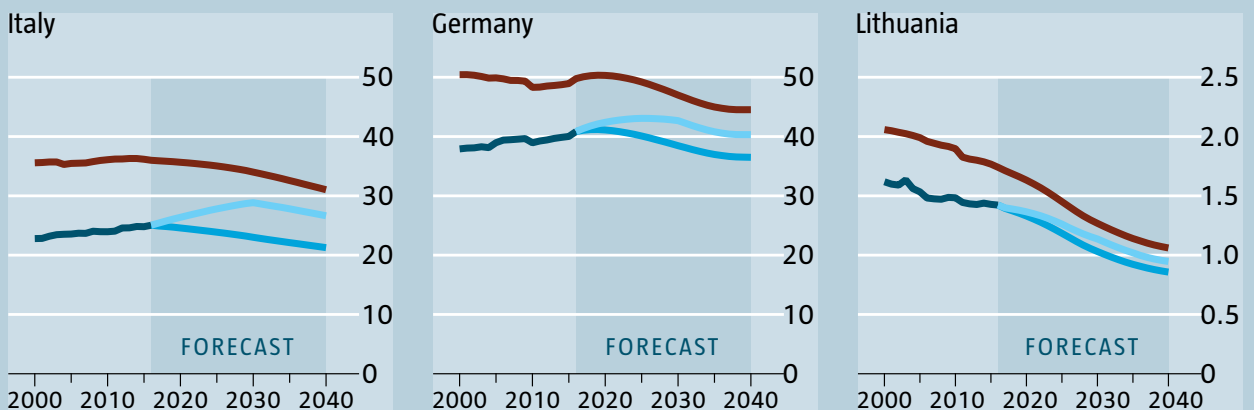
Governments can help by mandating generous parental leave—with a portion fenced off for fathers—to ensure that women do not drop out after the birth of a child. And state elderly care helps keep women working in their 50s, when parents often become more needy. But a recent IMF report argues the greatest boost to recruiting and keeping women in paid jobs comes from public spending on early-years education and child care.

Employers can do more too, most obviously by providing flexible working conditions, such as the ability to work remotely or at unconventional hours, and to take career breaks. Fathers need to be able to enjoy the same flexible working options as mothers. Some women are kept out of the workforce by discrimination. This can be overt. According to the World Bank, 104 countries still ban women from some professions. Russian women, for example, cannot be ship's helmsmen (in order, apparently, to protect their reproductive health). More often discrimination is covert or the unintended consequence of unconscious biases.

Countries can also tap older workers. Ben Franklin, of ILC UK, a think-tank, argues that 65, a common retirement age, is an arbitrary point at which to cut off a working life. And in many countries even getting workers to stick around until then is proving difficult. Today Chinese workers typically retire between 50 and 60; but by 2050 about 35% of the population are expected to be over 60. Thanks to generous early-retirement policies, only 41% of Europeans aged between 60 and 64 are in paid work. Among 65- to 74-year-olds the proportion is

The Italian jobs Working-age population, m

— Working-age population (aged 20-64) — High scenario[†]
— Active population — Low scenario*



*Assumes activity rates by sex, age and education remain constant

[†]Assumes female activity rate reaches male rate by 2030; strong rise in age 55-64 activity rate; rapid educational progress

Source: T. Van Rie, J. Peschner, B. Kromen

lower than 10%. In Croatia, Hungary and Slovakia it is below one in 20.

The levers for governments to pull are well known: they can remove financial incentives (tax or benefits) to retire early and increase those to keep working. Raising the state retirement age is a prerequisite almost everywhere; if the average retirement age were increased by 2-2.5 years per decade between 2010 and 2050, this would be enough to offset demographic changes faced by “old” countries such as Germany and Japan, found Andrew Mason of the University of Hawaii and Ronald Lee of the University of California, Berkeley.

Employers, too, will have to change their attitudes to older workers. Especially in Japan and Korea, where they are most needed, workers are typically pushed out when they hit 60 (life expectancy is 84 and 82 respectively). Extending working lives will require investment in continued training, flexible working arrangements, such as phased retirement, and improved working conditions, particularly for physically tough jobs. In 2007 BMW, a German carmaker, facing an imminent outflow of experienced workers, set up an experimental older-workers’ assembly line. Ergonomic tweaks, such as lining floors with wood, better footwear and rotating workers between jobs, boosted productivity by 7%, equalling that of younger workers. Absenteeism fell below the factory’s average. Several of these adjustments turned out to benefit all employees and are now applied throughout the company.

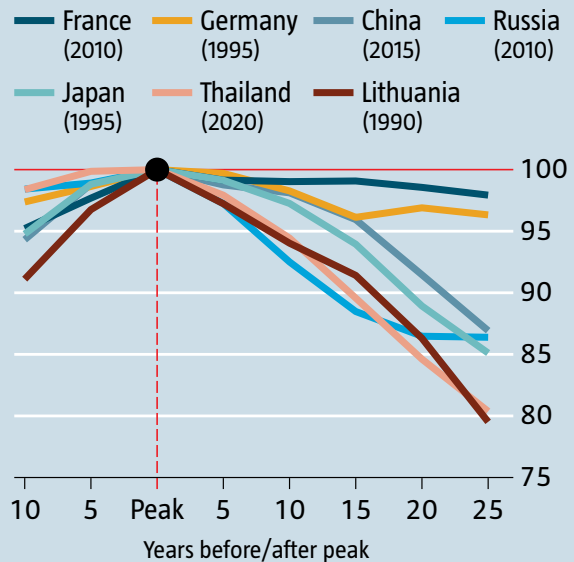
A final option is to lure more migrants in their prime years. Working-age populations are expected to keep growing for decades in countries such as Australia, Canada and New Zealand, which openly court qualified migrants. Others can try to entice foreign students and hope they stick around. Arturas Zukauskas, the rector of Vilnius University, thinks that he could improve greatly on the current tally of foreign students—just 700 out of 19,200. In particular, he looks to Israel, which has the highest birth rate in the rich world. Lithuania had a large Jewish population before the second world war, and many prominent Israelis have roots in the country. Partly to signal the academy’s openness, Vilnius University has started awarding “memory diplomas”, mostly posthumously, to some Jewish students evicted on Nazi orders.

The trouble is that the countries with the biggest demographic shortfalls are often the most opposed to immigration. For example, the inhabitants of the Czech Republic and Hungary view immigrants more negatively than any other Europeans do, according to the European Social Survey. Those countries’ working-age populations are expected to shrink by 4% and 5% respectively between 2015 and 2020. Countries that lack a recent history of mass immigration may have few supporters for opening the doors wider. Even if they wanted new settlers, they might have to look for them far afield. Countries with shrinking working-age populations are often surrounded by others that face the same problem.

“China has never been a country of immigrants,” explains Fei Wang of Renmin University in Beijing. It is unlikely to become one, but is trying to lure back emigrants and to attract members of the ethnic-Chinese diaspora. In February the government relaxed visa laws for “foreigners of Chinese origin”. In Shanghai, and perhaps soon in other cities, foreign-passport holders

Sloping off

Working-age population*, (peak year=100)



Source: United Nations Population Division *Aged 15-64

are allowed to import maids from countries such as the Philippines. That is a small step in the right direction.

Just as countries’ demographic challenges vary in scale, so the remedies will help more in some countries than in others. Take Italy and Germany. Both have shrinking working-age populations that are likely to go on shrinking roughly in parallel. But Italy could do far more to help itself. Because the women’s employment rate in Italy lags so far behind the men’s rate, its active population would jump if that gap closed quickly—and if everybody worked longer and became more educated (**see Sloping off**). Germany could do less to help itself, and Lithuania less still.

IN THEORY, EVERY RICH COUNTRY CAN PRISE OPEN THE DEMOGRAPHIC TRAP. GOVERNMENTS COULD BEGIN BY LOWERING BARRIERS TO IMMIGRANTS AND RAISING THE RETIREMENT AGE. THEY COULD ENTICE MORE WOMEN INTO THE WORKFORCE. THEY COULD RAISE THE BIRTH RATE BY PROVIDING SUBSIDISED CHILD CARE

In theory, every rich country can prise open the demographic trap. Governments could begin by lowering barriers to immigrants and raising the retirement age. They could entice more women into the workforce. They could raise the birth rate by providing subsidised child care, which would create a wave of new workers in a couple of decades, just when the other reforms are petering out. But, when a country is shrinking, many things come to seem more difficult. Earlier this year, Poland built up a large backlog of immigration applications, many of them from Ukrainians. It turned out that the employment offices were badly understaffed, and could not process the paperwork in time. They had tried to take on workers, but failed. ■

A knockout for the UK

Why Great Britain is losing clout on the international arena

Michael Binyon, London



Special no longer. The most galling and visible result has been the lack of interest in Washington in British affairs

It was always assumed that Britain, enjoying a “special relationship” with the United States, would be the first foreign focus of any new American president. No longer. Donald Trump made his first presidential visit overseas to Saudi Arabia. And Emmanuel Macron, fêted across Washington after a triumphal state visit, is now seen in the White House as Trump’s best friend and the European leader with whom he can do business.

Building on his success, President Macron set off for Australia, underlining Britain’s humiliation by as-

serting his global role in an Anglophone country long seen as one of Britain’s closest Commonwealth allies.

Theresa May, meanwhile, remains at home as yet another crisis shakes her government. She suffered another political setback when it was revealed that the government has been deporting black people from the Caribbean who had lived all their lives in Britain but who did not have papers to prove when they arrived as children of immigrants in the 1950s. The scandal grew when it was revealed that elderly people in their 60s and 70s had been forced to go to Jamaica or other

Caribbean islands where they knew no one and had no roots. As a result of the uproar, Amber Rudd, the Home Secretary, was forced to resign, and the government announced it would change its policy of deliberately creating a “hostile environment” for immigration.

This new crisis is damaging to May for several reasons. First, it suggests that the Conservative government had a clearly racist policy towards black Britons, despite its public insistence on racial equality. Secondly, May herself was Home Secretary before becoming Prime Minister, and was largely responsible for the attempt to deport black Caribbean Britons and for trying to force other immigrants to leave. And thirdly, Amber Rudd was a woman whom May was hoping to promote to show that women had equal opportunities in politics.

The scandal has erupted at a time when Britain is struggling to keep the Brexit negotiations on track. Some progress has been made, but several of the vital key issues remain unresolved. There is now less than a year before Britain is due to leave the European Union, and without a deal there could be a disastrous collapse of all talks and an undignified British departure that would cost the economy millions of pounds in lost exports. The difficulties were underlined recently when Michel Barnier, the chief EU negotiator, made a visit to Ireland to see whether it would be possible for Britain to leave the EU customs union without imposing full border controls between Northern Ireland and the Republic of Ireland. The EU has said a border-free crossing is essential, but is impossible without common tariff barriers for both Britain and the EU.

The negotiations are all the more difficult for May because her cabinet is still deeply divided on Brexit. Boris Johnson, the Foreign Secretary, and several other hardline pro-Brexit ministers insist that Britain must leave the EU customs union; others are hoping to keep Britain still in the free trade zone with Europe. The government has been defeated again in the House of Lords, which voted to block any departure from the customs union, and a big vote on this issue is coming up in the House of Commons, which the government is also likely to lose.

All this means that May is seen at home as a weak and ineffective prime minister. She is unable to push through much legislation, as the ruling Conservative party has no overall majority in parliament. And because of her weak position at home, she is not regarded as an influential politician overseas. As a result, Britain counts for little in areas where it has traditionally played a big role and where historical links used to be strong. In the Middle East, Britain has offered no new initiatives and has not used any influence behind the scenes to resolve difficulties such as the civil war in Yemen, the Israeli-Palestinian question or the arguments over the Iran nuclear deal. In India, Britain's hopes of rapidly expanding trade and political links have met with a cool response. And in the United Nations Security Council, Britain is now seen as the weakest of the five permanent members.

The most galling and visible result has been the lack of interest in Washington in British affairs. May was one of Trump's first visitors, but the two of them were mocked for holding hands in public and the personal chemistry did not seem to work well. May was

embarrassed that Trump seemed in no hurry to accept an early invitation to make a state visit to Britain. He has already postponed another visit that was planned for the spring. He has been irritated by May's criticisms of some of his tweets and has been angered by hostile remarks from the mayor of London and by the large number of people who signed a petition that the invitation for a state visit should be withdrawn. The visit has been rescheduled for July, but little is now expected of it and Trump may expect a cool welcome from the British public.

Relations between Britain and Russia are far worse, following the attempted assassination of Sergei Skripal, a former Russian spy, and his daughter Yulia in the English town of Salisbury. The Russians mocked Britain's accusations that Moscow ordered the poisoning of Skripal with a nerve agent made only in Russia, and tried to isolate Britain from its allies.

BECAUSE OF THERESA MAY'S WEAK POSITION AT HOME, SHE IS NOT
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May was encouraged that more than 20 allied countries supported her when she expelled 23 Russian diplomats by also expelling Russians from embassies across Europe and America. But the breakdown in relations with Russia has also posed a big question about whether there should be tighter controls on the large number of Russian oligarchs living in Britain. They have brought in a lot of money, but May's government is now accused of allowing them to launder dirty money in London without asking questions about where that money came from.

Of course Britain's biggest loss of influence has been within Europe. Britain is still technically part of the EU, but ministers now attend few of the regular EU council meetings, and their views are not taken seriously. The country's limbo status now means that Britain's voice counts for little in European discussions of common foreign policy or of the EU's own development. And with Angela Merkel heading a shaky coalition government and clearly having lost prestige at home, President Macron has stepped into the leadership vacuum and is demonstrating a global activism – politically, militarily and in public relations – that used to be associated more with British policy. He clearly hopes that business and banking companies will move their headquarters from London to Paris and that overseas investment from countries such as Japan will now go to France rather than to Britain.

Britons have barely noticed their loss of influence overseas, as they are preoccupied with the Brexit issue, the slow economic growth and the apparent political paralysis within the government. But to many, the country already seems very different from the Britain of Margaret Thatcher 30 years ago, when ministers used to boast that, like a good boxer, Britain “punched above its weight”. Like a poor boxer, Britain now seems knocked-out and on the floor. ■



A call for fire

How the media helped pave the way for Russkiy Mir in the independent Ukraine

Dmytro Krapyvenko

The major TV channel in Ukraine had retransmitted content from Ostankino, Russia's public broadcaster, up until 1996 when Inter, a private TV channel infamous for pro-Russian sentiments, took over its frequency. The post-colonial tradition did not evolve uninterrupted in Ukraine's media space since the soviet time. In the 1990s, Ukraine had media that were fairly resilient against any Russian influences.

Private broadcasters of the independent Ukraine, such as 1+1 channel, shaped a generation of celebrity journalists who spoke Ukrainian on air, did not work under the management of Moscow expats and have become household names. Radio Lux played good quality music from Ukraine and around the world without focusing almost entirely on low quality Russian pop music. Dubbed into Ukrainian and screened at ICTV,

Alf remains a legendary TV series. Ukrainian products were offered in other niches, from an MTV-like pop music shows like Terytoria A to erotic magazines like Lel or Mister + Miss. Regardless of their aesthetics, the fact was that Ukraine had its information independence with a focus on itself. The likes of Inter with their cheesy New Year concerts broadcasted from Russia did not have a decisive presence or influence in it.

Russia's new information invasion began in the 2000s with oligarchs entering the scene as the owners of the biggest media holdings in Ukraine and foreign investment coming into the media market from Russia primarily. The process looked like a distorted version of colonial globalization. This environment cultivated a message portraying Ukraine's media market as outdated and underdeveloped, and professional expats were seen as its only chance for transformation. The Russians seemed to naturally fit into the role of these expats as representatives of the region's metropolis. It was then that a number of myths were born: "nobody will buy your content in Ukrainian", "nobody reads in Ukrainian", "Ukrainian is for the countryside and Western Ukraine", "business doesn't speak Ukrainian."

While Ukrainian journalists vehemently opposed the *temnyks*, the unofficial instructions with messages for the media, in the era of Leonid Kuchma's presidency, they failed to respond to these colonial messages. When the branch of Kommersant, a Russian business magazine, opened up in Ukraine, journalists hailed the arrival of a professional business media with decent salaries. That's how the professional crowd perceived the opening of Russia's No1 business newspaper in Ukraine. More smaller outlets, including Expert or Profile, followed suit. The new generation of journalists from the 2010s barely remembers these brands today. Back in the day, however, each of these outlets saw itself as a civilizer that was bringing high Russian standards to the aborigines.

As Vladimir Putin gradually cracked down on media freedom in Russia, more and more experts, consultants, spin doctors, media managers and journalists moved to Ukraine. Paradoxically, they were leaving a country where democratic elections and freedom of speech had been long gone and moving to Ukraine to preach their "success stories". Surprisingly, Ukrainian political and business establishments embraced these white émigrés as top professionals capable of triggering the development of their own projects.

It is unacceptably chauvinistic to accuse people of anything based on his or her country of origin. The problem, however, was that many Russian journalists and media managers blended their declared liberal and democratic values with promoting the standards of common information space for Russia and Ukraine. Talk shows after the Orange Revolution often had guests like notorious Russian politicians Vladimir Zhirinovski or Konstantin Zatulin. Svoboda's Andriy Illenko battled on air with Nikita Mikhalkov, Russian film direc-



tor and a fan of Vladimir Putin. Russian guests used prime time air in Ukraine to voice all their messages and get access to the multimillion audience. That format was not dictated by anyone to the media bosses. They filled Ukraine's media space with Russian celebrity guests because they thought that Ukrainian television needed that.

It is fair to say that the residents of Crimea and parts of the Donbas lost their loyalty to Ukraine while watching Russian television. It is equally fair to say that most Ukrainian TV channels had conveniently integrated into the common information space with Russia. Broadcasting within that space did not help their audience develop antidotes to the Kremlin's influence.

Political talk shows were not the only culprits. In the early 2000s, a sort of "little Russian vaudevilles" became trendy in Ukraine. These were New Year musical films coproduced with the Russians. They featured the likes of Oleh Skrypka, a headliner of Ukrainian rock music, alongside the likes of Philip Kirkorov, Russia's king of pop. When talent shows became trendier later, the jury always included at least one guest start from Russia. This looked like any trivial post-colonial situation where the country just didn't feel right without the cultural context of its former empire. The infamous Kivalov-Kolesnichenko language law that discriminated the position of the Ukrainian language was passed in 2012, but information preparation for it had started way before. It proved quite successful, too. Even the generation born after 1991 consistently fit into the Russian cultural context, from pop music to fashion magazines and business press. Young Ukrainians studied in Ukrainian schools and universities in an environment where Ukrainian was often seen as a language of official documents and procedures while all truly successful people were actually Russian-speakers. The media played the key role in the construction of this myth.

Polls, such as a recent one by the Kyiv International Institute of Sociology revealing that 37% of Ukrainians perceive Russia positively, cause waves of popular frustration. Many of these respondents were probably not affected by the Maidan and tend to be naturally passive or indifferent as citizens, spending a lot of time watching TV. While they will quickly forget a brief appearance of a military press secretary reporting on the frequency of shelling or number of victims, the common cultural context shaped over the years is far harder to shed.

It would be wrong to claim that Ukrainian media community has learned its past mistakes and decolonized its information space. It does have a new playing field and rules. But white émigrés are still trendy. Many Russian liberals in Ukraine seem to be less willing to assimilate here and more willing to use Ukraine as a platform for building "a different Russia". Journalists still tend to use Russian media as a source of international news. A journalist from a top online outlet mentioned the Russian Meduza online outlet as an example to follow at a recent media forum. "They are gods" was her comment. Such faith will hardly help Ukrainians disentangle from the web of Russkiy Mir. Recipes for treating such chronic diseases lie inside, not outside. It is wrong to blame Ukraine's government, however flawed, for this. The solution lies in *medice cura te ipsum* – Physician, heal thyself!

One other professional disease stands in the way: many in Ukrainian journalism are unable to recognize their own mistakes, say that they were wrong and apologize. Just like politicians, they prefer to count on the short memory span of their co-citizens. Still, they also have good situational awareness. Hopefully, they won't rush to construct a common information space with Russia ever again. ■

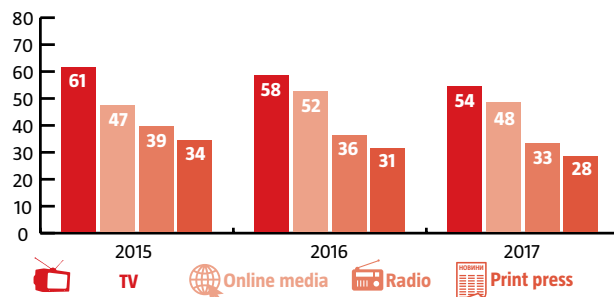
What sources Ukrainians use for news

Where do you learn about developments in Ukraine and the world most often? %



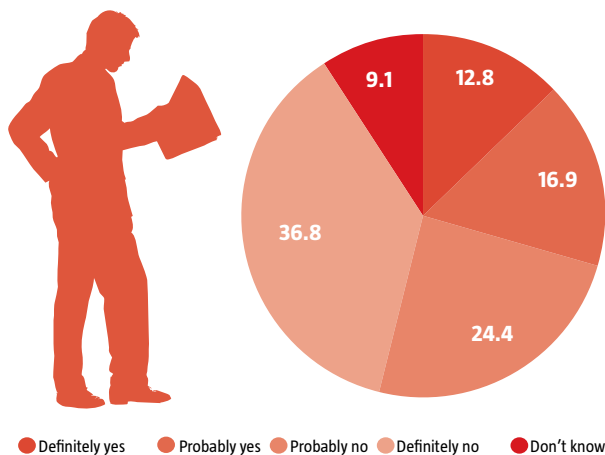
Trust in Ukrainian media, 2015-2017

The number of respondents who trust the media, %



How many are willing to pay UAH 10 for objective news on a monthly basis?

Are you ready to pay UAH 10 (approx. US \$0.38) for the opportunity to watch/listen to/read objective and unbiased news, analysis from a public broadcaster in your oblast, Ukraine and the world? %



The Olympic cash flow

How Russian lobbyism works in sports

Ivan Verbytskyi



The value of friendship. IOC president Thomas Bach is proactively helping Russia whitewash its image after scandals in the sports world

Kyiv was preparing to host the Kadet European Championship in freestyle, Greco-Roman and women's wrestling on April 21–29. But it will not. The United World Wrestling (UWW) has decided that Ukraine cannot ensure proper security. However absurd, this decision is probably the reaction to the refusal of the Ukrainian team to go to the European Wrestling Championship for adults scheduled for May in Russia's Kaspysk. Russia has some powerful lobbying in the wrestling world. Suffice it to say that the UWW is chaired by Nenad Lalovic who is known for his pro-Russian sentiment, while most projects in this sport are funded by Russia.

But wrestling is not alone in this. Another recent demarche hit Yuriy Anikeiev, the world champion in draughts. Last year, the International Draughts Federation disqualified him from the competitions held under its umbrella for playing in vyshyvanka, a Ukrainian embroidered shirt, for three years. Surprisingly, this is longer than disqualifications for the use of meldonium and other doping drugs. The president of IDF is Vladimir Langin, a Russian himself. "Maidans won't work here," IDF tournament director Aleksandr Nikiforov commented on the

disqualification online. According to Anikeiev, Nikiforov once called him "dirty Nazi".

The rejection of Ukraine's right to host the wrestling championship is obviously biased. Only this February, Kyiv hosted a regular international wrestling tournament with athletes from 37 countries, including several Russians. Lalovic was personally present at the tournament and had a chance to see that Ukraine's capital is safe. In May, the Palace of Sports in Kyiv was hosting the Ice Hockey World Junior Championship – Division IB. Kyiv hosted major international tournaments in artistic and rhythmic gymnastics in March. And it regularly hosts European Championship football games.

No incident of security breach in those events has been recorded. Lalovic surely knows this. Still, according to our sources, the final decision on the location of the wrestling championship was taken at the level of Thomas Bach, president of the International Olympic Committee. He allegedly demanded personal guarantee from Ukraine's president and prime minister, while only Sports Minister Ihor Zhdanov assured him that being and competing in Kyiv is safe.

Mr. Bach is a controversial figure in the world of sports. He took over the IOC presidency from Jacques Rogge. Coming with a goal of removing corruption from the IOC, Bach is often referred to as a lobbyist of Russia's interests in his fifth year of presidency.

"It was clear from the beginning that sting-puller Bach advocated by willing tools will bury one of the biggest doping scandals in history. Mission accomplished", tweeted Hajo Seppelt, a German journalist and author of the film investigating the state-sponsored doping system in Russia, on the IOC's decision to fully reinstate Russian Olympic Committee's rights after the Pyeongchang Winter Olympics.

Busy with the whitewashing of Russian sports, the IOC officials did not take into account the fact that two Russian athletes, curler Alexander Krushelnitsky and bobsledder Nadezhda Sergeeva, tested positive during the Olympics. "He is a crook", said Bryan Fogel, the director of the Oscar-winning film *Icarus*, of Thomas Bach. "What he has shown to planet Earth and any athlete who believes in the Olympic ideal is not to trust it and not to trust those words. If you can corroborate and prove and substantiate a fraud on this caliber [...] that spanned for decades, and then essentially give that country that committed that fraud a slap on the wrist, allow 160 of their athletes to compete in those Games – two of them found doping – and then immediately after the Games are over [...] they lift the ban on that country? What a fraud. What a corrupt organization [...] that man should be ashamed of himself."

Indeed, the fact that the Russian team was allowed to compete puzzled many before the 23rd Winter Olympics even started. Its athletes had to compete under a neutral flag and over fifty were suspended. Yet, that kind of punishment seemed too soft for a country that had distorted the outcome of the Sochi Olympics by replacing testing samples.

By constantly flirting with Russia, the world's sports elite actually puts itself in opposition to the rest of the civilized world. Russia will soon host the football world championship. There has been no talk of boycotting it. Stephen Kinnock, a British Labor Party politician, has proposed moving the championship from Russia and hosting it in another country in 2019, but the initiative gained little support – also from the Arab world countries, such as Saudi Arabia, Egypt, Morocco or Tunisia, which could have thus responded to the military aggression in Syria.

Gazprom stands among the biggest sponsors of international football. EUR 130mn alone was paid by the Russians for the first contract with UEFA signed in 2011. "As money can be laundered, so can reputations, and UEFA's acceptance of Gazprom's sponsorship is part of football's ever-increasing willingness to do the laundering," Timothy Kennett wrote in a piece for *The Huffington Post* in 2014. "We contend that Gazprom is involved in UEFA and FIFA sponsorships because they provide the company with access to key decision-makers in government and in energy companies across key territories in which football is very popular," *The South China Morning Post* wrote in 2017.

The assumption of the Chinese outlet was recently echoed by Alexander Beliavsky, a Lviv-born chess grandmaster now playing for Slovenia. His statement referred to Kirsan Ilyumzhinov, President of the World Chess Federation (FIDE). "Russian politics needs Ilyumzhinov at the helm of FIDE to have its person with a status of international representative," Beliavsky said. "Who was the last person to see Saddam Hussein? Ilyumzhinov. Who was the last person to see Muammar Gaddafi? Ilyumzhinov. Who came to Bashar Al-Assad when he was in a bad place? Actually, Assad was lucky because his situation changed. You see, Ilyumzhinov comes and speaks on behalf of the Russian government but the Russian government bears no responsibility for this."

Now, Ilyumzhinov's own future as the long-time FIDE President is uncertain. He is on the list of Russians sanctioned by the

US. FIDE Vice-President Israel Gelfer announced recently that FIDE had received a letter from UBS, a Swiss bank, notifying of the closure of its accounts as of April 30. FIDE's leaders are talking to the bank, but they have so far failed to change the situation as Ilyumzhinov is on the sanction list. Gelfer thus says that having Ilyumzhinov as FIDE President in the future will lead to financial and reputational risks for the organization.

After the poisoning of Sergei Skripal, UK MPs also talked about sanctioning two oligarchs with close ties to football in the country. These include Chelsea F.C. owner Roman Abramovich and Alisher Usmanov, a major shareholder at Arsenal and president of the International Fencing Federation. Another Russian oligarch Mikhail Prokhorov has succumbed to the pressure and sold 49% of his shares at the Brooklyn Nets, an American professional basketball team, out of the 80% he owned.

With their unlimited money flows into sports of different scales, from draughts to the Champions League in football, the Russians do not necessarily need one of them to play for their interests. They can pay foreigners to do the job. Olympic boxing offers one example. A recent International Boxing Association (AIBA) in Moscow elected Uzbek "entrepreneur" Gafur Rakhimov as its president. He is otherwise referred to as a leader of Bratski Krug [Brothers' Circle], a transnational criminal group involving criminals from the former Soviet Union countries. The US Department of the Treasury links Rakhimov to drug trafficking. He is banned from entering many civilized states. It is clear that Rakhimov is on the hook of those who nominated him for the post.

Gazprom stands among the biggest sponsors of international football. EUR 130mn alone was paid by the Russians for the first contract with UEFA signed in 2011

Anders Basseberg, a 72-year old president of the International Biathlon Union (IBU) from Norway, has chaired the organization since its foundation in 1993. The Austrian Criminal Police has recently searched IBU headquarters in Salzburg under the anti-doping investigation. Basseberg has been suspended from his job for the time of the investigation and is suspected of getting a nearly US \$240,000 bribe for concealing the doping tests of Russian biathlon athletes. Norway media reported earlier that Basseberg has hidden 65 cases of the Russians related to either positive doping tests or abnormal blood indicators (biological passports).

Russia's unfair games are being held back, including in wrestling. In early April, Russian freestyle wrestlers failed to compete in the US as the embassy didn't grant them visas. The athletes thus joined their leader Mikhail Mamiashvili, president of the Russian Wrestling Federation, on the list of people banned from entering over a dozen countries because of his links with the criminal world.

These feats, however, are belittled by Gazprom's expansion in football or Russia's possible intervention in the world of professional boxing. The final fight of the World Boxing Super Series (WBSS) between Ukraine's Oleksandr Usyk and Russia's Murat Gassiev from Ossetia, the province of Georgia currently occupied by Russia, offers a glimpse at how it may go. Scheduled for May 11 in Saudi Arabia, it would bring all four top boxing belts to the winner. Then the Russian side claimed that it wanted the fight to take place in Moscow or Sochi, WBSS representatives became more obscure in their statements, while the fight was eventually postponed under the pretext of Usyk's injured elbow. Usyk himself has said earlier that he does not care of the fighting location. Now, his promoter Oleksandr Krawciuk says that "the Russians can buy the fight, but they can't make Usyk box there". ■

Polish politics in Volyn

Henryk Józewski represents some of the most interesting aspects in the Ukrainian-Polish history of the 20th century. What was his legacy as the voievode of Volyn and why he resigned on April 13, 1938

Sviatoslav Lypovetskiy



Henryk Józewski, the voievode of Volyn

“A foreigner trying to understand anything in the politics of Poland constantly runs into unexpected things,” wrote Czesław Miłosz, a Polish writer awarded the Noble Prize for Literature, about Rzeczpospolita, the Second Polish Republic. A reporter for *Dziło*, the Lviv-based top newspaper for Halychyna launched in the late 19th century, had echoed this popular thought earlier, on June 1, 1926: “A future historian of Poland will have a hard time. If he wants to comprehend the revival of the Polish Republic with a pragmatic approach and use the arguments of logics in describing them, he will walk into a closed door.”

This was true both of the policies implemented in Second Polish Republic, and of a number of actors behind them. It was also true of the national minorities which made up 30% of then-Poland's total population and were concentrated in 40% of its territory.

POLISH SUPERVISOR AND THE SAVIOR OF SYMON PETLIURA

Polish leaders did not wait for the interwar ethnic passions to fade or the borders to be agreed to manifest their vision of the future for Kresy Wschodnie, today's parts of Western Ukraine, Western Belarus and Lithuania that were then the eastern borderland of the Second Polish Republic. On March 2, 1919, National Democracy movement leader Roman Dmowski and the Polish National Committee decided to colonize and Polonize Volyn. Józef Piłsudski, the de facto leader of the Second Polish Republic, was on a more reconciliatory note. “I was brought up in the Kresy and experienced all of the misery inflicted on us in abundance as a defeated nation [...] Kresy politics across the world is identical to ours where we were an object. I don't know any kresy policies, other than the policy of humiliation and oppression with “Grieve the defeated” as its motto. We, Poles, know well from

our own experience what consequences it has, how it doesn't take us far and what little accomplishments it brings [...] While policies towards the borderline areas are unfair across the world, I would like our policies along the border to be fair."

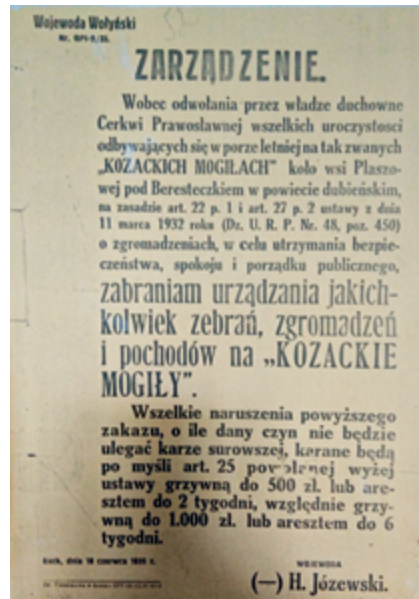
When Pilsudski was delivering this speech, the Ukrainian People's Republic or UNR was on the verge of collapse. The Treaty of Warsaw signed in April 1920 by Ukrainians and Poles was met controversially: Symon Petliura, the head of the UNR Directorate, signed Western Ukraine away to Poland, and got Poland as the UNR's military ally. The administrative assistance of the Polish side would be less visible than its military aspect: it delegated two officials, Minister of Land Affairs Stanisław Stępcowski and Vice Minister of Interior Affairs Henryk Józewski, to the UNR.

Isaak Mazepa, the last UNR prime minister, wrote that Józewski "was apparently instructed from Warsaw to be a Polish 'eye' in our government." Józewski rejected this claim: "I wasn't Poland's instrument in the Ukrainian government, nor an agent or a spy. Poland could trust me. Ukraine could trust me as much." He seemed to genuinely believe that the two patriotisms could merge without damaging any of the nations.

When the united Polish-Ukrainian army entered Kyiv shortly after and paraded through Khreshchatyk on May 9, 1920, it was Henryk Józewski, the Polish vice minister, who assumed power from Edward Rydz-Śmigły, Commander-in-Chief of Poland's armed forces, on behalf of Ukrainians.

"My arrival in Kyiv was quite original, unbelievable in a way. Henryk Józewski, known in the Polish society, born Kyivite, a student of the First Kyiv Gymnasium, then St. Volodymyr University [today's Taras Shevchenko National University], civic activist, chairman of Filarezia [a Polish student organization], as well as musician, creator and scenographer for Studio, a Polish theatre along with Stanisława Wysocka, now appearing in Kyiv as a Ukrainian minister, accepting Kyiv from the UNR government, and setting up the Kyiv administration," Józewski recalled.

Barely a year later, he showed himself in yet another mission. Based on memoirs, Symon Petliura owed his life to Józewski. After the government of the Second Polish Republic signed the Peace of Riga with the Bolsheviks, its union with the UNR was



Discrimination. Voivode Józewski's instruction banning "assemblies and marches to the Cossack Graves near Berestechko", a site of a major battle between Bohdan Khmelnytsky and the Cossacks, with Crimean Tatars as allies who betrayed the Cossacks, and the Polish army

denounced. A joint commission of the Bolsheviks and the Poles was to set out to the Polish city of Tarnów to detain Petliura and hand him over to the Bolsheviks. Józewski got there first, took Petliura to Warsaw and sheltered him in his residence at the Raczynski Palace.

"Nobody knew what happened to the Otaman [Petliura] and where he was. Neither the Poles nor the Ukrainians knew anything. A few days later, they were coming to me to find something out. Apparently, they didn't find out anything," Józewski wrote. "Department Two [the Bolshevik military counterintelligence unit] tried to find out where he was, so did the ministries of interior and foreign affairs."

When an official of the eastern department at the Ministry of Foreign Affairs put Józewski up against the wall seeking to find out where Petliura was, he said that the otaman was in the next room just behind the wall. The official did not believe Józewski and left the residence insulted.

THE CASE OF VOLYN

While Józef Pilsudski was officially holding the Chief of State title, it was

Roman Dmowski who actually won the thoughts and ideas of the Poles. As a result, assimilation and Polonization began in Volyn right away. Colonization of land was the first step. In 1921 alone, 1,055 Polish troops came to Volyn, out of the total 1,396 in all of eastern Kresy. That's how the *osadniki* appeared there. Their settlements were officially called Pilsudchanka, Hallerivka, Ulanówka etc. after military officials and the military tradition that brought them to Volyn in the first place.

Ukrainian schools faced a greater blow. According to official statistics, Volyn had 442 schools in 1922-1923 and 2 in 1926, which journalists failed to locate.

Prime Minister Władysław Sikorski, a symbol of the émigré Polish government during World War II, proposed in the early 1920s to play on the differences between Halychyna and Volyn to undermine Ukrainian unity. Despite the lower level of national awareness, the share of the Ukrainian population was higher in Volyn (68.4% of Ukrainians and 16.6% of the Poles) compared to Halychyna. And that was in 1931, after an intense colonization campaign.

Despite the lower level of national awareness, the share of the Ukrainian population was higher in Volyn (68.4% of Ukrainians and 16.6% of the Poles) compared to Halychyna. And that was in 1931, after an intense colonization campaign

In 1926, the May Coup brought Pilsudski to power in Poland. The price paid was nearly 400 Polish lives and the launch of the Sanation regime. From the ranks of the Pilsudchyks, the figure of Henryk Józewski, a one-time active member of the Polish Military Organization, emerged. He became the tenth voivode of Volyn in 1928. His governance lasted a decade, which was longer than the tenure of all other local voivodes combined.

It's difficult to find a more controversial figure in the history of Ukrainian-Polish relations than Józewski. This controversy may have been less about his personality and more about the Polish politics towards Ukrainians which its Chief of State's environment envisioned only vaguely but the voivode had to implement. It was recorded in history as a "Volyn experiment" and hints at what Pilsudski's concept of national minority policy had been.



A march in Lutsk, the capital of Volyn, to grieve the death of Marshal Jozef Pilsudski. Henryk Józewski stands on the podium under the portrait of the Chief of State. He came up with the idea of “Volyn marriage”, a solemn pledge of allegiance by the locals to Pilsudski

Ukrainian life in Volyn developed with direct support of the local authorities. As the voievode used it against Russian influences, he encouraged the Ukrainization of the Orthodox Church and the appointment of Ukrainians to various public institutions. His actions were risky at times but done with “Ukrainian hands”. In an attempt to prevent a pro-Russian rally at the Pochayiv Lavra, a major Orthodox shrine in Ternopil Oblast, he urged Ukrainians to take it to the streets under their flags and in a Ukrainian tone.

“I admit that the plan was quite risky,” Józewski wrote. “A crowd of thousands squeezed within the walls of the monastery in such maneuvers could have led to tragic consequences and human victims. I decided that it was best for the voievode to not stay in Lutsk on the Day of St. Job of Pochayiv, so that nobody knew where he was. I went grouse hunting early in the morning and returned late at night. I was expecting discouraging news, police

reports, losses, protests, complaints of the metropolitan, information on the killed and the injured [...] Anything could have happened.” Contrary to Józewski’s fears, the event ended successfully and with no victims.

While Halychyna used the terms “Rusyns” and “Ruthenians” for Ukrainians officially, Volyn had “Ukrainians” as the official name thanks to Józewski. Blue and yellow flags were raised with the consent of the authorities, the Ukrainian anthem was sometimes performed in the voievode’s presence, and Ukrainian activists were elected to the Sejm under the lists of the pro-government Non-Aligned Bloc.

Józewski himself was fighting against pro-Russian influences that increasingly signaled of sovietophilia, as well as Polish national democrats. He coined the phrase about “national democrats’ mentality, widely promoted by the clergy, being enemy number one in the shaping of the Polish attitudes in the eastern borderland”.

BUILDING THE BORDER BETWEEN UKRAINIANS

Yet another enemy from which Józewski was trying to protect the locals was Halychyna, officially known then as Eastern Little Poland. While encouraging the development of Ukrainian institutions under his control, he diligently obstructed the spread of legal press or civic organizations from Halychyna in Volyn. As a result, Volyn saw nearly 800 library centers of Prosvita [Enlightenment], the society that promoted national awareness and education among Ukrainians in the 19th and 20th centuries, as well as other Ukrainian cultural and commercial communities shut down.

The Ukrainian National Democratic Union, the biggest political force in Halychyna, was not allowed in Volyn. The Volyn Ukrainian Association was set up to counter it, involving politicians with the UNR background: nearly 40,000 people migrated from the UNR to the Sec-

ond Polish Republic after the arrival of the Bolsheviks, so Volyn was the region where they could manifest themselves.

Józewski worked to transform Ukrainians into a loyal Polish group. The “Sokal border”, named after a town on the border between the two provinces and designed to block the influence of Halychyna in Volyn, thus became a real internal border within Poland. Józewski rejected Lviv as a regional center and held joint conferences with the voievodes of north-eastern territories treating Vilnius as the local capital. The Volyn voievodeship was the second largest after Polissya voievodeship. Together with Vilnius and Nowogrodek voievodeships, they accounted for 30% of Poland’s territory.

“The key task of state policy in Volyn, based on the Polish national interest and the local circumstances, is state assimilation of this land and the deepest possible merging of it with the population of the Second Polish Republic,” Józewski stated as he opened a conference of the eastern Kresy voievodes in 1929.

Other voievodes approved these statements. What this assimilation actually was shows in the interesting phenomenon of *tutejszy*, a unique national identification that developed in the north-eastern land. Józewski had a simple explanation for this: “Ukrainian national awareness was making its first steps. Most Orthodox residents of Volyn are *tutejszy*”.

However, a look at the two censuses held in Poland in 1921 and 1931 reveals a problem with this statement. The first one showed 38,943 people identifying themselves as *tutejszy* in the Second Polish Republic. Ten years later, the number was 20 times higher at 707,088.

Assuming that this change did not result from falsifications by the administration, the most likely explanation for this was the denationalization of those living in the north-eastern Ukrainian territories. It would be more accurate to admit, however, that both factors had contributed to the emergence of a nationality in the interwar Poland that was almost equal to the number of the Germans or Belarusians in the country, and three times larger than the Lithuanians, Czechs and Russians combined.

Another manifestation of political taming was the “Volyn marriage”, a pledge of allegiance by the local population to the “late Jozef Pilsud-

ski” initiated by Józewski. The lists of the “marriage” signatories were to be cemented into the walls of Lubart’s Castle in Lutsk but the idea was never implemented. The Volyn experiment failed as well. The Polish and Ukrainian interests were too different at that time, and too hard to merge. As a result, Józewski was criticized and treated as an enemy both by the Poles, and by Ukrainians. The Organization of Ukrainian Nationalists condemned him to death penalty but an assassination attempt never happened.

The late 1930s were the period of growing oppression of Ukrainian life in the Second Polish Republic. Churches were ruined in the Chelm region, the units of the Border Protection Corps were forcing the conversion of the Orthodox population into Roman Catholicism and deporting the locals. At the same time, the *osadniks* tried to introduce a new church calendar for the Orthodox region.

“What was happening in Volyn in 1938 was becoming intolerable. It was an attack not only against the Orthodox, but against Poland,” Henryk Józewski wrote in his memoirs. “I tried to resist it. I spoke to the top state officials. The moment I realized that I could do nothing, I went to Warsaw, asked to meet with Prime Minister and Minister of Interior Affairs, Gen. Slawoj-Skladkowski and delivered to him my resignation from the office of the Volyn voievode.”

Józewski was leaving Volyn to *Do You Hear Me, Brother?*, a ritual song for the Polish insurgents fighting against foreign oppression in the 19th century and the misfortunate Ukrainians forced to leave their homeland, and the Polish anthem performed in Ukrainian.

“The entire Polish citizenry of Volyn and Halychyna, and most of the Polish citizenry in the whole of Poland took the news of a change of voievode in Lutsk with true joy,” the Polish press reported on the resignation. “While ‘the entire Polish citizenry’ met the resignation ‘with joy’, the entire Ukrainian citizenry met it with no sadness, too,” the Ukrainian newspaper *Dilo* added.

Both Polish and Ukrainian reporters were right. Nobody liked Józewski. But it was less about his personality than about the chimerical and inconsistent policies on national minorities in the Second Polish Republic. The voievode of Volyn was a unique and probably the brightest representative of it. ■

Bio of Henryk Józewski

1892 — born in Kyiv, Józewski studied physics and mathematics at St. Volodymyr University in Kyiv. He was member of the Polish Corporation, a union of gymnasium and student communities.

1915 — joined the Polish Military Organization and was exiled to Saratov.

1917 — returned to Kyiv. “After returning to Kyiv, I found it as a Ukrainian capital of the Ukrainian State with its own government, parliament and administrative apparatus. The three-colored flag had disappeared, replaced by the towering blue and yellow flag,” he described his arrival. Józewski was doing intelligence for Poland in Kyiv.

1919 — left for Warsaw and was appointed Vice Minister for Interior Affairs at the UNR Government next year.

1920 — returned to Warsaw while officially remaining a member of the UNR Government. Painted.

1927 — chaired Poland’s Cabinet of the Head of the Council of Ministers.

1928 — voievode of Volyn. Returned to the office of the Interior Minister for a brief period of 1929-1930.

1939 — worked in the Polish underground movement, heading the Warsaw District after the start of the war.

1953 — arrested by the Security Service and jailed for life.

1956 — released early. Józewski painted for the rest of his life and joined the Union of Polish Artists.

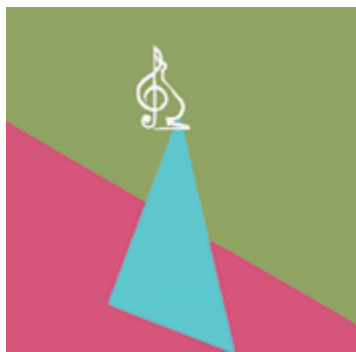
1981 — died in Warsaw.

May 19-20**Strichka Festival 2018****Closer
(Nyzhniouyurivska 31, Kyiv)**

Like every year, DJs, musicians, media artists, designers, volunteers, and listeners join in a single rhythm to create a unique atmosphere this May weekend at the Closer club. For two days, this electronic music festival presents more than 30 performers from Ukraine, Germany, Great Britain, Spain, Canada, France, the US, and Norway.

**May 21-25, 19.00****Kyivska Vesna - Kyiv Spring
(Volodymyrskiy Uzviz 2, Kyiv)**

The theme of this 10th festival is the classical and the modern. German pianist Christopher Park opens the program with Beethoven's Piano Concerto accompanied by the Philharmonic Symphony Orchestra under the direction of Roman Kofman. On the second day, guests will hear the New Ukrainian Music project, presenting the works of five young Ukrainian composers. Following this will be La Damnation de Faust, a chamber orchestra concert, and Mozart and Rachmaninoff performed by the choir of the National Opera of Ukraine.

**May 18-27****Kyiv Art Week****12 museums and galleries
around Kyiv**

Lectures and discussions on the arts, exhibits in various museums of Kyiv, films about painting and a contemporary art fair. This is the first international-scale professional art event in Ukraine, organized in the style of international art weeks, which have proven to be the most effective way to develop the arts scene in a city. The project involves state and municipal museums, private and public galleries and cultural centers.

**May 27 – June 3****Molodist Film Festival****UBK Beach at Trukhaniv Ostriv;
Ukraine and Cinema City film
theaters; MasterClass
education space – Kyiv**

Ukrainian and international professional and amateur cinema, debut and student films, retro-films, a program for kids—this festival, one of the biggest in Ukraine, offers more than 200 film viewings. During the festival week, Poshtova Ploshcha will function as an open-air theater. The festival will have open stages there and at other sites around the city presenting the “Long nights of short films” program. This year's competition will include 21 movies by Ukrainian directors, filmed in Ukraine or co-produced.

**May 29, 19.00****Myroslav Skoryk Jazzed Up****Tchaikovsky National Music
Academy
(Horodetskohe 1-3/11, Kyiv)**

In Ukraine, Myroslav Skoryk is known for his classical works such as the famed *Melody*. In this performance, he joins the Kyiv Soloists Chamber Orchestra in a jazz interpretation of some of his works. The performance will also include the piano duo of Myroslav Drahan and Oksana Rapita, along with the producer of this jazz program, cellist Oleksandr Priyev.

**May 30 – June 3****The 8th Book Arsenal****Arts Arsenal
(vul. Lavrska 10-12, Kyiv)**

What does humanity dream of further? How to resist dehumanization in changing times? Can modern technologies create a (super)human? How to learn in the era of a new technological revolution? Answers to these questions will be sought by 200 Ukrainian writers and 95 guests from 31 countries. Visitors will be able to buy the latest books, talk with authors, publishers and illustrators. The Festival includes separate programs for children, visual arts in books, and contemporary music. To avoid lines, you can buy your tickets on the Arts Arsenal site.

