The Ukrainian Week

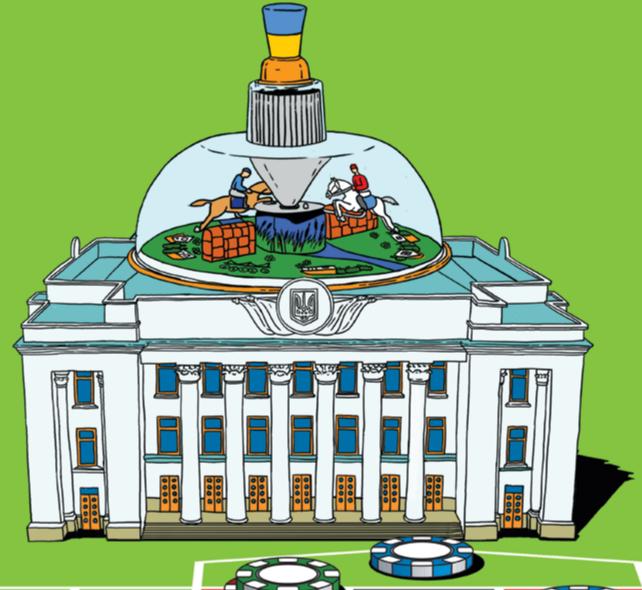
International edition

#11 (129) November 2018

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Modern Ukrainian cinema: can our films be profitable?

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Today, there's probably no one in Ukraine who hasn't heard about Kateryna Handziuk. But I will note, pro forma: on July 31, this 33 year-old veteran of both Maidans, one-time employee of international organizations, active volunteer, graduate student at the National Academy of Public Administration, and, most recently, acting general administrator on Kherson City Council and assistant to the Mayor, that is, an influential civil servant in the region, was attacked in the most vicious manner. Someone threw sulfuric acid right in her face. This is not the same as being beaten or even shot. It's much more personal, more brutal, cruder to burn the face of a pretty woman. Nor was that all. Fully one third of Kateryna's body was burned. She underwent several operations, but after three months, her body simply could not take any more. A blood clot in the heart and death. And so an attack presumably intended to frighten ended up being a murder.

MEANWHILE, THE TRAGIC DEATH OF A HEROINE — AND IF ANYONE DESERVES THAT NAME, KATERYNA HANDZIUK DOES — RAISED A NEW WAVE OF OUTRAGE ACROSS THE COUNTRY, WITH RALLIES, FURIOUS DISCUSSIONS IN SOCIAL NETS, DEBRIEFINGS IN THE RADA AND POLITICAL VULTURES ATTACHING THEMSELVES TO PROTESTS — NONE OF THIS MAKES IT EASIER TO ESTABLISH THE TRUTH AND PUNISH THE GUILTY

The local police responded without enthusiasm initially — at least that's what it looked like from the outside. They quickly found a scapegoat with a criminal record who was easy to pin the crime on. If not the shock that the incident raised, it's very likely that everything would have ended at that. But Kateryna herself was such a shining light, so visible and popular, and the crime so heinous, that the community was seriously enraged. The Prosecutor General took charge of the investigation and the SBU was called in. At this point, stories about what happened next diverge.

One version is that the police quickly made amends and began to work almost ideally: interrogated hundreds of witnesses, found recordings on a security camera, collected evidence, put together the entire chain of events and caught the perpetrators red-handed — with traces of acid burns. Well, the fact that they stubbornly refuse to finger whoever ordered the attack — we aren't in Russia, so torture is forbidden, so we're going to have to wait awhile for God knows

The opposite version, law enforcement officers deliberately delayed the investigation because Kateryna had personally waged a long war with the local police and with local corrupt elements — and in a small oblast center, everything seems to be so interlinked... There is one thread that comes up very little in the searches and speculations: Handziuk fought stubbornly with "vatnik" emissaries in Kherson, and they, in turn, were tied to that same police... which, thinking of the Donbas, was nothing surprising. At this point Russia's hand naturally casts a shadow... only evidence is short.

Meanwhile, the tragic death of a heroine — and if anyone deserves that name, Kateryna Handziuk does - raised a new wave of outrage across the country, with rallies, furious discussions in social nets, debriefings in the Rada and political vultures attaching themselves to protests — none of this makes it easier to establish the truth and punish the guilty. The parallel with Gongadze calls for picking up the torch and inevitably brings to mind the "Ukraine without Kuchma" movement.

Still, there is a difference, and a substantial one. The meeting points may not be so obvious, but public opinion, through inertia, begins to put the blame on those in power for everything, not just for the delays or sabotage but, in the nature of protest emotions, well nigh for the murder itself. But this time there's no all-powerful president who suggested getting rid of the pesky journalist who was playing on his nerves. There was no ambitious interior minister and no direct subordinates—tonton macoute operating with impunity. There were some not-exactly-skilled and very unprofessional guys who had come back from the front. There was the organizer and the mysterious backer whose tracks originated either in Kviv or in Moscow.

Time marches on. We're all used to the fact that there's us and there's them. "Us" is those who stood on the Maidan and demanded a reboot for the country. "Them" are those who represent the hated regime, under-lustrated political oligarchs who changed hats and keep soaking the country. Now it we're finding out that "them" and "us" have been mixed together, class feelings no longer work, and things are a lot more complicated. Plenty of decent folks have joined the government who were around before, but now they aren't the exception but a phenomenon. But among the activists, there are also those whose consciences are not working full time — nor, if I can be forgiven, their brains. A very delicate if not painful aspect is the fact that those who carried out the attack were veterans who were unable to find themselves in civilian life again after the war. Where Tornado was seen as something exceptional and random, now more and more Ukrainians understand that the boys whom we keep thanking for our freedom are not automatically angels, and as long as there is little to no rehabilitation on a national scale, they will be drawn to both light and dark deeds.

The police? It's well-known that the reform, which can more accurately be described as the establishment of a oneand-only "showcase" department from scratch, did nothing to alter the foundations of motivation and the principles of the work of this sick agency. Lustration proved to be a laughable simulation that only proved that business as usual was not only possible but even necessary, and nothing would happen to anyone anyway. What's more, in the run-up to elections, no one wants the situation in the country to get out of control.

The showy demarche of the Prosecutor General, who was perhaps the only one recently to demonstrate that he is not hanging on to his seat for dear life, simply emphasizes, with its non-standard approach, the eternal truth that those in power don't give up their own. The country has to be under control, because of elections, because of war, because of sabotage, because of comebacks... The fact that, in some sense or in certain areas, the comeback has already taken place bothers only those who have been cursed, like Kateryna.

My point is not that there is no difference between the Yanukovych regime and the country run by Poroshenko on the contrary! A lot of mafias is always better than a single one. Targeted reforms or declarative ones are still better than their deliberate absence. Activists inside the system are better than if they're out in the back 40. However, support from the government when there's a hybrid war with an aggressor cannot be based on "Don't rock the boat." Because without pressure, this machine will not work.

Kateryna Handziuk's death has not been in vain. She proved that getting justice served can and must be the goal, that this challenge is not a hopeless task. She showed us the sick parts once again. Clearly, this is a matter of honor for all those involved, and the guilty will be found. I believe this for some reason. I only hope that it will not have to happen at such a high price again.

In the summer of 2017, Kateryna Handziuk wrote an op-ed piece for *The Ukrainian Week*, which we are republishing here:

The Ukrainian language as a protest

Katervna Handziuk

In the mid-1990s, I was the only one in my class that had books by Ukrainian writers. And although the school was Ukrainian, for instance, I was the only one who had the works of Mykola Trublaini (Trublayevskiy). For the rest of the kids, it was some kind of reader, but no one had read all of his works.

In 2000, my best mate at school moved to Kherson from Western Ukraine and, for a long time, he was the only person with whom I was able to talk in Ukrainian outside my immediate family. He recalls that period in amazement to this day, the way people of all ages would look at him like some strange creature and ask whether he wasn't from the village.

At university, every new course started with the question, in Russian, of course, "What language are we going to do our lectures in?" and in 100% of cases, the class would insist on Russian, effectively denying some students the guaranteed right to study in Ukrainian.

More recently, Ukrainian can be heard more and more frequently on the streets of Kherson, in daily life and at official events. Politicians who allow themselves to speak in Russian publicly are likely to find themselves trolled by colleagues and activist. Some local councillors and officials who did not speak Ukrainian — and this I know for sure — even hired tutors.

When and how this positive change took place is something that interests me in the first place. I have to note that, in Kherson, people thought of Ukrainian as something very unintelligent, countrified. As writer Anton Sanchenko says, in the times when he travelled on the Kherson-Horodniy Veleten bus, every one would switch to Ukrainian somewhere around Komyshany, a suburb of Kherson. Everyone wanted to not seem provincial and speaking with others in Russian for some reason was thought to be the simplest way to do this.

Of course, the language issue was always determined by policy. In 2003, the process of eradicating everything Ukrainian from the region's history began. With the support of the local government, Potemkin was introduced into the cultural life of the city, along with everything that was connected to him.

At that time, officials, especially then-mayor Volodymyr Saldo personally, seemed to think that glorifying Potemkin, Yekaterina II (Catherine the Great) and other imperial figures would somehow bring him and the rest of us closer to some kind of aristocratic existence. Later it became clear that this process was anything but accidental, but was part of the information war for "Russki Mir," which continues to this day. Pro-Ukrainian organizations were marginalized as much as possible and any attempts to ukrainianize were received with great hostility. Even the Orange Revolution and the humanitarian policies of Viktor Yushchenko failed to change the situation in Kherson significantly because the local powers that be did not belong to pro-Ukrainian parties but mostly to Party of the Regions.

A major role in popularizing the Ukrainian language was — completely unexpectedly to the Regionals at the time —

played by their own party when it voted to make the Russian language a regional language. In August 2012, the Kherson Oblast and Municipal Councils voted on Russian's status as a regional language. And although this did not lead to protests in the streets at that point, but it set up the underpinnings of internal protest which, I'm convinced, was the start of the Maidan. People were so dissatisfied with President Yanukovych and the governing of Party of the Regions that they began to support everything Ukrainian, including the language. Speaking Ukrainian with friends and at work, wearing embroidered shirts on special days, listening to Ukrainian music, and finding out about the history of Kherson country without Potemkin and other Russian personalities — all this became the simplest way of distinguishing "one of us" from "one of them."

By the time the Revolution of Dignity was underway and, of course, after Moscow's attack, the question of language simply disappeared from the agenda. Today, Ukrainian is fashionable and popular, and using it no longer pegs someone as "from the village."

THE LANGUAGE ISSUE WAS ALWAYS DETERMINED BY POLICY.
IN 2003, THE PROCESS OF ERADICATING EVERYTHING
UKRAINIAN FROM THE REGION'S HISTORY BEGAN

Of course, those who spent all those years working to preserve the Ukrainian history of Kherson and its region despite the opposition of those in power also played a big role. The Heroika Foundation was an example of a community initiative to place monuments and memorial panels reminding the public of those who fought for a free Ukraine. Also important was the pro-Ukrainian activity of various political parties and thousands of teachers in public schools and post-secondary institutions. In the battle for the Ukrainian language on air, the Skifia oblast broadcasting company played an especially important role. Although its content was not very contemporary and they were unable to avoid government censorship during the Maidan, their broadcasts were always in the Ukrainian language.

Decommunization had a major impact as well. In Kherson, the mayor made a timely decision sign off on the renaming of streets. And so the city now has streets named after General Almazov and Kedrovskiy, Heaven's Hundred and the Heroes of Kruty. Unlike many of our neighbor, we did not shamefully hide behind neutral streets like Merry and Apricot, but allowed Ukrainian history to come alive in the daily lives of Khersonites.

Of course, I don't want to sound overly optimistic: parties in power have changed time and again, shifting vectors radically in social policy from pro-Ukrainian to pro-Russian. Still, I now feel easy: no matter how bad ours are, theirs aren't going to be around.

Murderous intrigues

What will be the global consequences of the Saudi journalist Khashoggi disappearance

Michael Binyon, London

Rarely has the fate of a single person had such momentous political consequences. The disappearance – and probable murder - of a Saudi journalist in Istanbul two weeks ago has caused an international furore involving President Trump, the Secretary-General of the United Nations and leaders of all Western Europe. It threatens to destabilise the most powerful nation in the Middle East and sever crucial defence and oil contracts between the West and its biggest oil supplier. It also threatens to sabotage Western efforts to punish Russia for mendacious deceptions over the Skripal

THE KHASHOGGI AFFAIR COULD HAVE GLOBAL CONSEQUENCES IF IT PROMPTS EITHER THE REMOVAL OF MBS FROM POWER IN SAUDI ARABIA. AN INCREASE IN RUSSIAN INFLUENCE IN THE REGION OR THE COLLAPSE OF A KEY AMERICAN ALLY IN WASHINGTON'S ATTEMPT TO REIMPOSE SANCTIONS ON IRAN

Jamal Khashoggi, a leading Saudi journalist who became a fierce critic of the powerful Saudi crown prince, Mohammed bin Salman, walked into the Saudi consulate in Istanbul on 2 October to register his forthcoming marriage to a Turkish woman. He was never seen again.

After mounting speculation, Turkish officials announced, unofficially, that he had probably been murdered inside the consulate by a hit squad sent to Istanbul only a day before his disappearance. More gruesomely, they said his body may have been cut up with a chainsaw by the Saudis, removed from the building in bags and flown out of the country on two private jets that brought in the hit squad. After days of silence, the Saudis denounced the story as a lie, invited Turkish officials to inspect the consulate and said that they were also investigating Khashoggi's disappearance.

Increasing the pressure on the Saudis, the Turks then said they had voice recordings of Khashoggi being interrogated, tortured and killed inside the consulate and demanded a full explanation. There are video recordings of him entering the building. There is no recording of him ever leaving it.

The political repercussions are immense. If Khashoggi – well-known in America as a regular columnist of The Washington Post and critic of the Saudi government - was indeed murdered, comparisons with the Skripal case are obvious. In both cases, a dictatorial leader has authorised the murder of one of its citizens in a foreign country by men sent there specially to kill him. The Skripals survived the attempt to poison them with chemical weapons in the English town of Salisbury; Khashoggi's fate is unknown, but he has

been similarly targeted because he angered a ruler intolerant of criticism.

After the poisoning of the Skripals, Britain persuaded its western allies to take a very tough stand against Moscow. Dozens of Russian diplomats were expelled from Europe, America and even Australia. Official contacts with Russia were cut back. Visits were cancelled. And Britain and the Netherlands have recently exposed the suspects in the attempted murder and shown how the GRU military intelligence agency, to which they belonged, has attempted to disrupt, bug and infiltrate all subsequent investigations into the use of novichok, the chemical used to poison the Skripals.

Should the West now take a similarly tough stand against Saudi Arabia? If it does not, the campaign against Russia will be seen by many as hypocritical and the Kremlin will denounce it as simply a Western attempt to blacken Russia's reputation. But any tough political action against Saudi Arabia could be disastrous for the West. The country is the world's biggest oil producer. It is one of the biggest purchasers of American and British arms. It is the dominant economic and political power in the Middle East and the key to attempts to stamp out Islamist terrorism. And it is vital to America's attempt to curb the power and influence of Iran.

So far, Western leaders have only expressed their concern and demanded explanations from Rivadh. But the pressure is mounting fast. President Trump, one of the main supporters of MBS, as Mohammed bin Salman is commonly known, has announced that the United States would inflict "severe punishment" on Saudi Arabia if the kingdom was found to be responsible for Khashoggi's death. He said he would be "very upset and angry". He ruled out halting big military contracts, but the blow to the US-Saudi alliance, the key to politics in the Middle East since the end of the Second World War, would be devastating. It could lead to the overthrow of MBS – whose dictatorial and impulsive tendencies are now viewed with increasing alarm by other Saudi princes, by the alienated Muslim clergy and by human rights activists.

If Western pressure continues, this could lead to an economic crisis in the kingdom. Saudi Arabia is already suffering from a budget deficit and a massive financial drain on its savings, uncertainly over the future of its state oil-producing company and high graduate unemployment among its elite. Foreign investors have already announced that they will not go ahead with planned investment in the country. And Saudi money is now being shunned abroad: the British business tycoon Sir Richard Branson has halted plans for Saudi investment of \$1 billion in his various companies. Dozens of top world business leaders invited to a Saudi investment conference in Riyadh on 23 October have now



Ill-considered move. Whatever the development, Khashoggi affair has already significantly stained Crown Prince Mohammed bin Salman's international reputation

pulled out – including the president of the World Bank, heads of big western banks and the heads of global businesses such as AOL and Uber.

Saudi Arabia is now under pressure to offer an explanation. Even if Khashoggi is still alive and has been kidnapped and smuggled back to Saudi Arabia, there will be a massive outcry, even if he is publicly shown.

The incident has also changed western perceptions of MBS, until recently seen as a reformer who was brave enough to tackle corruption among the Saudi elite, challenge the power of the religious establishment and allow women some more rights, including the right to drive.

Now, however, he is seen as paranoid and intolerant of all criticism: he has imprisoned women human rights activists, he has silenced his critics, muzzled the press and alienated many leading figures in the extended royal family by his autocratic ways. Khashoggi was a critic, but he was still loyal to his country. If he has been murdered for his views, the outlook for any critic of MBS is bleak. His foreign policy is also now seen as impetuous and dangerous — especially the war he launched in Yemen and the country's ill-conceived attempt to impose a political and economic blockade of Qatar, its small but rich Gulf neighbor.

The Turks, recently denounced by their western allies for President Erdogan's dictatorial tendencies, are now raising the stakes. Erdogan has a deep quarrel with the Saudis over the future of Syria, and is now doing his best to embarrass them over Khashoggi and reassert Turkish leadership of Sunni Muslims. At the same time, Turkey is moving to improve its relations with the Trump administration. It has released an American pastor who was accused to terrorism. It has ended its quarrel with the Americans over visas. And it has stabilised the currency in an attempt to reassure foreign investors.

The Khashoggi affair could have global consequences if it prompts either the removal of MBS from power in Saudi Arabia, an increase in Russian influence in the region or the collapse of a key American ally in Washington's attempt to reimpose sanctions on Iran.

For this reason, it is being investigated at the highest level. António Guterres, the UN Secretary-General, has demanded the "truth" about the journalist's disappearance, and expressed fears that such actions will only lead to more extra-judiciary killings and "disappearances".

Two key countries have so far expressed no view on the matter and are unlikely to do so — China and Russia. China has massive and growing trade links with Saudi Arabia, which it wants to reinforce as it attempts to fight a trade war against America. And the Kremlin may seek to benefit from any change in government in Riyadh that weakens the alliance with America. In any case, Mr Putin may be relieved to see that the global opprobrium against Russia over the Skripals has now focused on another issue.



During her recent visit to Ukraine, President of the NATO Parliamentary Assembly (PA), Rasa Juknevičienė spoke to *The Ukrain*ian Week about the importance of constitutional changes in Ukraine, the prospects that the Alliance will expand again, and various ways to resolve the conflict between Hungary and Ukraine.

What are the Parliamentary Assembly's priorities?

 I became president of this Assembly not that long ago and it turns out that my term will not be that long. But I have been a member since 1999, which is nearly 20 years, with a small break when I became Minister of Defense because members of Government cannot belong to the Parliamentary Assembly. So I have a good idea of the role this Assembly plays. Right now my priorities are two and they are equally important to me. One is Euroatlantic ties, a issue I would never have thought just a few years ago that we would have to return to — to talk about how much America there is in Europe or whether America needs Europe or not. I'm scheduled to visit the US in November, where I plan to meet my colleagues in the Congress. Of course, we'd like to see more of them in the PA because they work very constructively and have a positive impact on the legislature. The second priority is the question of Ukraine and Georgia. We must keep working with these countries, as they are our partners, especially in the East. For me, as a representative of Latvia, this is very important. As earlier, we are trying to do as much as possible for countries like Ukraine and Georgia, who want to join us in the European Union and in NATO. That's why I visited Ukraine after I was in Moldova, and next I plan to go to Georgia. At the same time, as president, I can't let slip other issues, such as relations with the Balkan countries. And so I also just recently visited Montenegro, which has joined the Alliance, and Bosnia and Herzegovina.

How much sense does it make to change Ukraine's Constitution to specifically mention a Euroatlantic orientation, as President Poroshenko has suggested?

- I'm very much in favor of this. The minute Ukrainians elected a new Verkhovna Rada, new delegations came to the Assembly. We had several opportunities to talk with them about what's most important to Ukraine today: to choose its path. As I understand it, this is path is European, oriented towards the EU and towards membership in NATO. That makes it very important that this current Rada do this, so that there won't an opportunity to walk away from this path, which we've seen more than once in the past. Ukraine first applied to NATO, then Yanukovych said that the country supposedly doesn't want this. We weren't where, in fact, it was going. The one thing that can help here is legislation.

In this sense, it's very good that you passed the new law on national security. We were in the same situation in Lithuania in 1996. At that point we unanimously voted in favor of a new law on national security that specifically stated that Euroatlantic integration and membership in NATO and the EU were all part of our national security. Prior to that we passed a constitutional act as an attachment to the Constitution that specifically forbade joining any kind of post-soviet union. Together with the law on national security, this act we now call the "little Constitution" because to change it, it will need a constitutional majority of voices in the legislature.

What political factors do you see today as working in favor of Ukraine ioining NATO?

— I might surprise you, but I would say Putin. Unfortunately, people have died and considerable losses continue to this day. But who was able to change the situation in Ukrainian society the most? The Kremlin. Its attack on Ukraine, the annexation of Crimea, and what's going on in the eastern part of the country to this day, where Russia has effectively occupied this region — all these events led to major upheaval in Ukraine. Most people understood who was who, which hadn't been the case before. For the Alliance, the main thing is that the people want to join. If this will isn't there, no one will take them in without their wishes. This

is a democratic state and NATO is a democratic institution. The fact that we see nearly half of Ukrainians wanting membership is having a serious impact on politicians in the Alliance who are monitoring the situation. Reforms are also important, of course. Some people seem to think, oh, so we reformed out Armed Forces, security bureau and other security bodies and that's enough. This is clearly part of the criteria for joining NATO, but the entire country joins NATO, not just the Defense and Foreign Ministries. Issues around corruption, the economy, and the way the political system works also have to be resolved. Without this, membership is impossible. If you have a ready army but lack a democratic system that functions properly so that people can come to power from election to election in a democratic manner, nothing will happen. Time is currently in your favor. Ukraine only submitted an application for membership a few years ago. Lithuania joined NATO 11 years after it first applied. My advice would be this: worry less about whether you will be accepted or not and when. Do everything that is necessary, as though you already had the Membership Action Plan. Work so that, when the day comes, everyone will see that you are completely prepared. Like Finland and Sweden. They aren't members of NATO. Of course, someone can point out that the situation is very different there and it would be inappropriate to compare Sweden to Ukraine. But I deliberately chose this example. Today their standards are such that in some cases they are higher than what the Alliance requires. And so if these countries apply, they will be accepted literally the next day, because they are ready and are already very active in NATO's military exercises. Putin helped them understand this.

In March, NATO recognized Ukraine as an aspirant country. How has this affected political dialog?

 Clearly, the acceptance of a country into NATO is primarily a political decision. Country legislatures actively influence this process, which is why every member has to ratify the agreement. This means the role of parliaments is too high. I would say, quite frankly, that not all NATO members see membership for Ukraine and Georgia the same. This depends a lot on the political forces in a given parliament. To change this situation requires serious effort. Indeed, your latest delegation has worked very well, as I can compare it to previous delegations. For instance, you were able to get an agreement to hold a NATO PA session in Kyiv in 2020, which will bring together delegates from all member countries, including those with associated status. Several hundred people will get together who are responsible for security in Europe and North America. This is a key event. The very fact that your delegation was able to persuade others to hold the session in Ukraine speaks a lot, because some were saying that it wasn't worth annoying Russia, that it was premature and could give out the wrong message — that Ukraine will soon become a member. However, when we held such a session in Lithuania in 2001 with the NATO PA, we also weren't a member, but three years later, we joined. I'm not saying that the same will necessarily happen with Ukraine, but there's no reason not to think in that direction as this is one of the steps forward. The legislature, the Government, NGOs and the people themselves are all responsible for getting Ukraine into NATO. Above all, the state itself. It's time to reject the idea that reforms need to be done for the sake of the Alliance and not first of all for your country.

How might the dispute between Ukraine and Hungary be resolved, given that it affects dialog with NATO?

— I was among the parliamentarians — and we were the majority — who signed the letter to Hungary's legislature. In it, we said that we had difficulty understanding why issues between two countries were being used as instrument to prevent Ukraine from joining the Alliance and to block negotiations with the Ukrainian side. As far as I know, many delegations in the PA also don't support Hungary's

Rasa Juknevičienė. Born in 1958 in Lithuania, she graduated from the Kaunas Medical institute in 1983 and worked as a pediatrician from 1983 to 1990, when she was first elected to the Seimas. She was a deputy for five terms, including the current one. In 1999-2000, she was deputy chair of the Seimas and head of the Seimas delegation to the Parliamentary Assembly of NATO. Over 2008-2012 she was Lithuania's Minister of Defense and a member of the Ukraine-NATO Interparliamentary Council. Over 2016-2018, she was deputy chair of the NATO PA. On September 24, 2018, she was elected president of the NATO PA.

blocking of contacts at the ministerial and presidential levels. This is definitely not normal. Of course, the Hungarians can have their own views on language, and Ukrainians theirs. But these kinds of issues should be raised at the intergovernment level, which is how other countries have handled such situations, for instance, Poland. Poland also has minorities that live in Ukraine and there are some issues, but they resolve them at the bilateral level. We at the NATO PA will try to mediate so that the Ukrainian and Hungarian delegations can get together at the next session in Halifax in Canada. Your delegation wants to initiate such a meeting. The situation somewhat resembles the situation with Macedonia, which has long been ready to accede, but Greece kept vetoing a decision.

What is your strategic view of the prospects for a future expansion of NATO?

 If Macedonia manages to resolve the issue of its name, it won't have any problems acceding to NATO. Bosnia and Herzegovina is also an applicant country. However, some disputes have come up between the Serbs, Croats and Bosniacs, and opinion is divided. I also think that NATO will be pleased to accept Finland and Sweden, if this decision were to come up. After the annexation of Crimea, five Swedish parties have changed their platforms and added the intention to join the Alliance. That's quite the breakthrough in the thinking of a people that has maintained neutrality for 200 years. A similar process has taken place in Finland. Also recall, for instance, that Georgia is no less ready, in terms of meeting all the criteria, than Montenegro, but, of course, Russia has arranged territorial obstacles. Still, I think this depends largely on the political will on both sides, meaning Georgia and NATO. The problem is resolvable. We already have an example of such a situation in the Alliance: Western Germany belonged, while Eastern Germany was part of the Warsaw Pact. So if Georgia itself were to show a more imaginative approach to resolving its situation, it could be next. And, of course, there's Ukraine. You are the newest aspirant and so, of course, it's going to take time. Democratic elections have to be held, and it's important that there's no regression. That's why many in the Alliance could be thinking, let's see who they pick, because someone could come who turns around and says that Ukraine doesn't need NATO. Politicians are discussing this, watching the situation evolve, waiting. Mainly this means changes to the Constitution: will they happen or won't they? They're waiting for the outcome of the elections to see who comes to power: will we see similar declarations and work on the necessary changes? It's not about left or right parties. For the EU, it's completely clear that reforms need to keep going in order to join the Union. The same is true for NATO. If Ukraine moves away from this course, more problems will come up. To wrap things up, I'd like to just say one thing: I'm in Ukraine to thank you. We are grateful to the people who are maintaining the country's defense on the eastern front. You are protecting u. Not everyone in the European Union and NATO seems to understand this. But I feel this very strongly and want to express thanks on behalf of myself personally and the Lithuanian people.

Where the compass points

What proportion of Ukrainians really knows what NATO is and how their attitudes differ from those of their EU neighbors

Andriy Holub

In early 2017, the American pollster Gallup published the results of a survey of attitudes towards NATO in countries that once belonged to the socialist camp. The results were not surprising (see Attitudes Towards NATO in Southern and Eastern Eu**rope).** It seems that attitudes towards NATO are affected by a number of factors that are generally easy to relate to recent political events. Sometimes we can see Russia's influence, which has been turning itself into the Alliance's key opponent once again. Sometimes, such as in Serbia, negative attitudes can reflect actions taken by NATO itself: locals still remember well its 1999 bombardment in response to ethnic cleansing of Kosovar Albanians by Serb forces. In the Balkans, the national factor plays a considerable role in many countries in their relations with NATO. A clear example of this is Bosnia and Herzegovina, which received its invitation to the MAP in 2010. According to UNDP data from 2014, 82% of Bosniaks and 80% of Croatians thought joining NATO would have a positive impact on their country. Only 15% of Serbs feel the same.

Only about 10.5% of Ukrainians say that they are properly informed about what NATO is. Another 55% say they know a bit, but not enough, while nearly 20% admit that they know next to nothing about the Alliance. An additional 11% say that they are uninterested in knowing more about NATO

Taking another look at the Gallup poll, the most striking fact is that even some members of the Alliance not only don't demonstrate unanimous support for NATO — they don't even have a convincing majority in support. Greece is a perfect example: it joined NATO in 1952, but today only 23% of Greeks think the Alliance provides security, while almost the same proportion, 19%, think it's a threat. The remaining half of the population is neutral about NATO.

Of course, there are diametrically opposed examples, right next door to Greece. In Albania and Kosovo, 70% and 90% of the population see NATO as providing protection. The case of Kosovo is also a reflection of the bombardment of Serbia nearly 20 years ago: where the Serbs saw NATO as an aggressor, the Kosovars saw NATO as a liberator, so for them NATO was obviously providing security. This is also in part the reason for the support seen in Albania, as over 90% of Kosovo's population is ethnic Albanian. But another factor has also played a role in Albania. In 2016, the UN Development Program (UNDP) ran a survey in Albania, with one purpose being to determine public trust in a range of institutions. As it turned out, support for the country's political and judiciary systems was very low, at 25-20%. These figures are close to what we can see in Ukraine and other countries with a high level of corruption and relatively low standard of living. Among Albanians, three international organizations made the Top 3 for trust: the EU, the UN and NATO, with nearly 80% of the population expressing trust in them. What's more, this indicator has been growing year after year.

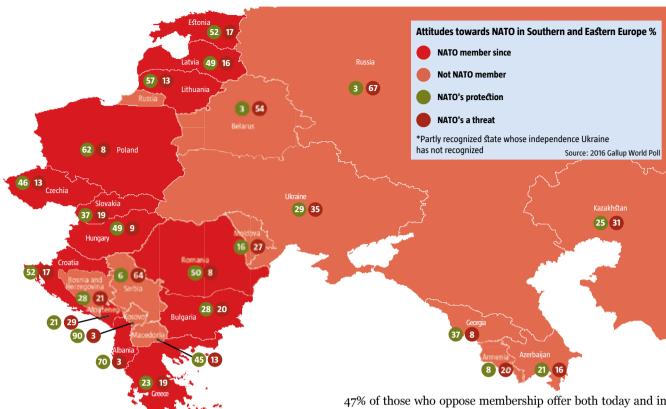
These are the results long-term cooperation that began almost immediately after the Soviet Union collapsed in 1991. The Albanian regime was a unique phenomenon even in the socialist bloc: the local leadership managed at various times to quarrel with the USSR, with Yugoslavia and even with China. After that regime collapsed, the country fell into a long period of political instability and managed to pass a new Constitution only in 1998. Yet this did not get in Albania's way of becoming the first country in the eastern bloc to receive military aid from the United States and the first to unequivocally state its intentions of joining NATO.

In 1995, The Washington Post called all this the "most bizarre military cooperation," meaning that the biggest military power in the world was working together with what was then considered the smallest, Albania. And although this Balkan state actually acceded to NATO later than many other CSE countries, the impact of this cooperation can be felt to this day. If public opinion is taken into account, it's Albania and not Greece, as once was, that can be called NATO's outpost in the Balkans.

In Ukraine, attitudes towards NATO remain controversial. In contrast to Albania, for many years Ukraine made no plans to actually join NATO, even though it began cooperating with the Alliance immediately after declaring independence. Meanwhile, NATO paid little specific attention to Kyiv as well. As a result, a consistently negative image of the Alliance continued to dominate among Ukrainians, which often became a weapon in the hands of politicians who played on fears of various kinds. For instance, the peak of hostility towards NATO in Ukraine was reached, not in the 1990s, but after the Orange Revolution, when political competition reached its peak under the Yushchenko Administration.

The war changed everything. Today, a very modest 30% of Ukrainians think that NATO represents security, compared to 70% of Albanians. In the Gallup report, the authors focused specifically on the example of Ukraine. "In 2014, after the Alliance instituted sanctions against Russia over its annexation of Crimea, for the first time more Ukrainians (36%) thought of NATO as representing security, rather than a threat (20%)," the authors wrote. "However, by 2016, the proportion of respondents who thought it was a threat had grown to 35%, reflecting how tired Ukrainians were from the military conflict, the poor state of their economy, and a growing crime rate."

In addition to the political factor, one of the main reasons for NATO's lack of popularity in Ukraine is due to a lack of understanding among ordinary Ukrainians about just what the Alliance is and does. In August 2018, the Ilko Kucheriv Democratic Initiatives Fund published the results of a study that makes it possible to track changes in this issue. First of all, the authors confirmed what Gallup had said. The popularity of acceding to NATO as the best guarantee of national security kept growing steadily, from 13% in 2012 to 47% in 2017, after which the picture did not change much. This past August, however, the share slipped to 42%. At the same time the popularity of a military union with Russia collapsed from 31% to 6%. What seems to be growing in the meantime is support for the idea of a neutral Ukraine: the share of those in favor fell



from 42% in 2012 to 20% by 2014, when the conflict in Donbas was at its worst. Yet by August 2018, this group had grown back up to the levels it was before the war, with 35% of Ukrainians preferring non-bloc status for Ukraine.

If there is talk of a referendum on accession to NATO, the latest poll results suggest that this is the best time for those who support membership: 44% in favor and 39% against. If such a poll were limited to those who actually intended to vote in a referendum, the result would be a decisive 67% vs 27%.

In addition to shifts in Ukrainians' attitudes towards NATO, the DIF study has looked more deeply at changes in their knowledge about the Alliance. Here, the picture is far more telling. First of all, the majority of respondents admit that they don't know much. Only about 10.5% of Ukrainians say that they are properly informed about what NATO is. Another 55% say they know a bit, but not enough, while nearly 20% admit that they know next to nothing about the Alliance. An additional 11% say that they are uninterested in knowing more about NATO.

An even more revealing question in the poll was: "How, in your opinion, are decisions made at NATO?" Decisions regarding military operations are approved by consensus, which means that every member has to vote in favor of the issue. The failure to reach consensus is why NATO did not participate in the second Iraq war in 2003, despite considerable pressure from the US. Yet less than 19% of Ukrainians answered this question correctly, a figure that has not improved that much in more than a decade: it was just under 14% in 2007. Another 22% of respondents in the August 2018 poll said that decisions are made by majority vote, while 14% believe that all the rights belong to the "old" members of NATO. By comparison, in 2007, 14% and 17% thought this. Worst of all, nearly half, 45% of Ukrainians, couldn't answer this question at all.

This lack of knowledge of how the Alliance works directly affects attitudes among ordinary Ukrainians. The main reason

47% of those who oppose membership offer both today and in 2007 is that "Ukraine might be forced to join military actions initiated by NATO." Another 38% think of NATO as an "aggressive, imperialist bloc," while over 30% say they favor non-bloc status or they are afraid of foreign capital having too much influence in Ukraine. Last year, respondents were given yet another option: "This will provoke Russia to direct military aggression," a reason favored by 25% of those who oppose membership in NATO. This option has now been removed, since Russia has been engaged in "direct military aggression" against Ukraine more than four years now.

A more in-depth look at the fears Ukrainians express shows that, while they have some regional distinctions, they are similar across different countries. In general, NATO is still associated with war, and not in defense against war. This can be seen in Moldova and Georgia, for instance. Both countries, like Ukraine, have suffered the loss of territory and all three were once part of the USSR. The difference is that Ukraine and Moldova have the same split of supporters and opponents of NATO among their populations, whereas the majority of Georgians support their Government's efforts to join the Alliance. In a 2017 poll commissioned by the NATO Information Center, 27% of Moldovans opposed to joining NATO said they were afraid that it would lead to conflicts and wars, and that the country would lose its sovereignty, but only 6% worried that it would damage relations with Russia. In the case of Georgia, the main reason of 45% of opponents to NATO in a March 2018 NDI poll was that it would lead to a conflict with Russia. The selection of possible answers varied in all three countries.

In short, attitudes towards NATO in a given country hinge on three factors: a clear position on the part of the Government, the level of knowledge about NATO among the general population, and NATO's own activeness in the country. In the case of Ukraine, the situation is somewhat unique: NATO's best advertisement was provided by its biggest opponent, Russia. But unless all three factors are in place, support for the Alliance could disappear as quickly as it appeared.

Parliamentary chronicles

A look at how voter attitudes have shifted over the years and how the Verkhovna Rada has been shaped since independence

Denys Kazanskiy

Ukraine is facing its next, eighth, round of Verkhovna Rada elections. In its relatively brief modern history, the country's legislature has seen its role wax and wane, depending on the political situation, but there has never been a point where it had no power and functioned in a rubber-stamping capacity. On the contrary, over time its influence has essentially continued to grow.

1994: THE GREAT MIX-UP. The first VR elections in independent Ukraine took place on March 27, 1994. This snap election was called when both President Leonid Kravchuk and the legislature agreed to reboot the government: there had been a massive miners' strike in 1993 that led to a political crisis. The VR election was then scheduled for the spring of 1994 and the presidential one for the summer. The 1994 campaign was organized in a manner typical of the era and was marked by the kind of sloppiness and confusion that was common in the mid 1990s. The decision was made to elect deputies on a first-past-the-post (FPTP) basis with 450 "majoritarian" ridings, as they are called in Ukraine. Voting was to take place in no more than two rounds: if no candidate picked up at least 50% +1 in the first round, then the top two vote-getters would run off against each other in a second round. But even then, the winner was declared only if that person managed to get at least 50% +1 of the votes cast. Because voters were given a third option, "None of the above," this requirement was not easy to meet in some ridings. Moreover, no winner was declared if less than 50% of voters turned up to vote in a particular district. In that case, a third round was officially called. These difficult rules made it impossible for the 1994 election to result in a complete Rada. In the first round, only 49 candidates won outright, while 401 ridings underwent a second round. But even there, 114 ridings failed to declare a winner — and many of the third rounds also did not manage to come up with clear winners. The process was protracted and by early 1995, with 45 vacant seats, the Rada was still only 90% full. In the end, some districts did not have a sitting MP until the following election. The result of this idiosyncratic election in 1994 was a very mixed-bag legislature. A total of 15 political parties gained seats and the majority of deputies were independents

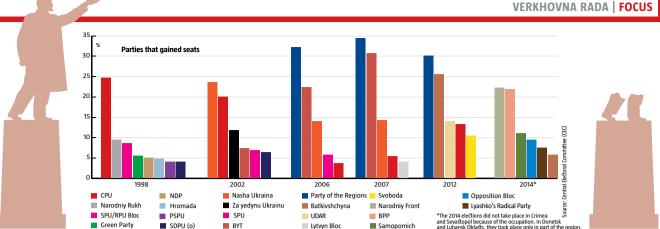
1998: The red comeback and its henchmen (and **WOMEN).** The 1998 VR election was the first "proper" election in the sense that Ukrainians know today. Voting, as now, was based on a mixed FPTP and proportional system: half of the deputies were elected based on party lists and half in "majoritarian" ridings. To gain seats in the Rada, parties had to reach a 4% threshold and eight parties met this requirement. The results of this election from two decades ago would look like an utter disaster for contemporary Ukrainians, as it was a triumph of soviet comeback parties that looked to Russia. The top winner, with a big lead, was the Communist Party of Ukraine (CPU), which took a majority of seats in 15 oblasts, Crimea, Kyiv, and Sevastopol. Today, such an outcome can only be the stuff of nightmares, but 20 years ago, after several years of hyperinflation, and mounting unpaid wages and pensions, this was the reality in Ukraine. The communists came first even in western Chernivtsi Oblast. In two more oblasts, the Rural Party of Ukraine (RPU) and Socialist Party of Ukraine (SPU) won by appealing to the soviet electorate. The Progressive Socialist Party of Ukraine (PSPU) under Natalia Vitrenko, who was seen as a spoiler and little more than a clone of Oleksandr Moroz's SPU, backed by then-President Leonid Kuchma, also gained seats in the Rada. However, the support "Vitriolic" Vitrenko had demonstrated the popularity of the radical red and brown slogans she espoused. What's more, PSPU's main stronghold was not the Donbas or Crimea but Sumy Oblast, where the party got 21% of the vote.

All told, the Reds got 37% of the vote and 174 seats, a similar proportion, in the Verkhovna Rada. Had that election been held on a proportional basis, such a legislature could have led to the collapse of the Ukrainian state, but the single-riding deputies saved the day because independents won in most of these districts and they tended to cooperate with the government. Moreover, in two oblasts the parties that won were "feudal" parties who were able to gain significant support through the administrative leverage provided by their invisible "masters." For instance, in Zakarpattia Oblast, Viktor Medvedchuk's SDPU (o) won with a healthy margin, taking 31% of the vote compared to 4% nationally. In Dnipropetrovsk Oblast, 35.3% of the vote went to Pavlo Lazarenko's Hromada, of the most influential Ukrainians at that time and Yulia Tymoshenko's patron.

The real surprise in the 1998 election was the arrival of the Green Party in the Rada. At the end of the 1990s, most Ukrainians were too busy worrying about getting paid to worry about ecology, yet the Greens managed to pick up more than 5% of the popular vote. However, many of them seem to have voted for this party as a form of protest.

2002: RED PARTIES FADE AND ORANGE IS IN. At the start of the new millennium, the mood began to shift among Ukrainians and the protest voters began to turn away from the communists. The beginning of the end for the CPU was Petro Symonenko's failed bid for the presidency in 1999, when he openly gave in to Leonid Kuchma. At the same time the national democrats managed to overcome the crisis that their camp faced after the death of Viacheslav Chornovil and a split in Narodniy Rukh. They also found a new, charismatic leader in Viktor Yushchenko, around whom a variety of minor parties began to unite. Eventually, these national-democratic forces took the name Nasha Ukraina, meaning Our Ukraine, and were associated with their orange-colored banner. In this election, the Orange camp had the highest share of the popular vote, 23.5%. NU beat out even the communists, whose popularity kept going down, as did support for the socialists. In addition to Nasha Ukraina, the CPU and SPU, the pro-western Block of Yulia Tymoshenko (BYT) made it into the Rada, as did two pro-Kuchma parties: Za Yedynu Ukrainu and SDPU (o), Although they only had 18.5% altogether, the "independents" once again saved President Kuchma's skin. Kuchma's "Za Yed U," a pejorative nickname that read as "For Food," got 11.8% of the vote, which translated into only 35 seats. But the eponymous faction in the Rada soon grew to 175 deputies, all thanks to "majoritarian" or independent deputies. In other words, the party that had far less popular support ended up the biggest force in the legislature. Za Yedu later transformed into the infamous

Party of the Regions and was inherited by Viktor Yanukovych. **2006:** A PARLIAMENTARY REPUBLIC. The 2006 Rada election took place in a very different country, where the Constitution had been amended to turn it into a parliamentary-presidential republic. After the 2002 triumph, the Orange camp proved successful enough to ensure Viktor Yushchenko's victory in the 2004 presidential election after the much-lauded Orange Revolution. After a dirty campaign that included ballot-stuffing and other manipulations, Viktor Yanukovych lost and it seemed like his political career was over. But



as the Orange suffered from irreconcilable differences and endless squabbles between the two principals, Yushchenko and his PM, Yulia Tymoshenko, and the national democrats' inability to make good on key promises like "Bandits to jail," voters were quickly disenchanted and demoralized. Their ignominious defeat in 2004 consolidated the elites in southeastern Ukraine, who all looked to Russia. Yanukovych himself quickly recovered from the shock and mended fences with Yushchenko. All these developments led to a sweeping victory for Party of the Regions in the 2006 VR election, taking over nearly the entire electorate of the CPU and becoming the main pro-Russian force in Ukraine. For the Communist Party of Ukraine, 2006 was a nightmare: the 20% of the vote it had gained in 2002 collapsed to 3.6%. The Party only gained a seat in the Rada because the threshold had been dropped to 3%.

In 2006, voting took place for the first time on a strictly proportional basis, meaning only according to party lists. This approach put an end to the free-for-all in the Rada. This time, only five parties met the threshold and they were clearly split into Orange and pro-Russian. The exception was Oleksandr Moroz's Socialist Party, which joined the Orange camp. It succeeded in burying the Fifth Convocation of the Verkhovna Rada, which turned out to be the shortest-lived in the history of Ukraine. Initially, the socialists formed a coalition with Nasha Ukraina and the Tymoshenko's bloc, but then they suddenly switched to the other side and formed a coalition with PR and CPU. Even this formation failed to last long. President Yushchenko soon dismissed the legislature and called a snap election. Moroz's betrayal proved to be the SPU's swan song: they never made it into the next Rada

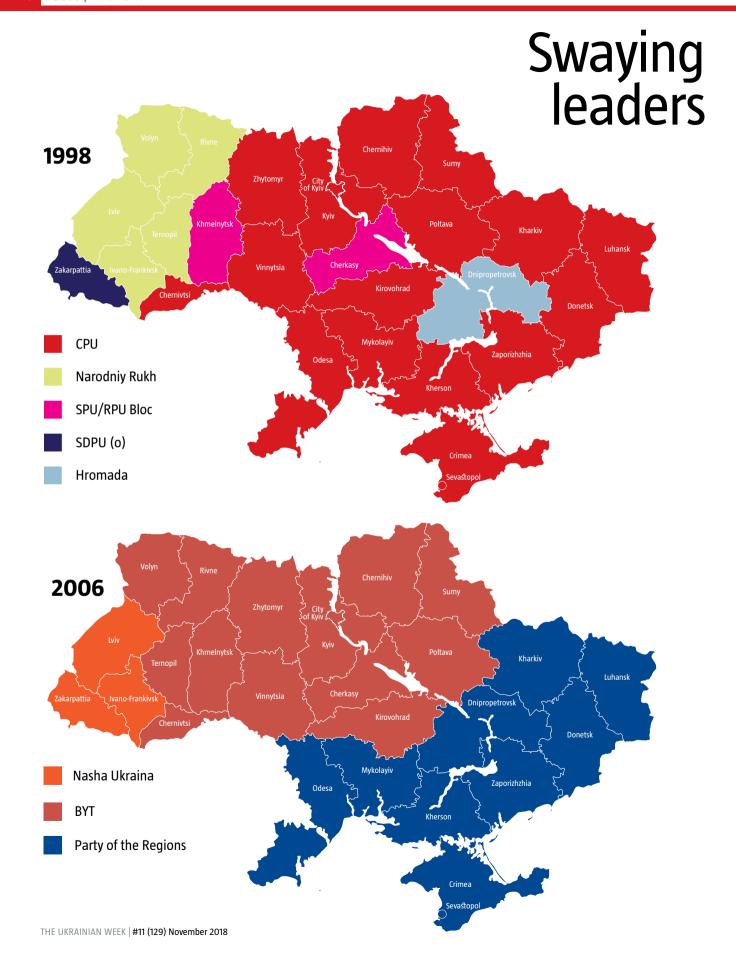
2007: ANOTHER COMEBACK. The 2007 snap election did not end up significantly changing the balance of political forces in the Verkhovna Rada. Once again, five parties gained seats, with the socialists replaced by the amorphous Block of Volodymyr Lytyvn, a former speaker. Its success was the big surprise this time. Like the vear before, Party of the Regions gained the most seats. BYT improved its position considerably, gaining 8.4% over its 2006 result to nearly match PR. In fact, Tymoshenko was the big winner this time. In December 2007, she took on the post of PM once again. The results of this vote looked like a success for he Orange camp and allowed them to regain control of the Rada after the betrayal of the socialists. However, this success also proved short-lived when Viktor Yanukovych won the 2010 presidential election barely 2 years later. Within days, the legislature turned from orange to blue and white. This time the main role in the swift change of the guard was played by Lytvyn.

2012: ON THE PATH TO DICTATORSHIP. In 2012, the VR election went back to the mixed system. The new president understood by then that he would not be able to control the Rada as long as elections were proportional, and so he reverted to some of Kuchma's old tricks: bringing a mass of FPTP deputies to the legislature who then helped him form a solid coalition to work on his agenda. In the end, PR and CPU gained fewer votes than the opposition parties. Protest

votes went to Svoboda, which surprisingly gained 10%. Even money and serious administrative leverage did not guarantee PR and its allies an unmitigated victory, but the "majoritarians" came to the rescue. Most of these supposedly independent deputies rapidly joined the pro-administration parties. Now Yanukovych had a legislature that he was in full control of. This helped him to strengthen his position in a short time, but in the end it could not save him from a disgraceful fall.

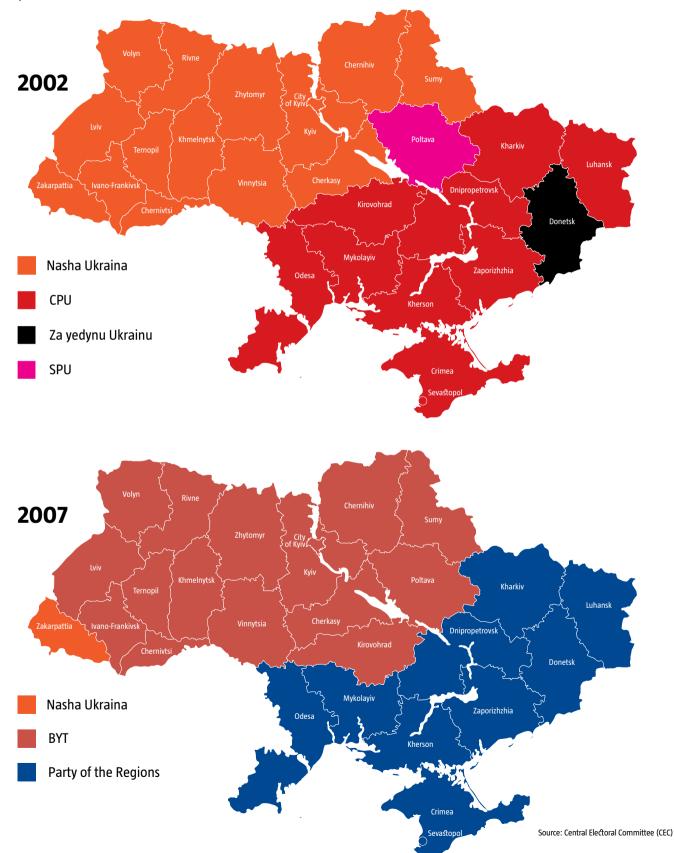
2014: A NEW ERA. After the Euromaidan revolution and Yanukovych's flight from Ukraine, the issue of rebooting the government naturally came up. Once the president was replaced, it was time to replace the Rada as well. The occupation of Crimea and part of Donbas, armed conflict in the country's east, and the collapse of Party of the Regions meant that any pro-Russian forces had no chance of taking power. And so, the 2014 election brought Ukraine its first Ukrainian legislature since independence. The rump PR, which campaigned under a new brand as the Opposition Bloc, was able to get only 27 deputies elected according to party lists. This was a real takedown. The rest of the Rada seats went to national-democratic parties that made use of harshly anti-Russian rhetoric and promoted European integration in their campaigns. The new administration decided to leave the FPTP half of the election in place, which helped many former PR members to gain seats again and, as in the past, the "independents" tended to cooperate with them. They formed several factions in the Rada, but, in good political tradition, they began to play the ruling coalition. The dramatic events of 2014, which was the most difficult year Ukraine had lived through, led to a major reshaping of the country's political landscape. Old parties and politicians lost support and new heroes took their place. In spring 2014, Oleh Lyashko's star began to rise, when earlier no one took him seriously. He actively promoted himself in relation to the conflict in Donetsk Oblast and initially used in national-patriotic slogans. This, of course, pushed his ratings up quickly and he was able to get his party elected. The real "black swan" event in 2014, however, was the success of a completely new party, Samopomich or Self-Reliance, which had been formed not long before the election. Narodniy Front also showed unexpectedly high results, beating out even the Bloc of Petro Poroshenko, which had been expected to come in first.

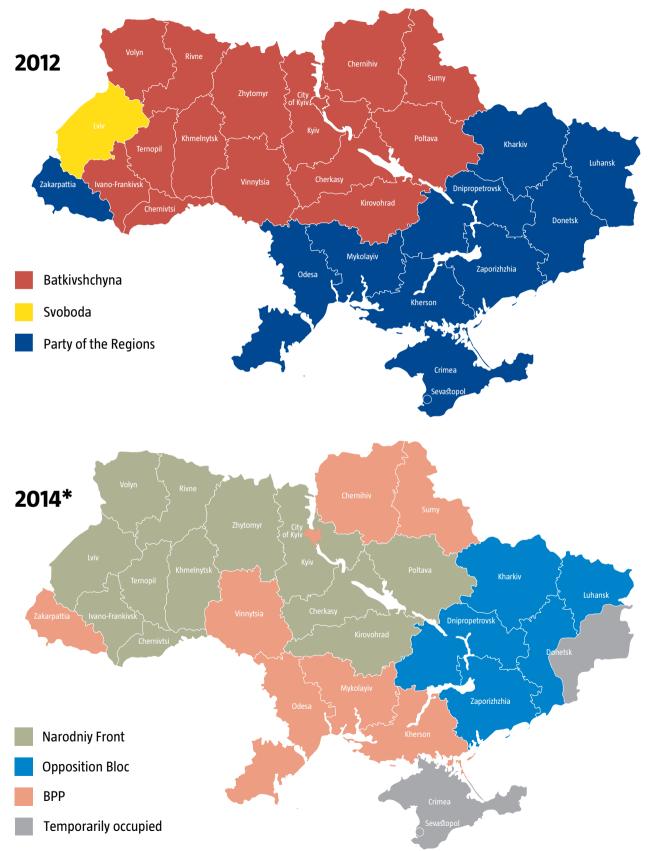
2019: COMING SOON... What the 2019 election will look like is anyone's guess. The only thing that can be said with certainty is that this will be the most unpredictable election. Party ratings are scraping the bottom like never before and political forces are fragmented. This means that any new alliance could radically change the balance of forces on the political front. Whichever candidate wins the presidency is certain to be successful in the Rada election as well, thanks to the usual undeclared mass of "majoritarians." In the end, the mixed system was not changed, which means that the legislature will once again have dozens of deputies whose political positions are vague and who will be prepared to join whatever force promises the best terms.



How Ukrainian regions changed their political colors

Andriy Holub





^{*}The 2014 elections did not take place in Crimea and Sevastopol because of the occupation. In Donetsk and Luhansk Oblasts, they took place only in part of the region Source: Central Electoral Committee (CEC)



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Ukraine's American Dream

Just like democracy itself, entrepreneurial freedom and an efficient economy can foster social justice

Maksym Vikhrov

Social justice is one of the oldest and most controversial socio-political concepts. "No one has been able to come up with one and only one universal rule that will identify what social justice is," renowned economist and Nobel laureate Friedrich Hayek once said.

The most seductive formulation came from French socialist Louis Blanc, back in the mid-19th century: "From each according to his ability, to each according to his needs." His idea was taken up by Marxists of various stripes who tried in different ways to put it into practice — and nothing good came of it. The minute the government began to determine everyone's talents and needs, and to distribute goods, new inequalities emerged, often more horrible and insurmountable than what was earlier. For instance, the USSR divided up its population literally into different sorts who were provided for according to different standards, which

According to the National Academy of Science's Institute of Demographics and Social Studies, Ukraine's wealthiest 10% has 40 times more than its poorest 10%. The UN has concluded that this level of inequality threatens the country with socio-political unrest

were called "provision categories." Moscow, Leningrad and a slew of other major cities, industrial and recreational centers received as much as 80% of all the goods the state produced. There were also subcategories based on professions: miners were in the first provision category, while collective farm workers were in the lowest or third category After the USSR collapsed, new inequalities emerged that have left ordinary people no less dissatisfied.

The guarantee that freedom will not turn into chaos is having laws and the institutions that ensure that they are upheld. Laws are also the foundation of economic growth: when there is no law, the only functional form of enterprise becomes marauding. Ukraine has faced plenty of problems in this respect, and this is reflected in the catastrophic lack of trust in the courts, -75%, the prosecuto-

rial system, -74%, the police, -46%, and so on, according to a 2018 poll by the Democratic Initiatives Fund.

A serious factor in public disillusionment are instances when wealthy and influential individuals evade punishment for obvious and even proven, crimes or when lawlessness becomes systemic. In fact, this last was the final straw that led to the mutiny in the Vradiyivka police rape case in summer 2013 and, ultimately, to the Euromaidan. For Ukraine to move closer to ideal justice, however vague that might be, there's no reason to reinvent the wheel: all it has to do is institute real rule of law.

In contrast to equality before the law, equality in terms of material property is unattainable and not even necessary, provided that it does not lead to overstepping bounds. All the historical efforts to establish material equality have led to enormous numbers of victims. How large is the equality gap in Ukraine? The GINI Index, which designates the level of stratification in a society from o=complete equality to 100=absolute inequality, Ukraine stands at 25.5, or about the same as Norway or Sweden, according to the CIA's 2015 World Factbook. But because of the large share of the shadow economy, this ranking does not really reflect reality. According to the National Academy of Science's Institute of Demographics and Social Studies, Ukraine's wealthiest 10% has 40 times more than its poorest 10%. The UN has concluded that this level of inequality threatens the country with socio-political unrest. Why? Populists keep emphasizing that it's immoral to be wealthy in a poor country, but appeals to ethnics and morals only hide the essence of the

In fact, overly deep inequality is only a symptom of the level of dysfunction in a society's institutions. Too much stratification in a society suggests that the country's economic resources are being usurped by its elites, who use them for their own interests. This means that the country is lacking not only a proper market economy but democracy as well. In protecting its privileges, the elite tends to build an oligarchic or autocratic regime, using anti-constitutional means against the country's citizenry, from stealing elections to unleashing terror. Such a country cannot be free or wealthy — at least not if people don't have the power to manage their resources and, say, collect gas extraction fees to fill holes in their budgets.

It's no secret that all of these features are typical, to one degree or another, of Ukraine. That means that social stratification cannot be reduced simply by "taking away and divvying up" the wealth of individual oligarchs. First of all, the country needs real democracy and rule of law. Secondly, it needs to establish a truly competitive economy instead of conserving the dominance of oligarchs. For instance, only 53 of the wealthiest American corporations have managed to stay on the Fortune 500 list ever since it was established in 1955. And even then, their rank keeps changing all the time.

Of course, a competitive economy cannot guarantee wealth for all, but only it can offer a chance to the largest number of people. This means having the necessary institutional conditions: open access to the market and bank credits, protection of labor and property rights, a properly functional court system to settle disputes, and so on. How high social lifts can raise individuals and their load capacity are determined also by the overall ef-

ficiency of the domestic economy: if it's low, most people will be stuck in poverty regardless of how well other institutions work.

Here, Ukraine also has plenty of issues. If GDP, the length of the work year and the employment rate are compared, then it turns out that the average Ukrainian makes US \$3.70 an hour for providing goods and services — although in real rather than nominal terms, it works out to US \$2.80. Yet Ukrainians work no less than Germans, Poles or French people. The problem is that they are mostly employed in areas that are not highly profitable, which makes it a lot harder to improve their standard of living through work. And so, thirdly, the country needs to develop a highly productive economy.

Just how high can social lifts take a person? There are plenty of examples of individuals who started out in the lowest reaches of society and reached fantastic heights. For the statistical majority, joining the middle class and becoming upwardly mobile is a realistic prospect within this stratum. The measures discussed here provide the best conditions for this to happen. In contemporary Ukraine, the middle class is still underdeveloped. Credit Suisse, a Swiss bank, compared household incomes with indicators of wealth for each region in 2015, concluding that only 0.8% of adult Ukrainians actually belonged to the middle class and controlled 16.9% of the country's economic resources. Of course, there are other ways to calculate matters that produce a more optimistic picture. For instance, the Razumkov Center came up with a figure of 14% of Ukrainians being in the middle class in 2014. By comparison, the Pew Research Center reported in 2010 that 72% of Germans be-

longed to the middle class, 74% of the French, 64% of Spaniards, and 59% of Americans. Societies whose middle class is insubstantial show a huge gap between the rich and the rest. This suggests that social institutions have been oriented so as to deprive most citizens of opportunities to improve their standard of living, regardless of their individual efforts. What's more, the architects of this kind of order are generally a certain portion of the elite who have taken over all national resources.

This is how mass poverty is the outcome of an economy whose productivity is low and institutions flawed. This is clearly the case with Ukraine. According to the UN, the poverty threshold in Central and Eastern European countries is US \$5 a day per person, which means UAH 4,200 a month. Meanwhile, a Derzhstat household study showed that the average monthly income per person in Ukraine was UAH 4,344 in QI of 2018, further differentiated as UAH 4,558 in urban areas and UAH 3,923 in rural areas.

Fully 30% of Ukrainians had incomes

that were below the actual subsistence minimum — the official subsistence minimum is depressed. Household spending on food alone was 46%, which also testifies to widespread poverty. For instance, the average Canadian family spends around 9% of its income on food, while in Kenya it's nearly 47%.

For all these reasons, overcoming mass poverty must be a fundamental component in building a just society. And yet, this cannot be done simply by distributing national resources to the poorest: at most this approach can lead to a very temporary improvement. Long-term, sustainable positive results will appear to the extent that the national economy becomes more productive and individuals are given more and more opportunities to engage in it and improve their lives. Of course, there are groups of the population who a priori are in no position to compete evenly with others: handicapped individuals, victims of force majeure circumstances, and so on. It would be quite fair if a society gives such people targeted support. However, when government support for the weakest turns into a situation where entire strata of the population are sitting on social welfare, obviously in exchange for political loyalty, this is the path to decline.

And so, to build a just society means shoring up democracy, establishing effective institutions and developing a highly productive economy. Only then can a country achieve the maximum match between individual effort and reward for such efforts. This, in some sense, is the original concept behind the American Dream. This won't, of course, make every single person wealthy or eliminate material inequality. However, with successful reforms, poverty can be reduced substantially in Ukraine and made less penetrating, while many inequalities can be

not for absolutely everyone, but for very many.
Social justice will never be absolute, but there is no better approach. How ready Ukrainian society is to these changes is debatable. On one hand, polls regularly show the tendency towards paternalism among Ukrainians, but there is opposing evidence as well. For instance, in a 2013 survey by the Oleksandr Yaremenko Ukrainian Institute for Social Studies, nearly 70% of Ukraini-

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FOR A JOB

eliminated through competition and opportunity —

achieve a decent living standard, while the government's job is to ensure the necessary conditions. Fewer than 30% in that poll thought that the state is obliged to provide a decent living standard for everyone. Still public opinion is a mutable thing, especially with an unstable economy, an ongoing war and other stresses. The main obstacle to greater social justice in Ukraine is likely to be populists

ans supported the notion that people themselves need to ensure that they

of their fellow-citizens, offering them visions of fantasies that can never happen and promising results that are impossible to achieve.

who manipulate the emotions

A mission to rescue PACE

The Council of Europe is preparing to walk back on its principles so that Russia could resume paying its membership fees

Alla Lazareva. Paris



The final chord. Before the end of his tenure, CoE Secreatry-General Thorbjorn Jagland who has been lobbying for the Kremlin's interests, is keen on delivering a gift to Putin by changing the organization's procedure

The Palace of Europe in Strasbourg is going through tough times. Set up to reinforce democratic standards and humanistic principles on the continent, the organization is preparing to revise its fundamental principles and make it much more difficult to apply sanctions against big countries represented by big delegations. Punishing smaller countries will be easier. All this will happen if 67% of votes approve the proposal on reconsideration of credentials and participation rights of national delegations at the fall session this month.

The four pages of the document mention no countries. Still, all those involved know well that it has been drafted

to Russia's rune which, while remaining a member of the CoE formally, has not been paying its membership fees for over a year and has not been sending its delegates to work at the CoE Parliamentary Assembly. In 2014, right after the annexation of Crimea and the start of the war in the Donbas, the CoE was the first international organization to pass sanctions against Russia. The Russian delegation was then stripped of its right to vote on resolutions and recommendations, then to participate in the CoE's missions and work in its governing bodies.

The restrictions infuriated Russia, so it decided to stop sending its representatives to Strasbourg. The Kremlin has no intention to fulfill the demands of the CoE and other international entities about returning Crimea to Ukraine and stopping the war in the occupied territory. What's next? Russia could accept the status quo and live with the sanctions, its one foot in the CoE and another beyond it, or to try and turn the table through blackmail, and change the rules to fit its interests with force and manipulations.

Clearly, Moscow opted for the latter. Its emissaries made it clear for the CoE leaders that membership fees will only resume after Russia receives all of its rights back with no concessions from its side. How could this be done? One way is to change the system of voting on sanctions from the majority of votes (as it is now) to 2/3of those present (as stated in the document that will be discussed in the session hall on October 9). According to The Ukrainian Week's sources, pro-Russian forces in the CoE are also hoping to make the procedure for initiating sanctions more complex. As a result, punishing Moldova would be easier, while punishing Turkey or Russia would be virtually unrealistic. The CoE thus risks turning into a territory of secondary discussions without any influence on big politics. How good are the chances that the new procedure will be approved? Volodymyr Ariev, head of the Ukrainian delegation and PACE Vice-President, believes that the chances are 50:50.

The first supporter of bringing Russia and its membership fees back is CoE Secretary General Thorbjorn Jagland. His tenure is running out, but he is doing his best to benefit the Kremlin before he leaves. Secretary-General Jagland has been lobbying for the removal of sanctions against Russia for almost a year now, not put off by the fact that Russia has complied with none of the conditions for which the sanctions had been imposed in the first place. In his many interviews, Jagland is urging everyone to ponder the fulfillment of Russia's demands. As if it was unjustly offended, and not an offender creating bloodshed in the neighboring country.

Jagland has spent over a year touring European capitals and persuading politicians involved in PACE's work that it can't allow Russia to leave the CoE. He refers to the interests of common Russian citizens who will thus lose the opportunity to appeal to the European Court of Human Rights, one of the CoE's entities. The fact that Moscow de facto declared itself out of the Court's jurisdiction and refused to fulfill the Court's verdict after it ruled in favor of Mikhail Khodorkovsky (based on the ECHR's verdict, Russia had to pay USD 1.9bn to the former shareholders of YUKOS, an oil company he used to own) does not seem to bother Secretary-General Jagland.

The CoE is not a structure that an average European sees or understands very well. Not everyone in the EU is watching the developments in Strasbourg. By openly pushing for Russia's interests, the Norwegian Labor politician who has chaired the CoE since 2009 leaves many questioning whether he still cares more about the fundamental principles of the organization, or the financial aspects of its work. The crisis faced by the CoE for years now goes beyond the money dimension. It has revealed the crisis of the values which the CoE was initially set up in 1949 to protect.

Apart from the influencers within the CoE management, Russia has supporters in national delegations. "France, Germany, Italy, Belgium, the Netherlands, Spain and Serbia, as well as Greece, Cyprus and Armenia may potentially support the changes drafted to painlessly return the Russian delegation to PACE," Volodymyr Ariev explains. "Some are hesitating. Unfortunately, political pragmatism starts prevailing over values and justice. As the presence of right and left radicals in national parliaments increases gradually over the past years, PACE's political map does too as a body comprised of national MPs. With more pro-Russian forces the idea of restoring Russia's powers is getting more popular. Also, Western Europe does not pay too much attention to the work of PACE, getting there is not that difficult. So, it's quite possible – I have seen such cases – that pro-Russian MPs are joining PACE and becoming members of the party groups in which pro-Russian positions are not widespread at all."

RUSSIA IS PUSHING MEDIEVAL APPROACHES, RUDE FORCE AND THE LAW OF THE JUNGLE, AS WELL AS REJECTION OF THE RULE OF LAW WHICH THE COE IS AIMED TO PROTECT.

> MANY IN THE WEST PRETEND NOT TO SEE WHAT'S GOING ON AND WHAT CONSEQUENCES THIS WILL BRING

According to The Ukrainian Week's sources, Poland, the UK, Sweden, Georgia and MPs from the Baltic States may vote against the change of the procedure to allow Russia to return to PACE without deoccupying Crimea and the Donbas. Will these votes be enough to stop the attempt to turn the CoE into an organization that exists for the mere purpose of existence? The arguments used by the supporters of Russia's unconditional comeback include the risk that Russia, as well as Turkey which has similar problems with authoritarianism, will leave the CoE. "This means that the CoE will turn into a pale shade of the EU without its powers," a former member of the French delegation commented for The Ukrainian Week. However, the CoE had existed long before 1996 when Russia joined it; the ECHR had been delivering its verdicts, while European countries had been harmonizing their legislations, and all that work had made sense.

Meanwhile, Moscow is tirelessly declaring its intentions to "leave the CoE for good" through different voices. This blackmail is pushing the lobbyists and the scared, as well as those who care about nothing but funding at any price. The work of PACE's deputies has intensified to levels unseen in the two weeks before the fall session. "This organization has never experienced a similar situation, when an initiative - including changes of the procedure drafted to fit Russia specifically - was pushed through within such a short timeframe between the last day of the summer session and into the discussion at the fall session," a member of the Ukrainian delegation said to The Ukrainian Week. 'They are preparing something hugely unfair, and I'm not sure that enough people with political integrity will stand against it."

Russia is pushing medieval approaches, rude force and the law of the jungle, as well as rejection of the rule of law which the CoE is aimed to protect. Many in the West pretend not to see what's going on and what consequences this will bring. In this situation, Ukraine is forcing the Western political establishment to go through an unpleasant exercise and decide between money and principles, a moral imperative and spin-doctoring. **...**

Price controls: The masochism mechanism

Why Ukraine has to stop engaging in price controls on natural gas as soon as possible

Oleksandr Kramar



Micro-managing. When the government regulates fuel prices, it becomes vulnerable to outside influence

No matter how much the Government complains about pressure from the International Monetary Fund over the issue of raising natural gas rates for residential customers, the Cabinet itself is at fault that the gap between residential and commercial rates has once again nearly doubled over the last few years. So pointing fingers at the country's lenders only embarrasses the Government and the country as a whole.

In October 2016, natural gas for households cost UAH 6.88/cu m and starting at UAH 7.60/cu m for industrial users, depending on the volume used. Today, the household rate is barely higher at UAH 6,96, but commercial customers pay UAH 13.40 as of October 1, 2018, provided that they use at least 50,000 cu m monthly, have no outstanding debts and pay in advance. The rest pay as much as UAH 14.60/cu m.

This kind of gap is not the result of some kind of onetime cataclysm but happened when rates for commercial customers kept creeping slowly upwards as a result of changes in prices on the European gas market while household rates were artificially — and irresponsibly kept nearly unchanged by the Government. Today's rate of UAH 6.96/cu m is about half of what it should be if the rate had responded to market factors all along.

Instead of rejecting price controls as a way of solving this problem once and for all, and suffer through the inevitable public discontent and political pain, the current Government has chosen the politically and socially more irritating method of "death by the thousand cuts." Today, it's clear that, in doing so, those in power have undermined themselves more than anything. Had residential rates shifted according to market conditions by the end of 2016, or at most early 2017, and price controls been removed, more than two years ahead of the elections, Ukrainians would have become used to the new reality and adapted to it.

Instead, the Groisman Government dragged out the resolution of this issue until the 2019 election campaign was pretty much in swing, offering a social basis for a comeback by various remnants of Yanukovych's Party of the Regions. And if it fails to undo this Gordian knot "with one fell blow," and continues to bring prices to parity with European prices in stages, then fuel rates will probably become the main focus of not just the presidential election, but of the next Verkhovna Rada and local elections, scheduled for 2020, as well.

MARKET FORCES VS FORCED PRICES

Complaints that Ukraine does not have a competitive domestic gas market may be accurate, but they only confirm the need to bring gas prices in line with the rest of Europe. There isn't any separate Ukrainian market for petroproducts, grain, metals, ores, oil, sugar, or vegetables, either. Today, all markets are global markets. At most transport costs and logistical aspects might differentiate one regional market from others, but not much more. The Ukrainian segment is just a small component of the global market and so its prices cannot be radically different.

Beyond this, if we compare the dynamics of prices for other goods and household incomes in Ukraine since the last time the government raised residential rates for natural gas, it's clear that the increase necessary to bring rates to market parity does not especially stand out in the overall picture. For instance, fuel has gone up 50-90% in the last 2.5 years. On April 29, 2016, a liter of 95-octane gasoline averaged UAH 21.40, diesel was UAH 18.00 and LPG was UAH 8.05. Today, they are UAH 31.40, UAH 29.10, and UAH 15.00 on average, representing increases of 47%, 62% and 86%. Of course, not everyone needs motor fuel and its share of household budgets, even among drivers, is often less than the cost of heating gas. A simi-

lar situation can be seen with food, and food constitutes a far more substantial portion of most household spending than utility payments, as statistics and polls can confirm. Even official statistics show that from April 2016 until August 2018, bread went up 39%, milk went up 40%, meat prices increased 43%, creamery butter jumped 48%, and eggs have increased over 67%.

Of course, the general public has been unhappy about all these increases in food prices, but it hasn't displayed the kind of hysteria that has been observed for years now, over natural gas rates. The best explanation is that food prices have changed under market pressure, not price controls, going gradually up and down with the seasons, although they ultimately end up higher.

Meanwhile, the purchasing power of ordinary Ukrainians has also gone up sharply. Since mid-2016, the last time the gas rate was increased by fiat, the rise in wages has been much more noticeable than the price mentioned here. For instance, the average wage increased from May 2016, when it was under UAH 5,000 a month, to UAH 9,170 in August 2018, a difference of 84%, while the minimum wage has gone up 157%, from UAH 1,450 to UAH 3,723, the average pension has gone up nearly 51%, from UAH 1,700 to UAH 2,562. The exception is the minimum pension, which has only gone up 28%, from UAH 1,130 to UAH 1,452.

This kind of increase in household incomes in most cases would more than compensate a rise in the residential gas rate if this had happened under market conditions, along with increases in rates for industrial users. Pensioners whose small incomes are growing the most slowly would feel the shift in rates much less if they were given more accessible and more generous subsidies than other population groups. And all this would likely have led to far less focus on the rate hikes themselves. This, of course, would mean an end to price controls and market pricing mechanisms.

THE GOVERNMENT NEEDS TO SHED THE BURDEN
OF CONTROLLING ENERGY AND UTILITY PRICES
AND THE RESPONSIBILITY THAT GOES WITH THIS

If the price of bread, dairy, meat, detergent or cigarettes were also subject to price controls, imagine the outrage among ordinary Ukrainians if these prices suddenly jumped because of government fiat, rather than rising gradually under market pressure. Fortunately, this has not been the case. Because the government has had no hand in any of it, these rises have been far easier to adjust to, socio-politically, and have been accepted as a natural phenomenon, rather than leading to the angry response that rate hikes for various utilities bring about.

The only alternative is to switch to market-based prices for all fuels and utilities while preventing market monopolists from dictating terms. Nothing else will prevent the politicization of this subject and the social turmoil that sudden, irreversible rate hikes result in. The government needs to shed the burden of controlling energy and utility prices and the responsibility that goes with this.





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HOW NOT TO FOSTER INVESTMENT

It is more and more obvious that the lack of a predictable gas market and further price controls are key factors that not only keep major European players from entering the market, but also block the expansion of domestic extraction of natural gas in Ukraine by private companies. This, in turn, means that the country loses opportunities to see prices realistically come down by expanding domestic production to cover domestic demand completely and increase competition as new players join the market. This is what happened in the US, where prices were so high that just a decade ago there was talk of delivering Siberian gas through a transcontinental pipeline. Today, the US has turned into one of Russia's main competitors on the global natural gas market.

But for large-scale investment in domestic gas extraction, lack of capital is no longer the problem, but confidence among investors that the rules of the game and rate policy will be stable is. If the next government is run by populists who decide that domestic gas should not be sold based on quotes on European markets but should be subject to price controls based on operating costs, anyone who invests today will find themselves suffering huge losses.

In October 2016, natural gas for households cost UAH 6.88/cu m and starting at **UAH 7.60/cu** m for industrial users, depending on the volume used. Today, the household rate is barely higher at UAH 6.96, but commercial customers pay **UAH 13.40** as of October 1, 2018

The country pays a very high price for this uncertainty: commercial extraction has already been curtailed. The Yatseniuk Government was moving towards consolidated gas rates for all groups of consumers in preparation for switching to entirely market-based rates, and private extraction companies increased capacities 50% in very short order, from 2.8bn cu m in 2013 to 4.2bn cu m in 2016. But after the "final hike" announced by the Groisman Government in April 2016, the gap between residential and industrial customers once again began to expand, speculation about further price controls grew, and so did rumors that the government would nationalize private extracting companies.

The result was that in 2017, private companies cut extraction back to 4.1bn cu m, and for January-August 2018, the latest Coal Ministry figures show that extraction is about the same as it was for this period in 2017: 2.9bn cu m. In the meantime, state extraction companies also cut back production. Ukrgazvydobuvannia's slowing dynamic clearly cannot compensate for the reduction in output at Naftogaz's subsidiary, Ukrnafta. The result is that 2017-2018 are turning into time lost in terms of expanding domestic natural gas extraction.

Meanwhile, the government has failed to introduce effective incentives that would get private domestic extracting companies to reinvest surplus profits into expanding their operations. Given that the savings they entail are not being directed towards increasing production, today's extremely low fees for extracting natural gas allow private companies to remove their profits from the sector. Currently, domestically extracted gas sells for UAH 9-10/ cu m while production costs UAH 2-2.50/cu m, so com-

panies are paying the budget leasing fees for the exploitation of resources that amount to 14-29% of earnings. It's high time that the size of extraction leasing fees is tied to the pace of expansion going on at a given company: the more the company expands, the lower the leasing fee, and where there is no expansion or production is being cut, the fee should be higher. Those private companies that cannot demonstrate at least 10% growth in extraction annually should be obliged to pay all surplus profits to the state budget by raising the leasing fees on old wells to at least 60%.

Even at Ukrgazvydobuvannia, surplus profits are not being properly plowed back into the company to expand operations. Its financial report for H1'18 showed that operating costs were UAH 19.6bn to extract 7.55bn cu m of natural gas and 250,000 tonnes of petroleum with gas condensate. This means the operating cost of 1 cu m of gas extracted by the company is slightly more than UAH 2.20-2.50/cu m. Net profits from selling it at even today's prices is more than double production cost.

The sum mentioned here does not include the investment needed to dynamically expand extraction, say, at least 10% a year. Nor is it coming. Any profits earned are transferred to the state budget in the form of taxes and dividends. The company's financial reports show that, of UAH 30.47bn in net profits in 2017, Ukrgazvydobuvannia paid UAH 22.85bn went out to its shareholders in the form of "dividends." But the main shareholder, through Naftogaz Ukrainy, is ultimately the state. Yet only one quarter, UAH 7.6bn, went to other uses, including reinvestment.

Today, price controls on natural gas are a litmus paper for the lack of independence of the Ukrainian government and its vulnerability to outside pressure, and a quasi-tax being used to fill the revenue side of a troubled state budget. With the mediation of the state budget, they are trying to put together a modified scheme for crosssubsidizing the part of the population that gets subsidies through that part that pays for gas. But this also allows for corrupt earnings by oblast gas companies and cogeneration plants that piggyback on such schemes. In 2017, companies in the Naftogaz group paid the budget taxes and dividends worth UAH 107.3bn, more than half of which then went to subsidies. For the first 8 months of 2018, UAH 88.2bn has already been taken in, representing 18.7% of overall Treasury income for this period.

So, instead of incentivizing domestic extraction and lower prices for gas by eliminating the need to import it, today's administratively established yet uncertain rates function as a quasi-tax against all those who pay the full rates for gas and heating. Whatever price is set per cu m of natural gas, be it UAH 7, 8.50 or 10-12, cannot possibly be justified: it is considerably higher than the operation cost of extraction, and both far lower than and, more importantly, unrelated to those that would be established in response to market factors.

The main thing is that any price controls were and remain factors that lead to political and social instability without establishing a positive environment for domestic gas extraction to grow dynamically. Under normal market conditions, it would not only grow quickly to cover domestic demand and offer the market conditions for a considerable reduction in rates, but would eventually provide surplus that could be exported. This is something that can happen if Ukraine moves to market-driven rates for gas and other energy resources as soon as possible.



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Start with China

Why Ukraine needs its own trade war with China

Oleksandr Kramar

Recently, the idea that turning towards the West will condemn Ukraine to being a commodity-based economy and turn it into a semi-colony where developed countries from EU and NATO will sell their finished products is being promoted more and more enthusiastically. At the same time, those who do not dare to directly advocate reorientation towards Russia and "traditional post-Soviet markets" as a serious alternative against the background of Russian aggression point to China as a sort of "third way". They argue that Ukraine needs to intensify links with China in its politics and diplomacy, as well as trade and economics. Apparently, there are opportunities for more economically advantageous and politically equal relations when compared to the West. On the wave of frustration with the focus on the West, the Chinese alternative is becoming another mirage of a rapid solution to Ukrainian problems, if only cooperation would be furthered with the world's second-largest economy. This has recently been fuelled by the demonisation of the IMF and reforms to public, medical and social services, as well as the realisation that they do not mean German or Dutch income levels in Ukraine right now.

In 2017 all Ukrainian manufacturers of machine-building and instrument-making products had sales of only \$3.07 billion at the average yearly exchange rate from the National Bank. At the same time, imports of machine-building products from China in the same year amounted to \$2.88 billion

However, these illusions are shattered when taking a more detailed look at what is really happening in the trade and economic relations of Ukraine and other developing countries with China. In fact, trade with the PRC is perhaps the most striking example of inequality and harm done to the domestic economy. As we shall see from specific examples and figures, the influx of Chinese goods over past decades has killed off the widest variety of existing enterprises and entire industries in Ukraine or hindered the creation of new ones. On the other hand, most domestic producers have had practically no access to one of the largest markets in the world. Since the 2008-2009 crisis alone, from which the Ukrainian economy, especially heavy industry, is still unable to recover, imports from the PRC amount to \$49.2 billion, while our exports going the other way were worth \$18.7 billion. As a result, the aggregate trade deficit with China for 2009-2017 reached \$30.5 billion, with a total of almost \$43 billion since 2005. These are financial resources and market volumes taken away from domestic producers that have been destroyed by Chinese imports or simply did not have the opportunity to emerge. Without any compensation at all from the other side. Over time, this negative trend is only intensifying. In particular, over the first nine months in 2018 our exports to China (including Hong Kong)

remained virtually at the same level as in the equivalent period one year earlier (\$1.48 versus \$1.46 billion, with market share decreasing from 4.6% to 4.3%). Conversely, Chinese supplies to Ukraine, as well as their share in Ukrainian imports, are growing rapidly: from \$4.05 billion to \$5.28 billion, and from 11.5% to 13.0% of total volume.

The Ukrainian Week has already drawn attention to the extremely dangerous trends in trade and economic cooperation with China six years ago. At that time, Yanukovych's regime attempted to solve the problem of tense relations with the EU and Russia, which insisted on integrating Ukraine into its Customs Union, with the help of China. Signing a law on 6 August 2012 that opened the way for state guarantees on two PRC "investment" projects worth \$6.7 billion, he nearly opened a Pandora's box that would have made Ukraine greatly dependent on loans from Chinese state corporations under crippling terms. At that time, the process did not go too far, in particular thanks to the Revolution of Dignity, although Ukraine is still reaping the consequences of the oppressive contracts that were in fact signed. The State Food and Grain Corporation, for instance, has turned into basically the only unprofitable large grain trader in the country as a result of the first tranche of the Chinese loan (\$1.5 billion out of a planned \$3 billion).

Beijing's neocolonial approach towards trade with Ukraine has not gone anywhere since then. Chinese state corporations continue to refrain from direct investment and look for loans that are backed by the state. At the same time, they determine the areas in which the provided funds should be used for at their own discretion, as a result of which they quickly leave the "destination country" to pay for additional imports from the PRC.

Therefore, Ukraine must not intensify its cooperation with China on the basis of the current principles, but make a radical change to their foundations. If necessary, radical actions

It just gets worse

Ukraine's trade deficit with China Exports to China, incl. Hong Kong 7.93 8 Imports from China incl. Hong Kong 7 Deficit 6.13 6.29 Sources: Derzhstat data, author calculations 6 5.18 4.73 4 2.82 3.39 2.73 2.75 3 2.21 2 2016 2010 2011 2012 2013 2014 2015

*At the time of press, available current data on customs statistics from the State Fiscal Service for the first 9M'18



should be employed up to and including a trade war with the People's Republic of China. With the present levels and, most importantly, structure of bilateral trade, our losses will certainly be no larger than the benefits for domestic producers created by limiting the influx of Chinese finished goods.

RESTRICTED ACCESS

The access of finished goods to the Chinese market is a much more complicated issue than in the markets of developed countries and the United States. Those who do business with the PRC say only half in jest that local businessmen immediately warn them that they "only sell and buy nothing". Especially when it comes to finished products or basic semi-finished products and materials. This is a direct result of Beijing's aggressive economic policy.

At the beginning of the century, the largest net exports from China were consumer goods (\$51.6 billion of finished clothing, footwear, leather goods and other finished textiles or parts thereof) and furniture (\$16 billion). Conversely, the country was a net importer of electrical goods and machines, spending \$4.6 billion and \$6.96 billion more, respectively, on purchasing them than it received from exports. Only in shipbuilding and rail transport products did exports slightly exceed imports.

However, the situation changed radically throughout the first decade of the 21st century. Even before the international crisis of 2008-2009, China was exporting \$112.3 billion more in machines than it imported, and the exports of electrical goods exceeded imports by \$57.3 billion. Since then, net exports of machines have reached \$213.7 billion in 2017 and started to come to the fore, almost drawing level with clothing, footwear, leather goods and other finished textile products. Total exports from China in this category (\$383.2 billion) are more than double the import of similar products to the PRC from around the world (\$169.5 billion). Net exports of electrical products sharply increased, surpassing China's revenues from sales of furniture and toys abroad (\$137.9 billion). At the same time, aggregate exports of electrical equipment (\$598.3 billion) are now the top category of Chinese exports. In the meantime, the country has

also increased external shipments of shipbuilding and rail transport products, for which exports are currently dozens of times larger than imports.

While prior to the 2008-2009 crisis the PRC aggressively increased exports of finished products made from ferrous metals, even increasing imports of semi-finished iron and steel products, semi-finished products have also been exported on a mass scale in recent years. In 2017, exports of ferrous metals from China were double imports (\$43 and \$21.5 billion), while the difference for finished products made of ferrous metals was almost sixfold (\$56.7 and \$10 billion respectively). Consequently, not only has access to the Chinese market been closed forever to Ukrainian metal products – the backbone of our supplies to the PRC in the late 1990s and early 2000s – but China has also pushed Ukraine out of markets in South and South-East Asia, as well as Africa.

Instead, the main categories of Chinese net imports have long been energy and raw materials, and to a lesser extent certain high-tech goods that China has not yet been able to copy and food products for which demand can not yet be satisfied by domestic production. So it is not surprising that it is extremely difficult or even unrealistic for Ukrainian industrial semi-finished products or food products to make it onto the market.

By resorting to an aggressive policy of economic nationalism and conducting not even a neocolonial, but a classic colonial trade and economic policy from the 19th and early 20th centuries with respect to its partners, China has kept and continues to keep its own market closed to the sectors of the Ukrainian economy that would now be capable of supplying it with significant volumes of products. Moreover, this is happening while other countries from around the world have sales volumes of tens and hundreds of millions or even billions of dollars on the relevant markets of the PRC.

In addition, not only our finished products with higher added value have limited access to the Chinese market, but also most raw materials and food. We are currently represented on the huge Chinese market, whose suppliers we have given a very large part of our market to, almost exclusively by iron ore, corn, sunflower and soybean oil, soybean seeds and almost unprocessed wood.

For example, in 2017, Ukraine's share in the supply of iron ore and concentrates amounted to 1.3% of total imports of this product to the PRC (worth less than \$1 billion). In 2011-2014, the volume of such supplies to the PRC was almost 2.5 times larger (\$2.3-2.4 billion), as was their share in Chinese imports of this product, which fluctuated around 2-2.5%. About 75% of Chinese imports were already controlled by the world leaders Australia and Brazil, and since then they have only strengthened their monopoly in supplying iron ore to China, bringing their share to 84%. Ukrainian iron ore has ceded the Chinese market to more closely located suppliers in Iran and India in the last three or four years. Imports of these products from Chile and Peru are also hot on our heels.

China is a major importer of soya, purchasing \$39.6 billion worth in 2017. However, even in this market Ukraine is extremely weak (\$9.6 million). Brazil and the United States remain suppliers of over 80% of this crop to the PRC, while Canada, Uruguay and Argentina account for 2-6% each of Chinese soy imports. In terms of supply volumes on the Chinese market, Ukraine is dozens of times behind even competitors from the Russian Far East. Ethiopia, one of the key countries in China's recent African expansion, is right behind us.

As in the rest of the world, Ukraine dominates the import of sunflower oil to China (78%, or \$484 million, in 2017). Only Russia, Kazakhstan and Argentina are trying to compete with us, but their positions are many times n weaker. Supplies of Ukrainian soybean oil also account for a significant share of Chinese imports (10.3%, or \$55.3 million, in 2017) and they are slowly but surely growing, catching up in volume with the US and suppliers from the Far Eastern regions of Russia. However, Brazil has a practical monopoly in exporting this product to China, with a share of over 50%.

At the moment, Ukraine is also in first place for corn supplies to the PRC (over 61% of Chinese imports in 2017 and up to 80% in 2015). However, sales revenue is dropping rapidly and steadily – from \$877 million in 2015 to \$508 million in 2016 and \$369 million in 2017. This is due to the fact that there are practically no competitors for the Chinese market (except for the United States, with which Beijing is conducting a trade war, corn is only supplied from Laos and Myanmar, which have, however, been rapidly increasing export volumes in recent years).

Ukraine exports much less barley to China (\$148 million, or 8.2% of Chinese imports in 2017). It has pushed France out of third place, but the main role is divided between Australia and Canada, which account for almost 90% of all barley imports to the PRC. On the other hand, there are no wheat supplies from Ukraine to China at all. Although the market is comparable in size to that of corn, it is still shared between Australia, the USA and Canada. Recently, neighbouring Kazakhstan and Russia, for which logistics are much cheaper, have started to make their move.

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Currently, all Ukrainian exports of dairy products to the PRC are made up of dry whey. Supplies to China have been growing at an extremely fast pace in recent years (\$0.5 million in 2015, \$2.3 million in 2016 and \$12.5 million in 2017). According to these figures, we have already bypassed or are at least neck-and-neck with such traditional exporters of dairy products as Belarus, Austria, Denmark, New Zealand and Finland. However, the concentration on one product and a still very modest share of its imports to the PRC (less than 2%) indicates that Ukrainian producers have a clear problem with entering the Chinese dairy market. The traditional leaders in supplying these products to the Chinese market, such as France (\$113 million in 2017), the Netherlands (\$64 million), Germany (\$34.1 million) and even neighbouring Poland (\$30.7 million), are still a long way away. Not to mention that we are absent from other attractive segments of Chinese dairy imports, such as dry and condensed milk (over \$2.2 billion in 2017), butter (\$0.5 billion) and cheese (\$0.5 billion). Instead, Ukrainian producers of these products are represented on the markets of other countries.

Exports of Ukrainian timber to China have seen robust growth in recent years, but they are mainly made up of raw material from the saw-milling industry with a low level of processing. More precisely, in recent years exports of sawed timber to China have increased from \$14-15 million in 2015-2016 to \$35 million in 2017 and veneer from \$3.4-3.9 million to \$8.2 million, while supply volumes of unprocessed wood have decreased lately: from \$90-120 million in 2015-2016 to \$14 million (mainly in early 2017). While

Ukraine sends minimally processed wood to China, significant volumes of products with much higher added value go the other way. For example, more than \$41 million of fibreboard, chipboard and other materials have been brought in from China in recent years, as well as almost \$17.7 million of plywood and \$10 million of woodworking and joinery products.

As for the few Ukrainian high-tech industries, companies and R&D projects, in this sector China is also focusing only on buying or illegally obtaining Ukrainian technology (copying, poaching experts, etc.). Indeed, they do not plan to establish long-term cooperation or – even more so – buy Ukrainian high-tech goods. The prospects of attracting "investments" from China boil down to loans with state guarantees for Chinese goods and engineering services, as well as selling certain strategic assets to its companies.

OPEN UP A NICHE

On the other hand, Ukraine is plagued by Chinese machine building and electrical engineering products, as well as a large number of simple consumer goods in other industries. According to data for 2017, 44% of exports are accounted for by machine-building products, 11.8% – light industry products, 11.5% – chemical products and 10.2% – metal products.

By making access to our domestic market more difficult for Chinese importers, which are currently blocking or complicating the creation of new manufacturing industries in Ukraine, we have considerable opportunities for substantially increasing production, at least for the needs of the domestic market. Ensuring at the same time the creation of jobs and increased revenues for the state budget and social insurance funds.

According to the State Statistics Service, all Ukrainian manufacturers of machine-building and instrument-making products had sales of only UAH 81.6 billion on the domestic market in 2017, i.e. \$3.07 billion at the average yearly exchange rate from the National Bank. At the same time, imports of machine-building products from China in the same year amounted to \$2.88 billion. In other words, these figures are absolutely comparable. Imports of Chinese machine-building and instrument-making products are almost equal to domestic sales of similar products made by this entire sector of the Ukrainian economy.

Vehicles alone over the last five years have been imported from China to the tune of \$1.11 billion. Other electrical and engineering products that were imported from China in 2017 for more than 1 billion hryvnias and which could be produced in Ukraine included scooters and electric wheeled toys for children (\$113 million in 2017 and \$305 million in the last five years) and pipe fittings (\$87.8 million and \$481 million respectively). As well as monitors and projectors (\$81.5 million and \$402 million), lights and spotlights (\$81.4 and \$485 million), air conditioners (\$65.3 million and \$267 million), gas and electric boilers (\$57.8 million and \$366 million), and electrical transformers (\$38.4 million and \$167 million).

In 2017, Ukrainian enterprises sold only 26.6 billion hryvnias of metal products. At the average annual exchange rate for 2017, which is calculated by the National Bank, this is equal to \$1 billion. At the same time, finished goods made from ferrous metals worth \$255 million were imported from China, even at the declared value for customs (which is often much lower than the real one). Therefore, this is more than 25% of the sales volume of all Ukrainian enterprises on the domestic market.

There is a similar situation in the consumer goods, furniture and glass industries, as well as with the production of ce-

Aggressive partner

Ukraine's net exports (excess of exports over imports) for select product groups, 2001–2017, US \$ bn

	2001	2005	2009	2017	Total exports, 2017	Total imports, 2017
All goods	22.55	102.0	196.1	419.6	2263.4	1843.8
Mechanical equipment, instruments, nuclear reactors, boilers	-6.96	53.4	112.3	213.7	383.2	169.5
Clothing, footwear, leather goods and other ready textile products, and components	51.6	104.3	156.9	235.1	248.7	13.5
Electronics	-4.6	-2.5	57.3	140.4	598.3	457.9
Furniture, mattresses pillows, toys and games, sports gear	16.0	40.0	62.6	137.9	143.6	5.7
Finished ferrous metal products	3.9	13.3	24.9	46.7	56.7	10.0
Ferrous metals	-8.7	-11.1	-14.3	21.5	43.0	21.5
Shipbuilding products	1.2	4.2	25.9	21.2	22.9	1.8
Locomotives, rail cars and other products for railways	2.0	5.9	1.3	10.2	10.9	0.8

China's main net import products (imports in excess of exports), 2001–2017, US S bn

china's main net import products	2001	2005	2009	2014	2017	Total imports, 2017	Total exports, 2017
Energy resources	9.1	46.5	103.6	282.3	214.2	249.6	35.4
Ores	4.1	24.9	69.4	134.3	125.8	126.5	0.7
Precious metals and stones	-1.4	-2.1	-0.9	21.3	47.3	65.3	18.0
Oilseed	2.4	6.8	19.2	42.8	41.9	44.5	2.7
Copper and copper products	4.3	9.8	25.9	40.3	34.8	41.3	6.5
Cellulose, lumber and wood products	3.9	6.8	10.0	25.6	30.9	44.6	13.7
Optical, measuring, precision and medical instruments	3.3	24.5	28.1	31.8	26.9	97.5	70.6
Aerospace products	4.1	5.8	9.6	25.8	21.8	25.5	3.7
Pharmaceuticals	0.25	0.6	2.6	11.2	18.0	25.4	7.4
Vehicles and spare parts	-0.25	-4.3	0.4	25.3	12.0	79.3	67.3
Meat and meat by-products	-0.2	-0.2	0.9	4.7	8.6	9.5	0.9
Oil and fat products	0.7	3.0	7.4	8.5	7.5	8.3	0.8
Grains	-0.4	-0.02	0.25	5.7	5.7	6.4	0.7
Rawhide	2.3	3.3	4.2	7.7	5.0	5.6	0.6
Dairy products	0.17	0.4	0.9	6.3	4.8	5.0	0.2

Sources: International Trade Center, author calculations

ramic products, stone, gypsum and cement, which should be an area for the active development of Ukrainian small and medium-sized businesses, as well as a powerful generator of jobs in towns with high unemployment. In 2017, clothing produced by Ukrainian enterprises was sold on the domestic market for UAH 4.72 billion (\$177 million) and footwear for 1.55 billion (\$58 million). At the same time, imports of the corresponding products from China, even at declared customs values, were worth \$124.3 million and \$126.2 million respectively. Furniture produced in Ukraine was sold on the domestic market in 2017 for 7 billion hryvnias (\$263 million), while imports from China were equal to \$110.9 million, again only at officially declared values for customs.

Over only the past five years, \$1.33 billion of footwear, \$0.56 billion of toys and sports equipment, \$266 million in

paper and cardboard, \$297 million of ceramic products, \$266 million of stone, gypsum and cement products, and \$273 million of glass products were imported from China. These are revenues taken away from existing and potential medium and small businesses in Ukraine.

Significant volumes of food products are imported annually, particularly processed food, while access to the Chinese market remains closed. In particular, in 2017 alone \$33.5 million of canned fish and fish products were imported from China, and over the past five years these supplies amounted to almost \$125 million. Finished products made from fruits, vegetables and nuts were worth \$25.4 million and \$111 million respectively. At the same time, the Ukrainian food industry, with the exception of oil and dry whey, still has virtually no access to the Chinese market. \blacksquare

The will to resist

What factors affect the ability of nations not to capitulate during long-term armed conflicts?

Maksvm Vikhrov

Two years ago, according to Gallup International, 62% of Ukrainians (both men and women) were ready to take up arms to defend their homeland, while the average figure for Western Europe was about 25%. However, the Russian aggression is not only military in character. Russia puts economic pressure on us, demonstratively abuses Ukrainian hostages and tries to demoralise and destabilise our society. Meanwhile, an entire choir of voices calling for "compromise", trying to take advantage of war fatigue, never dies down. This has been going on for almost 5 years and no end is in sight. How much longer will we hold out for? There are too many unknowns in the equation to make any more or less well-grounded predictions. However, it is clear that one of the main components of our "stamina" is the national will to resist. In practical terms, this refers to the ability of the country's leadership to pursue a corresponding policy, even if political, economic and military losses increase or when chances of success seem smaller and smaller. Which factors determine a nation's will to resist? Although this issue sounds like a purely philosophical one, the results of a

study on it were presented in September 2018 at the Arroyo Center, a division of the RAND corporation, which carries out strategic studies commissioned by the US government and military leadership. This research project was initiated to assess a possible conflict scenario on the Korean peninsula, as well as one involving Russia and NATO members.

The first group of factors influencing the will to resist is directly linked to the military sphere: the balance of forces, duration of the conflict and number of losses. However, our situation is rather specific, because in the Donbas there is a hybrid war with limited use of military means and the widest possible application of all others. Whatever the case may be, Ukraine's positions appear to be the strongest in the military sphere. Despite the obvious advantage of Russia, Ukraine was able to do what was almost impossible: fight back in 2014, put the army in order and even launch its modernisation. The military losses that peaked in 2014-2015 did not paralyse Ukrainian society, but rather provided the reverse effect described by RAND researchers: they forced society to realise how high the stakes were, activated



Reverse Effect. Instead of stopping its struggle to the joy of the aggressor, Ukrainian society has seen unprecedented mobilisation that encompassed all segments of the population

national feelings and stimulated public support. However, despite everything, time is playing against us. According to the RAND classification, the Russian-Ukrainian war will soon enter the long-term conflict (five years or more) category, which will bring "fatigue" and other negative nonmilitary factors to the foreground.

The second group of factors is linked to the government. According to RAND researchers, totalitarian regimes, which have an effective bureaucracy and control over public opinion, and developed democracies, in which power is based on high legitimacy and decisions reflect the will of citizens, have the greatest resistance in a conflict. Unfortunately, Ukraine is not yet a developed democracy, so authoritarian Russia has the advantage here. There is a massive gulf of distrust between government and society: according to the Democratic Initiatives Foundation, the level of mistrust in President Petro Poroshenko is 60%, in the government 65% and in parliament 76%, etc. According to election ratings, there are no political leaders at all that, if necessary, would be able to mobilise society for resistance based on their own authority. Unlike Russia, where the stability of the "power vertical" is guaranteed by the security forces, Ukraine is always at risk of a serious political crisis, which in particular may turn out to be the comeback of internal pro-Russian forces. The lack of agreement among the country's leadership and the political elite is another factor that negatively affects the will to resist. The permanent threat of the collapse of the ruling coalition, the activity of openly pro-Russian forces and confrontation in the "patriotic" camp may all have their own causes, but they objectively weaken us. The only conflict Ukraine has been able to avoid so far (at least openly) is one between civilian and military leaders, the negative consequences of which are emphasised by RAND experts. The high level of public confidence in the Armed Forces that has been maintained since the beginning of the war should also be mentioned.

The situation regarding other socio-political factors varies greatly. RAND researchers ask three questions: How high are the stakes of the confrontation in the eyes of society? How high is public support for the confrontation? Does national identity affect the confrontation? Very different interpretations of the first question are possible. Judging by the high readiness of Ukrainians to defend their homeland, one can make optimistic assumptions. This is evidenced by the phenomenon of the mass volunteer movement that was launched on the initiative of society in the first months of the war. But sociological studies shows that this resource of public support is limited. According to the Democratic Initiatives fund, only 20% of Ukrainians agree to a surrender ("peace at any price"), but at the same time only 17% approve the military option (the costliest one), while a relative majority (50%) is ready for certain compromises ("but not all"). As for national identity, Russia actively appealed to it during the initial stage of its aggression, trying to attract "Russian compatriots" in Ukraine onto its side. Although it did not particularly effect the results, part of our society considers the war to be one of national liberation, which gives resistance a valuable, existential significance. Obviously, it is precisely this group of people that are the social driving force behind resistance and a foothold for the political circles that put an emphasis on continuing the struggle.

Theoretically, the leadership of the country can strengthen the unity of society and the elite by using communicative techniques. In a broad sense, it is about indoctrinating (i.e. educating) society in the appropriate spirit, as well as effective communication with communities inside and outside

the country. A specific element of the Ukrainian situation is the fact that the government only took serious action when the war had already started. There was a considerable delay before broadcasts of Russian TV were stopped, its internet resources were blocked, media and cultural products from Russia were restricted and the patriotic element was strengthened in the education system. The practical effectiveness of all this is another issue. Firstly, society has no confidence in the government itself and, secondly, Ukrainians do not trust the media too much. For example, among the audience of the five most popular domestic TV channels (1+1, Inter, Ukraina, ICTV and STB), only 14-35% of viewers believe news items about Ukraine's relations with Russia and the situation in the Donbas. Citizens' awareness of the state's strategy for the Donbas and Crimea is also low. For example, at the beginning of 2018, 50.2% of Ukrainians had "heard about but did not know the details" of the law on the reintegration of the Donbas, whereas 40.6% of them 'just heard about it for the first time" (KIIS, 2018). No one talks about Ukraine having an informational influence on Russian society, while Russian propaganda has a significant influence on our country. According to KIIS, from 2015 to 2017, the Russian propaganda efficiency index declined from 26 to 23 points (out of a possible 100), although at the end of 2017 it was 33 and 34 points in the South and East respectively.

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It is somewhat paradoxical, but the authorities have been much more successful in communicating internationally than with their own society. Having secured the support of the West, Ukraine was to some extent able to compensate for its weakness in many areas when compared to Russia. Not having its own economic resources for long-term resistance, it received them from allies. Moreover, we managed not only to withstand Russia's economic pressure, but also to mobilise the world community to apply sanctions against Russia itself. According to the RAND criteria, this is a great success. Although we did not get direct help from allied troops, the containment of Russian military aggression is in no small part the result of political support from the West. In this way, it is the support of the West that cancels out the economic and military superiority of Russia. Obviously, the greatest risks for Ukraine are now concentrated in the socio-political sphere. Here, allied aid from the West is just one of the factors – an important, but not a decisive one. If Kyiv does not follow the policy of resistance in light of certain circumstances, neither Washington nor Brussels will be able to prevent this. That is why Russia is now putting more emphasis on destabilising Ukrainian society and bringing chaos into its political life than on fighting in the Donbas. Based on the model presented in the RAND study, this is the area where Ukraine is the most vulnerable and which could be used to undermine our national will to resist. In view of our circumstances, the main way to keep ourselves safe is effective solidarity between civil society and the patriotic political elites that are determined to oppose Russia as much as it needed.

Facing the war

Why is there lack of understanding of character of conflict between Russia and Western world

Philippe de Lara, Paris

Although it was plain since March 2014 for Ukrainians — but unfortunately only for them in the Western world — that Russia was waging a war against their country, Ukraine decided not to call it a war. Reasons and circumstances are easy to understand:

1) Crimea's Anschluss had been so swift than it could hardly be perceived as a military operation, and the international reactions, which led to the sanctions policy, referred to the illegality of annexation, not to the military means of invasion.

2) Labelling the combats in Donbas "ATO" meant denying any legitimacy to the separatists and consider them as terrorists.

However appropriate, the language of anti-terrorist operations has the great inconvenience of obscuring the nature of the conflict instead of calling a spade a spade. The same confusion between police and military operations has its part in the disastrous consequences of the "War on terror" launched by George W. Bush in 2001. I feel more comfortable with the current official designation of the Donbas situation. French writer Albert Camus wrote once that "misnaming a thing is adding to the misery of our world".

WAR MEANS ACHIEVING POLITICAL ENDS BY FORCE AND STRATAGEM, BUT "POLITICAL" HERE DOES NOT ENTAIL NECESSARILY A RATIONAL CONNECTION BETWEEN MEANS AND ENDS

Now, the difficulty to call a war a "war" is not peculiar to Ukraine. One could say that since 1945, democratic societies experience a growing difficulty in understanding and in naming war. There has been and there are numerous wars since the end of WWII, but all of them are either not named "war" at all (instead: "events", guerilla, frozen conflict, police operations against crime, humanitarian intervention, etc.) or "war" with some qualification, as if the word "war" tout court had been ruled out: war, it seems, has to be "cold", "hybrid", "asymmetrical", "unconventional", etc. Notably, the Cold War has dramatically obscured the concept and the perception of war: the deterrence based on mutual assured destruction has made the war both omnipresent and evasive because unlikely if not impossible.

Such was the Western mindset, but not the Soviet one. Either in the hot phases of the Cold War, or in the phases of détente, the so-called balance of terror did not prevent USSR to conceive, prepare, and be ready to wage conventional wars, including on the European theatre. In the 70'-80', despite or because of its economic failure, USSR kept on developing for this purpose a strategic doctrine and highly efficient military forces, swallowing the greater part of its resources and of its brainpower in the military, without mercy for the civil needs. Few experts at that time realized that USSR was preparing the war for real, that is it had a strategy of defeating the West by brute force, through aggression and intimidation. most experts and leaders did not agree, they believed that détente was inescapable, that USSR was ripe for peaceful normalization, and should be encouraged on this path, even at the cost of a risky military self-restraint from the West.

This view prevailed specially in Europe, as if war on their soil had become unconceivable for Europeans. Appeasement had no military alternative, not only because of the huge superiority of Soviet conventional armed forces, but first because of a lack of strategic thought by the Europeans, who believed ultimately that they did not need any, since they relied exclusively on the so-called nuclear umbrella of the United States (supplemented by French and British nuclear forces). "Cold War" did not mean anymore the threat of an actual war, it had become, so to speak, a post-modern negative concept, the de facto ruling out of war by deterrence. This vision was widespread not only among politicians and public opinion, but also among high-ranking military strategists. General Lucien Poirier, one of the fathers of the French nuclear force, wrote in 1978: "We are now in an era of mandatory political and strategic rationality (...) it is a strategy of the imagination, in which weapon systems have only a semiotic [sic!] function. (...) It is precisely because strategic models convincingly describe 'what would happen if...' that nothing will happen." (quoted by Greek-French philosopher Cornelius Castoriadis, Facing the war, Paris, 1981). Three decades later, General Poirier, then retired, stuck to the same faith: despite the end of the American-Soviet duopolistic game and the proliferation of nuclear States, he said, "I still believe in the rationalizing virtue of the nuclear force" (Le Monde, May 27, 2006). This naïve (or paranoiac) "logic" still paralyzes Western strategic thinking. Actually, the "end of history", which means nothing more than the belief in the disappearance of war, had already begun decades before its official date of birth in 1991, after the end of

Indeed, facts backed this comforting opinion: after the disaster of Afghanistan (1979-1989), the Soviet empire seemed to have given up. Those who believed that



What's next? Despite financial, social and technological problems, Russia still sticks to its aggressive expansion

the West was facing war because the crumbling "land of socialism" was still an aggressive military empire, had been mistaken. Even the domestic use of military force was abandoned by Brejnev, who persistently refused to intervene in Poland against Solidarnosc in 1981, despite the desperate calls from the Polish communists. Gorbatchev took later the same stand when asked by Honecker to "defend socialism by arms" in East Germany. The end of the ideological empire entailed, it seemed, the end of the military empire.

This strategic and intellectual horizon is worth recalling because it is a remote but critical cause of Western pusillanimity in front of Russia today. We don't want to face the war because we have lost track of the concept of war. War means achieving political ends by force and stratagem, but "political" here does not entail necessarily a rational connection between means and ends (Clausewitz pointed out this feature — war as "rise to extremes" — but tried nevertheless to rationalize it with his famous and misleading aphorism: "war is the continuation of politics by other means"). Willingness to win by force leads to readiness to all kinds of "rational" calculations: rationality is extremely flexible here. This

was the game played by Soviet Union despite some tactical retreats, and the same game has been resumed by Russia at least since 1999. Facing the war does not mean necessarily choosing or accepting the perspective of an armed conflict but coping with the readiness to war of the other. The issue is not whether Russia wants war or not, "Russia does not want war, it wants victory": this sharp and ironic statement by Castoriadis in 1981 still holds. Between the West and the East, there was not only a "Cold war" and an ideological competition, but also a plain war. Realizing this is so uncomfortable that statesmen and public opinion prefer to repress the idea. The West may have "won the Cold war", but it did not fully understand what happened. And here we are still, despite clear-headed intellectuals and strategic experts like Phillip A. Petersen today (see The Ukrainian Week №10) or like Castoriadis in the 80'.

To get free from Russian lies and to stop being baffled and paralyzed in front of the multifarious perils it faces, the West needs to disentangle the Cold War from the Soviet/Russian imperial war against the West. One war ended in 1991, the other is still ongoing. And in this war, Ukraine is just the frontline of a wider theatre.

Holy politics

How religious are Ukrainian politicians?

Yuriy Doroshenko

It started on April 29, 1988 when Soviet authorities gave a green light to official religiousness. Mikhail Gorbachev, then-Secretary General of the Communist Party Central Committee, met with Moscow Patriarch Pimen Izvekov and members of the Holy Synod of the Russian Orthodox Church.

That was an extraordinary event. A party with the solid background of physical elimination of the clergy, demolition of churches and an atheistic ideology was never supposed to cross paths with the representatives of a cult and promoters of "religious opium". Yet, by the end of its existence the Soviet Union had found itself in a dead end. In a desperate attempt to demonstrate to the West and the US that it can have a human face, the Soviet Union met the Church halfway in the runup to the celebration of the millennium after the baptism of Kyiv Rus.

Interestingly, Metropolitan Filaret Denysenko of Kyiv and Halychyna was among the hierarchs of that Synod. He is now the Patriarch of Kyiv and All Rus-Ukraine, and the leader of the Ukrainian Orthodox Church of Kyiv Patriarchate.

A survey by the Razumkov Center from March 2018 shows that **11%** of Ukrainians favour public demonstration of piety by politicians, while **52%** see it as a negative thing

The party allowed contacts with the clergy and that meeting with the Kremlin marked a thaw. Ever since, officials and politicians have been going to churches on big holidays for decades, posing for cameras and crossing themselves as they hope to attract voters.

Often show-off and insincere, piety is a traditional component of all election campaigns in the modern post-totalitarian Ukraine. Every election cycle tends to spark religious fervor of candidates for whatever office. This article is an attempt to classify the features of this political piety practiced by Ukraine's top leaders over the years of independence.

Leonid Kravchuk, the first president of the independent Ukraine, hardly ever goes to church. He has sometimes appeared at public religious events. This may be the legacy from his time as the chief party ideologist and atheist. However, he did support Metropolitan Filaret's efforts to gain autocephaly for the Ukrainian Orthodox Church as head of state and still has good personal relations with him. "Independent Orthodox Church for the independent state" first appeared as a slogan under Kravchuk's presidency.

When Kravchuk worked at the Communist Party Central Committee, he baptized his grandchildren at the

home church of Filaret, then-exarch of the Ukrainian Orthodox Church. That's what I learned from his in-law, the late Anatoliy Moskalenko who headed the Institute of Journalism at the Taras Shevchenko Kyiv National University. It was already at the time of perestroika, but the mere fact is intriguing.

Leonid Kuchma never was a fervent Orthodox believer during his presidency. Yet, he regularly attended important religious events and informal meetings with top hierarchs. He started a tradition known as Easter Carousels when he as president toured the major churches of all parishes in Kyiv at Easter night. Kuchma fist attended a mass at St. Volodymyr Patriarch Cathedral of the Ukrainian Orthodox Church, Kyiv Patriarchate, and ended the night at the Kyiv Pechersk Lavra of the Ukrainian Orthodox Church, Moscow Patriarchate.

Kuchma ascended to power as a passionate supporter of the Moscow Patriarchate. However, after the violent police attack against the burial procession for Patriarch Volodymyr Romaniuk of Kyiv and All Rus-Ukraine on what is since known as the Black Tuesday in July 1995 shocked Ukraine and the world, he shifted his position and began to show respect to the followers of the Ukrainian Orthodox Church of Kyiv Patriarchate, too. Moreover, the law bids presidents to do so. Under Kuchma's presidency, the state brought some important shrines back from oblivion, including the St. Michael Church and the Dormition Church, both in Kyiv. It also essentially completed the handover of cult buildings from state ownership to different parishes, and the clash between the Orthodox and the Greek Catholics in Western Ukraine stopped.

Viktor Yushchenko presented himself as a deeply religious candidate in the campaign. He was the first of the kind. That made life more difficult for the team of his imagemakers as they had to show that while the candidate preferred the Ukrainian Orthodox Church of Moscow Patriarchate, he was no stranger to the Moscow Patriarchate. As head of state, Yushchenko continued Kuchma's tradition of touring churches for Easter. His predecessor's multiverctoral approach to religion put pressure on Yushchenko. Together with his brother Petro, Yushchenko built a church in his village Khorunzhivka, Sumy Oblast, that first belonged to the Moscow Patriarchate, and then was transferred to the Kyiv Patriarchate under public pressure. More generally, Ukraine's third president was known for his chaotic nature and uncertainty both in politics, and in religion.

Still, it was under Yushchenko's presidency that Ukraine made a strong attempt to gain autocephaly for the Ukrainian Orthodox Church following the celebration of the 1020th anniversary of Kyiv Rus-Ukraine baptism. All presidents up until that point had limited themselves to public statements on the need to establish the unified

Ukrainian National Orthodox Church and abstract letters to the Patriarchate in Constantinople.

Yushchenko's team tried to use the tomos as a trump card in the campaign for the second term in office. Most Ukrainians still remember a visit of Ecumenical Patriarch Bartholomew to Kyiv. Then, however, talks about tomos of autocephaly reached a dead end. This was because everything was done chaotically, on the level of personal communication, without any specific plan and in hope of convincing the Ecumenical Patriarch with the fancy reception in Kyiv.

The religious aspect of Viktor Yanukovych is a topic for a psychological study. Everyone remembers his virtually fanatical support of the Moscow Patriarchate – he converted his team into a sect of Russia-oriented politicized Orthodoxy. His frequent visits to monasteries, including the Mount Athos, were not merely part of his image to mobilize the pro-Russian electorate of Southern and Eastern Ukraine, but an element of his ritual faith.

Yanukovych's approach to religion was quite original. He combined deep faith in God and illegal detention of Oleksandr Drabynko, the closest aid to Metropolitan Volodymyr Sabodan, the Metropolitan of the Ukrainian Orthodox Church of Moscow Patriarchate whose independentism did not quite fit Moscow's purposes, and who was critically ill during that period. This betrayed Yanukovych's deep internal fear and belief in the supernatural. It was probably what led Yanukovych to what his ex-Interior Minister Vitaliy Zakharchenko later described in his book as a miracle. When Yanukovvch lost the first presidential election in 2005 and was preparing to commit suicide at his estate near Kyiv, he went to the Dnipro bank with a gun and saw a cross on the ice in the moonlight. He later told his close friends that this was a sign from God. He ordered his staff to break a hole in the ice in the shape of the cross he saw, bathed in it, tossed the gun there and launched the next stage of his bid for presidency.

Another traditional candidate for presidency is Yulia Tymoshenko. She came into politics as a faithful of the Ukrainian Orthodox Church of Moscow Patriarchate. She built a church in her constituency and has received religious awards. During her second term as prime-minister, she deliberately avoided attending the meeting with the Ecumenical Patriarch Bartholomew. Instead, she had friendly meetings with the newly-elected Patriarch Kirill Gundiayev of Moscow. When she was sentenced to a term in jail under Yanukovych's presidency, Tymoshenko presented herself as the follower of the Ukrainian Orthodox Church of Kyiv Patriarchate. Yet, she rarely shows up at St. Volodymyr's Cathedral in Kyiv and did not show any public support for autocephaly of the Ukrainian Church during her latest visit to Patriarch Theophilos III of Jerusalem.

Just like his predecessors, Ukraine's current president went through a difficult path of religious evolution. Initially a determined member and donator of the Ukrainian Orthodox Church of Moscow Patriarchate, he has demonstrated the greatest understanding of how important autocephaly is for the Ukrainian Orthodox Church, has managed to establish partner relations with the Ukrainian Orthodox Church of Moscow Patriarchate and the Ukrainian Greek Catholic Church, and has avoided ruining relations with the pro-Ukrainian wing of the Ukrainian Orthodox Church of Moscow Patriarchate.

Poroshenko's opponents are now accusing him of using autocephaly in the upcoming presidential campaign.



A good shepherd? Virtually every top politician in Ukraine has a background of friendly relations with the Moscow Patriarchate

However, that is exactly how any president in any country builds accomplishments into the next victory.

Ukrainian politicians have long-established religious images. Oleksandr Turchynov, head of the National Defence and Security Council, is a member of the Baptist community. Vadym Rabinovych, another candidate for presidency, is an activist of the Judaic community. Arseniy Yatseniuk presents himself as Greek Catholic. Anatoliy Hrytsenko gets married at a Moscow Patriarchate church. The Opposition Bloc, an offshoot of the Party of Regions led by Vadym Novinsky, also follows in the footsteps of Metropolitan Onufriy of Moscow Patriarchate.

Quite often, religious habits of Ukrainian powerholders take weird forms in everyday life. E-declarations have revealed that some MPs own amazing collections of icons and church items, while others have built smaller and larger churches in their backyards as private property. Some have declared relics of saints which they keep at home.

With this somewhat burlesque piety of Ukrainian politicians, various Christian democratic parties have not made it well in the country. The likes of Christian Democratic Party of Ukraine, the Ukrainian Christian Democratic Party and the Christian Democratic Union have either disappeared from political life or are barely surviving on the sidelines.

Meanwhile, every politician must remember that Ukrainian voters hate political showing off. A survey by the Razumkov Center from March 2018 shows that 11% of Ukrainians favour public demonstration of piety by politicians, while 52% see it as a negative thing.

■

An act of spiritual independence

On Ukraine's first steps towards its national Orthodox Church

Rostyslav Pavlenko, Director of the National Institute for Strategic Research and Advisor to President of Ukraine

On October 11, the Holy Synod of the Ecumenical Patriarchate made a decision to grant autocephaly to the Orthodox Church of Ukraine. Bishop Ilarion, the envoy of the Ecumenical Patriarch to Ukraine, described it as a declaration of independence of its own kind. Earlier, Petro Poroshenko said that the tomos of autocephaly for Ukraine was a symbol of Ukraine's spiritual independence, an equivalent of the Act of Independence.

Between the declaration and the act of independence, some basic developments have to take place. These include the establishment of institutions for the new Church and the election of its patriarch who will receive the tomos, i.e. the certificate recognizing the independence of the Church. The fact that the Synod of the Ecumenical Patriarchate passed the abovementioned decision means that Ukraine has fulfilled its key tasks. President Poroshenko spoke about this in his address on October 14, the Day of the Defender, at St. Sophia Square in Kyiv. The Law on the Freedom of Consciousness and Religious Organizations mandates that the government supports churches and religious associations, including through interaction with international religious centers. The talks on autocephaly between President Poroshenko and Ecumenical Patriarch Bartholomew and the long-lasting preparations are part of that support. Now that the

decision on the independence of Ukraine's Church is here, the role of the leaders of Ukrainian Orthodox churches in further progress becomes more crucial.

According to that decision of the Constantinople Synod, none of Ukraine's Orthodox churches is now considered non-canonical or unholy. All of Ukraine's Orthodox clergy is recognized by respective peer priests and hierarchs. Therefore, it us now their task to create together, or "constitute" in the language of Church, the Ukrainian National (pomisna means that the territory of the Church matches the state borders of Ukraine) Autocephalous (independent of anybody and self-governing) Orthodox Church. In order to do this, they have to convene a Sobor, an assembly, and elect a leader. The exarchs or envoys of the Ecumenical Patriarch are helping the Ukrainian Orthodox clergy in this.

The process is now closer to the finish line. How long it will take Ukraine's churches to get there, how exactly the process will unfold and what will follow depends on many factors. Quite a few have been taken into account at the earlier stages. As a result, ever since the Synod of the Ecumenical Patriarchate launched the procedure of granting autocephaly to Ukraine as a response to the respective request from the Ukrainian President supported by the Verkhovna Rada as the representative of the nation, the



On to the clergy. The government and diplomats have completed their mission in progressing towards an independent Ukrainian Orthodox Church. From now on, the Sobor of the Ukrainian priests and hierarchs will play the defining role in the process

process has been unfolding as planned and approaching a productive culmination.

This slow but steady implementation is the result of the invisible preparatory work spanning years before April 2018. President Poroshenko defined the support of autocephaly for the Ukrainian Orthodox Church as one of his priority policies from the very early days of his presidency. This is based on a number of reasons.

Firstly, Orthodoxy had been divided in Ukraine for many decades. The churches that did not recognize Moscow's supremacy were considered "non-canonical". This automatically discriminated their parishioners; among other things, canonicity is about communication with the other Orthodox communities in the world, mutual recognition of sacraments etc. After the war broke out and the churches took different stances on the illegal annexation of Crimea, Russia's aggression against Ukraine, help and support to the Ukrainian military - and especially after some extreme cases where non-Moscow Patriarchate parishioners were denied sacraments, the majority of the orthodox in Ukraine began to refer to themselves as the followers of the Kviv Patriarchate first and foremost. The number of the followers of the Ukrainian Orthodox Church of Moscow Patriarchate almost halved. As a result, most Ukrainians who consider themselves Orthodox found themselves beyond the canonical global Orthodox Church. This situation looked increasingly absurd both to the Ecumenical Patriarch and the leaders of other national churches.

Secondly, the Russian aggressor utilizes the church and religion as tools in its hybrid war. These range from symbolic elements, such as mandatory mentions of Patriarch Kirill, the current leader of the Russian Orthodox Church, in sermons, to rejection of sacraments for the people baptized in other churches. Moscow uses the church to help the militants and spread messages of hatred and division. Obviously, many hierarchs and priests of the Ukrainian Orthodox Church (of Moscow Patriarchate - **Ed.**) had nothing to do with these actions. Still, subordination of their church to Moscow pushes them in front of a difficult dilemma. The Ukrainian Orthodox Church of Moscow Patriarchate is an integral part of the Russian Orthodox Church. It practices some mandatory rituals which Ukrainian society finds difficult to understand, such as the mentions of Patriarch Kirill or sacraments exclusively for those baptized in the Ukrainian Orthodox Church of Moscow Patriarchate.

Thirdly, as Ecumenical Patriarch Bartholomew said in one of his speeches, Ukraine will be granted autocephaly because it is entitled to it. It is a large country where the majority of the population considers itself orthodox. Therefore, it is entitled to having its national Orthodox Church. The Ukrainian Orthodox Church of Moscow Patriarchate does not qualify as such church. Therefore, Ukraine has faced the need to create or "constitute" its independent Church.

Having the title of honor of first among equals in the Orthodox world, the Ecumenical Patriarch has a number of powers. One is to recognize autocephaly of other churches and pass decisions on appeals from representatives of the churches that have been punished. These powers were discussed at the Synaxis of the Ecumenical Throne Hierarchs in September 2018. Moscow is contesting them but most other churches recognize them. After all, it had been Constantinople that had recognized the autocephaly of the Moscow Church in the past.

With all these factors in mind, the Ecumenical Patriarch acts according to a plan that is in line with canons and tradition. At the first stage of the autocephaly process, Constantinople received the respective request from Ukraine's secular authorities (President supported by Parliament) and clergy. This allowed the Patriarch to launch the procedure. Communication of the decision to other national churches as the second crucial stage began in late spring and took almost all summer. The other national

churches are 14, plus there is the Orthodox Church in America whose autocephaly had been granted by the Russian Orthodox Church but not recognized by Constantinople.

The leaders of these churches have different titles, including nine patriarchs, three archbishops and two metropolitans. All of them, however, have an equal status of independent churches the title of the leader only matters for the order of mentioning during sermons. The stance of every Church was important as Russia would appeal to them against the decision on autocephaly. It had succeeded in pushing three Churches to not attend the All-Orthodox Sobor in 2016, so this time the communication had to be taken seriously. Both the representatives of the Ecumenical Patriarchate and Ukraine's President with his team spoke to the leaders of virtually all Orthodox Churches. Representatives of the Russian Church have done the same thing. As a result, an absolute majority took a neutral stance that was in favor of Ukraine. They decided that the Ecumenical Patriarchate was acting correctly, while they would wait and see what happens next. Russia's attempts to form an anti-Constantinople front failed. Not every Church likes the commanding tone and the sense of supremacy in which the Russians tend to conduct dialogues. The world is changing, and exactly that has been demonstrated to the Russians.

Following the Synod's decision of October 11, Ukrainian hierarchs are now the key players. The talks between them will not be easy given the long history of relations between the Churches and individuals within them. Still, neither fiery words nor hasty judgments should interfere with the ultimate goal of establishing an independent Ukrainian Orthodox Church.

UKRAINIANS SHOULD KEEP CALM UP UNTIL THEY RECEIVE THE TOMOS,
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BETWEEN DIFFERENT CITIZENS.

Russia views this stage of the process as its last chance to prevent Ukrainian victory. The primary tools from its hybrid arsenal include lies, fakes and propaganda, from twisting the position of national Churches to injecting hysterical messages about "attacks of nationalists" which are not backed by either nationalists or any attacks. Its other tools are attempted provocations, attacks against important sites (Kyiv Pechersk Lavra first and foremost, as well as other monasteries and churches). Resistance against these attempts includes proper work of security services and law enforcers, as well as calm and caution from the citizens. Peaceful Day of the Defender on October 14 where law enforcers acted effectively shows that Ukraine has plenty of tools to resist this strategy. However, the aggressor is meanwhile preparing the next steps.

Ukrainians should keep calm up until they receive the tomos, and after that, especially as communities take voluntary decisions to switch to other churches. Ukrainian laws are designed to allow for such peaceful switch or compromises between different citizens. It is the communities that own the churches, which are entitled to decide whether they want to switch, have different parishes serve in their church in turns, or whether they opt for some other kind of a deal. If peaceful solutions of these issues require further improvement of the legislation, the Parliament can do that.

Finally, the fourth goal is to prevent the traditionally Ukrainian scenario whereby internal conflicts block the result. But the ongoing war has taught Ukrainians to overcome disagreements and unite forces. Ukrainian hierarchs will need this experience, while the exarchs of the Ecumenical Patriarchate will facilitate the compromise.

From the Law of Rus to Constitution

Law and self-governance in Ukraine's territory from the 14^{th} through the 18^{th} century

Vitaliy Mykhailovskiy







Law and order. Every period of Ukraine's history has its legal declaration. Kyiv Rus had Ruska Pravda, the Law of Rus. The Hetmanate had the 1710 Constitution

If you look at contemporary sociological surveys and identify the key issues bothering an average Ukrainian, the rule of law and construction or restoration of justice will be on top of the list. In fact, these have been priority concerns ever since humans began to unite in communities and conduct their affairs together. That was probably when the first need of certain norms of conduct appeared, which later evolved into the first legal codes known as customary law. In parallel, those who had to control it, take decisions and receive justice appeared.

Our traditional perception of medieval society builds on a number of stereotypes full of impunity of feudal lords, people in power and with weapons, thieves, attacks against homesteads, and robbery, but no norms, laws or courts. A nuanced look at these clichés in Ukrainian history shows a whole different picture.

We have similar stereotypes about ways to restore justice in the past. Even today, most professional historians in Ukraine have little notion of what the legal system was like in the Ukrainian territory in ancient times. But medieval and early modern history presents a quite capable legal system for its time, complete with various institutions and, most importantly, the ability of people to use these tools to meet their needs. The main thing for them was respect for what the modern world knows as the rule of law.

I had a chance to see how dominant such stereotypes are back in the 1990s when I was a student at the Pedagogic Institute in Kamianets-Podilsky, Western Ukraine. At one of the conferences there, a student of history spoke about the system of lawyers in courts across Ukrainian land in the 16-17th centuries. A professor who had studied history in Leningrad in the early 1930s and had huge academic and teaching experience was very sceptical about the topic. "What lawyers could Ukraine possibly have in the 16th and 17th centuries?" was his reaction. After listening to the report, however, he had no choice but to accept its main points backed by references to the publicly available documents.

RUSKA PRAVDA AND ITS DESCENDANTS

Given by Yaroslav the Wise to the Novgorod people in 1016, *Ruska Pravda* or the Law of Rus is conven-

tionally believed to be the first written code of customary laws. Yaroslav's descendants further completed it with Pravda Yaroslavovychiv, the Law of the Yaroslavychi, and an expanded version of Ruska Pravda. This relatively small code of legal norms ranging from 43 articles in its shorter version to 121 in the expanded one primarily described personal security and property rights. At that time, the evolution of legal thought in Ukrainian land walked hand in hand with that in its neighbors, the newly Christianized countries of Central Europe.

The late Middle Ages were the next stage when written codes spread across the territory, as a dynasty crisis erased from the political map of Europe the Kingdom of Halychyna-Volyn otherwise known as the Kingdom of Ruthenia, and part of the Ukrainian land, including Halychyna Rus and Western Podillia which ended up in the Kingdom of Poland, while Volyn, Kyiv region and Eastern Podillia found themselves in the Grand Dutchy of Lithuania. Each of these parts lived both by the indigenous legal norms, and by those imported from the West primarily through the German-speaking residents of their cities. Quite a few educated people were there to enforce these norms after getting their degrees in well-known European universities of the time, including the University of Padua, a major center of legal education.

The old Rus tradition led to the borrowing of norms from Ruska *Pravda* in the part of Ukraine's land within the Grand Dutchy of Lithuania for Casimir's Code adopted in 1468 and the subsequent three Lithuanian Statutes of 1529, 1566 and 1588. The Statutes were based on the preceding legal acts but were enriched with the accomplishments of legal thought from the Renaissance Europe. They eventually became a foundation for legal relations in part of Ukrainian territory up until the 1840s when the Russian Empire abolished them.

The Ukrainian lands that were integrated into the Kingdom of Poland fell under the jurisdiction of the crown law in 1434. To make it work in that territory, a network of courts was established. City courts led by a starosta, the king's representative, thus dealt with criminal cases in the given territory. The land court dealt with the cases of the noblemen and others, other than criminals, settled in its jurisdiction. The nobility court solved the eternal problem of separating land between the noblemen. All posts in these courts were elected. Only starostas were appointed and dismissed by the king. While only the nobility could be elected as court judges, candidates still had to meet certain requirements. They had to be settled in the territory covered by the court's jurisdiction. have integrity and authority in society. Clearly, that epoch did not have universal equality. But people saw election out of several candidates as a sufficient safeguard against corruption at that time.

Ukrainian cities started obtaining self-governance rights back in the early 14th century. These rights were given to them by supreme rulers. That approach to city governance was based on the 13th-century German models, initially granting Magdeburg and its residents the right to conduct their affairs independently. It was thus referred to as German or Magdeburg privilege. Historians still argue about which city in Ukrainian land was first to obtain listing Volodymyr, it,

Sianok and Lviv. all in Western Ukraine, as options. This happened in the mid-14th century, the period of the Kingdom of Halvchvna-Volvn. Therefore, most old Ukrainian

cities have at least 500 years of local self-governance experience. Which is not too bad compared to the history of the land east of Poltava which is considered the easternmost city in Europe with a magistrate, a council, a burgomaster, municipal commissioners and jury panels — all the attributes a city needs to solve its affairs autonomously.

The language used by most legal institutions in Ukrainian land within the Kingdom of Poland was Latin. The few written documents preserved since that time and originating from the public chancellery, including international treaties and correspondence, were also in Latin. Polish failed to oust it even throughout the Age of Enlightenment.

The rest of Ukrainian land that was part of the Grand Dutchy of Lithuania used Ruthenian in recordkeeping. This privilege was cemented with the resolutions of the 1569 Union of Lublin whereby Volyn, Kyiv and Breslau voievodships went to the Kingdom of Poland. Courts used the Second Statute of Lithuanian with Ruthenian as the language of recordkeeping on this territory. Unfortunately, Polish began to slowly but firmly oust Ruthenian in recordkeeping in the 17th century, leaving titles of court cases as the only place for Ruthenian.

PARLIAMENTARISM AND ITS **TRADITIONS**

In 1493, King Jan Oblracht convened the noblemen from all provinces of the Kingdom of Poland, including representatives of Ruthenian, Podil and Belz voievodships aristocracy, to initiate regular conventions of the Seim, a parliament. It had two chambers. The upper chamber known as the Senate included voievods, castellans and Catholic bishops. The lower chamber, the Polish Izba, was comprised of elected deputies, i.e. the envoys elected in local sejms of the nobility. Having an active legislature allowed the noblemen to eventually organize into groups somewhat alike modern political factions. They tried to express the ideas they believed necessary for the country or their region in debates and speeches.

Any decisions taken at the con-

MEDIEVAL AND EARLY MODERN HISTORY PRESENTS A QUITE CAPABLE LEGAL SYSTEM FOR ITS TIME, COMPLETE WITH VARIOUS INSTITUTIONS AND, MOST IMPORTANTLY, THE ABILITY OF PEOPLE TO USE THESE TOOLS TO MEET THEIR NEEDS

> ventions of parliament chambers had to be unanimously approved by all those present. Disagreement of one representative was a reason to close the convention and stop the work of the Seim. At first glance, this unrealistic instrument in the democratic institution was an essential guarantee against corruption in which the king was always the main suspect. Interestingly, the first *liberum veto*, the voice of disagreement, came in 1652, over 150 eyars after the two-chamber parliament started working on a regular basis. Further on, magnates and oligarchs took that effective instrument to often apply it in practice through dependant envoys. This led to a situation where most Sejm conventions never reached any logical conclusions or decisions because of the liberum veto abuse. That's how democracy ended up ruining itself.

The crisis of the Jagiellonian dynasty in 1572 provoked a unique situation in Rzeczpospolita of which almost all Ukrainian lands were part by then. The Warsaw emergency Sejm in 1573 decided that every new king was to be elected by the general convention, the electoral sejm, comprised of all nobility in Rzeczpospolita. Europe of that vi time offers no examples of similar direct democracy, even if practised by the nobility only. Another important aspect of electing the new king was his personal pledge of allegiance to the people. Again, the people stood for the nobility. This simple procedure in Rzeczpospolita's political culture turned into an unbeatable barrier for Ukraine in Pereyaslav in 1654 when Moscow's ambassador Vasili Buturlin sharply refused to pledge allegiance to the Zaporizhian Army on behalf of the Russian tsar. The Cossacks were deeply familiar with the tradition of elected ruler and his personal allegiance to his subjects as a guarantee of their privileges. The Russian side did not understand or wish to understand this.

Mid-17th century developments provoked political separation of part of Ukrainian land from Rzeczpospolita.

THE RULE OF LAW AND MULTIPLE LEGAL INSTITUTIONS IN UKRAINIAN LAND MADE A SYSTEM OF VIABLE LEGAL NORMS FOR ALL CITIZENS ESTABLISHED ON THIS TERRITORY THROUGH A FUSION OF LOCAL TRADITIONS AND LEGAL NORMS

FROM THE OLD RUS TIME, AND THE PRACTICES BORROWED FROM THE WEST

But they failed to make Ukrainians forget habits from back then — they were practised in many fields of life in the newly-established Hetmanate. It continued to use legal norms of the Second Lithuanian Statute and granted self-governance and Magdeburg-modelled to cities of the Left Bank Ukraine. Most offices in local administrations remained elected. An 18th-century attempt to codify laws in the Hetmanate to harmonise them with the laws of the Russian Empire was based on the Lithuanian Statutes, Sachsenspiegel and Kulm Law, another variation of rights for local self-governance in then-Central Europe.

The legal culture of the part of Ukrainian land which formed the Hetmanate after mid-17th century until the end of the 18th century was a mix of traditions from the Grand Duchy of Lithuania with its Second Lithuanian Statute, Rzezcpospolita with its elected officials and Magdeburg rights for cities, and Ukraine's own traditions. A combination of these factors in the Left Bank Ukraine in the second half of the 17th century and throughout the 18th century shaped the Ukrainian notion of law which was rooted in the West through its concepts and traditions, but was implemented in practice in the East.

The clash of different cultures in practicing law manifested itself in the conflict between the Left Bank Hetman Ivan Briukhovetsky and Moscow ambassadors on the punishment for one of the Hetman's opponents. When they offered Briukhovetsky to punish the opponent for the second time, he referred to a basic norm of the Roman law which did not allow double punishment for the same crime.

The legal thought peaked in the Cossack Ukraine with the Constitution of Pylyp Orlyk passed in Bendery in 1710. The text is full of fragments pointing to attempts of distancing from the legacy of Rzeczpospolita and finding an own place backed by the treaties from Bohdan Khmelnytsky's time. It also takes into account the sad experience of the Hetmanate in the late 17th and early 18th century.

One example of this critical self-reflection is in a provision of the Constitution's Section 6: "... some Hetmans of the Zaporizhian Host took unlimited power, clamping down on equality and customs, and establishing the 'I rule how I

wish' law. The atypical arbitrary rule in the Homeland and Zaporizhian Host resulted in divisions, distortion of rights and freedoms, oppression of people and forced unbalanced distribution of military posts. This fuelled disrespect for the general commanders, colonels and significant part of the community."

It is now difficult to speak about the likelihood of enforcing Orlyk's Constitution in real life. But the mere fact of the Cossack leadership producing such a political legal document complete with the analysis of recent history deservers praise. The only thing is that this was not the first Constitution in the world or Europe, as many in Ukraine believe. Every successful Sejm convention in the Kingdom of Poland and Rzezcpospolita ended with the adoption of a constitution.

In the late 18th century, the Cossack hetmanate leadership began to "recollect" its origins in order to receive full aristocracy status in the Russian Empire. It took many families years to complete the process. However, the majority of coats of arms used by the Cossack nobility originated from Rzeczpospolita coat-of-arms associations with typical names, such as Lubicz, Leliwa, Jastrzębiec and many others rooted in the heraldry of the

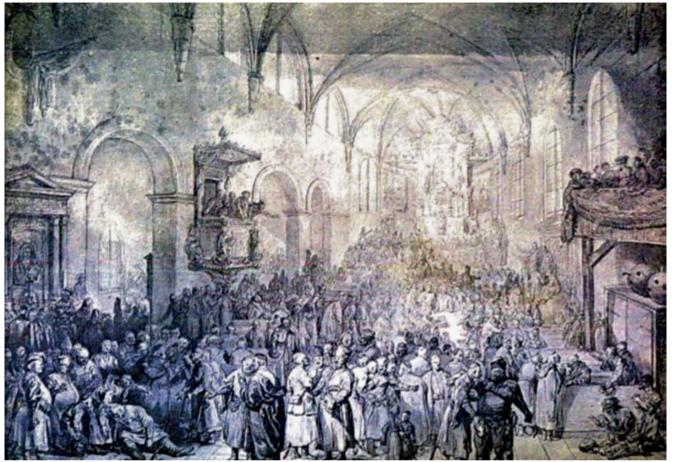
Kingdom of Poland since the 14th century. The sources for the heraldic symbols they adopted were in "...the Polish book Herbariusz which shows the coat of arms of the ancestor, and his entire family uses this coat of arms at its stamps till this day...". This is a quote of an 1833 case to prove the noble ancestry of descendants of Fedor Mankovsky, a senior official with the Zaporizhian Host. Published in 1914 in St. Petersburg, the Armorial of Little Russia by Vladislav Lukomsky and Vadim Modzalewsky features an exact copy of the nomenclature of coat of arms that senior dynasties in the Cossack state had used.

REGIONAL SELF-GOVERNANCE

1572 marks the beginning of a triumph for democracy of the nobility on the regional scale. Local seims become the place where all important affairs of the region - a voievodship, land or county — are solved. They present a platform for discussing state matters, including taxes, international politics, election of the next ruler and more; solving tax matters within the administrative region; and electing representatives of each territory in the central Sejm and judges of the Crown Tribunal, the supreme court of appeals based in Lublin since 1578. Also, they organize locallyfunded territorial military units.

The elected nature of authorities, including the royal authority, made the life of Rzeczpospolita along with the Ukrainian land that was then part of it quite lively. It was difficult to forecast the outcome of elections which often turned into something close to battlefields where each party was willing to defend its interests to the very end. This seemingly perfect setup began to rot in the late 16th century as some families grew to dominate regionally, then on the nationwide scale, and to use any tools in their political activity to spread and strengthen their influence. Historians described this period the era of oligarchy. It led to the collapse of Rzeczpospolita.

One of the widespread stereotypes is to overstate the role of forays, the illegal ways to solve conflicts. But a closer look at the actual forays shows that the modern notion of the number of participants and victims in them is exaggerated. Forays were rather a gesture or a call of reconciliation or dialogue to the other side. Nobody in their sound mind wanted to shed blood for no reason. Even some powerful actors, such as Kostanty Os-



Local lawmaking. Rzeczpospolita produced its regional policies through local sejms

trogski with his unlimited financial and human resources to implement his interests, had to respond to the numerous lawsuits in courts like any average person. More importantly, they did not always win those lawsuits. Even an average individual had a chance to win a case and get justice, although the path to that justice was very long and difficult.

Given this long-standing tradition of justice done in courts and regulated by a written code, the Russian Empire was forced to preserve that old system and traditions in justice on the Ukrainian land for many years after the 1793 and 1795 divides of Rzeczpospolita. Regional courts in the Right Bank gubernias were a continuation of sorts of land and city courts from before where anyone could file a lawsuit about their case. These courts also issued a huge number of documents. In this case, court records were a notarial and legitimizing institution while every document with a copy included in the court records was equal to the original act in status.

CIVIL LAW

This widespread network of institutions encouraged the evolution of a tradition to use them. As a result, regional and city courts were stormed with numerous lawsuits after the Hetmanate was abolished in the Left Bank Ukraine and the Right Bank Ukraine was integrated into the Russian Empire in the late 18th century.

The tradition of solving matters in courts went back to the 15th century in Ukrainian land. A typical case in point was the testaments not only for the richest nobility, but for the average residents in Ukrainian cities. Kyivites recorded their last will with eyewitnesses and appointed those responsible for implementing the testament since the late 16th century, even if Kyiv was in the far east of Rzeczpospolita. In Lviv, this practice was so widespread that the testament and after-death inventory records from Lviv residents in the 17-18th centuries were comprised of many hundreds of documents.

As several ethnic communities lived side by side in then-Lviv or Kamianets, they shaped solid criteria for different jurisdictions. For example, any violation involving a person belonging to different jurisdictions — as in a fight between a Ruthenian and a Pole in an Armenian pub — required the establishment of a joint commission to determine the guilty and the punishment.

The rule of law and multiple legal institutions in Ukrainian land made a system of viable legal norms for all citizens established on this territory through a fusion of local traditions and legal norms from the Old Rus time, and the practices borrowed from the West. These norms were effective on this territory for almost 500 years.

The soviet authorities wiped out the notion of getting justice through legal and parliamentary instruments in the 20th century. Reality on the ground in modern independent Ukraine demonstrates disrespect and inability of the state to guarantee equal rights to all of its citizens. ■

IN-PIERRE NORBLIN SEJMIK IN A CHURCH (1785)

More alive than dead

How Ukrainian cinema faces modern challenges

Olesia Anastasyeva

Since the beginning of 2018, more than 30 Ukrainian releases have made it onto the big screen. This includes feature-length live-action films that were successful at the box office, such as romantic comedy Swingers, and cartoon The Stolen Princess: Ruslan and Ludmila, which currently holds the record for box office takings in Ukraine among Ukrainian films that were not coproduction projects. Around half a million tickets were purchased for this animated film and it has been sold to a number of other countries. It is also worth mentioning the documentary Myth about opera singer Vasyl Slipak, who died as a soldier in our undeclared war. By the end of the year, over 10 more Ukrainian films should be released. If this happens, the number of Ukrainian movies on cinema screens will set a new record.

All of the above paints a very optimistic picture, but something is nevertheless rotten in the state of our cinema. Public funding contests are accompanied by scandals, opacity and accusations about conflicts of interest. Not all cinemas want to show non-commercial Ukrainian films. There are no accurate statistics on the number of tickets sold, nor a clear understanding of what exactly cinemagoers want from a Ukrainian product and for what we are ready to vote with our wallets. In order to persuade them to go and see original Ukrainian films, additional efforts must be made, which producers cannot or do not want to do. Is there any way out of this situation?

PRIVATE CINEMA, PUBLIC CINEMA

It should be noted that the number of privately released and state-funded films is approximately the same. Equally, cinemagoers make their decision to see or not see a film regardless of whose money was used to make it, so there have been box office successes in both categories.

This year, the state has allocated more than UAH 1 billion (\$35.5m) in support of cinema. While previously film-makers could only get state financial support from the State Film Agency, competitions are now also being held by the Ministry of Culture. In addition, a new institution, the Ukrainian Cultural Foundation, has also held its own competition and provided assistance to film projects in everything from writing scripts to promoting future films.

The competitions on the basis of which several million hryvnias are allocated by the state for the creation of a film are held in two stages. Initially, the production company submits a large package of documents related to its future project for consideration by an expert commission. Its members should read the script and study the submitted budget, as well as the portfolio of the company itself and the film-makers, in order to award points. The average score is worked out and if it is high enough, the project continues to the second round pitching (a public presentation of the project to the same expert commission). The film-makers have a chance to personally convince the jury that they need the money. According to the results from the presentation, an average score is calculated and a list of candidates for state funding is formed.

Live-action films, documentaries and animations can all apply for support. Both those who hope to bring

What to See at the Cinema This Year*

By Andriy Holub



According to the State Film Agency, the scheduling plans of distribution companies UFD, B&H, Arthouse Traffic and MMD, cinema listings and publications on Lb.ua, Zaxid.net and Ukrinform

The Secret Diary of Symon Petliura

6 September

Historical drama



Director
Oles Yanchuk



When the Trees Fall

13 September

Modern coming-of-age drama, a dark erotic tale**



Director Marysia Nikitiuk



^{*}Films that have been released or have an announced release date

as large an audience as possible to cinemas and those who dream of winning a prize at an international festival. This year, the state began to hold a competition for TV series too. This innovation sparked a heated debate in the Ukrainian cinema world on whether it is necessary to allocate public funds to private TV channels and if the authorities are simply trying to buy their loyalty in this way prior to next year's elections. Indeed, the TV channels themselves are in no hurry to comply with the article of the new law stating that Ukrainian films should be promoted in public service advertisements.

Almost every competition for state cinema funding is accompanied by a scandal. It reached a peak this year during the Patriotic Cinema competition that was held for the first time by the Ministry of Culture. There are several reasons for this.

What is "patriotic cinema"? Parliament backed itself into a corner by introducing a phrase that has no legal definition. But it is a nice word and they certainly wanted to win favour from the electorate. After some verbal iousting, it was decided to consider all good Ukrainian cinema to be patriotic. How could this scandal be avoided? There are several options. The first is to leave everything the way it was. That is, when money for the production of films is allocated by the State Film Agency through its own Council, the creation of which is prescribed in the Law on State Support for Cinema. The second one is to divide up the competitions of the State Agency and the »



Hero of My Time

20 September

Comedy



Director Tonia Noyabriova



Noble Tramps

27 September

Musical comedy action



Director
Oleksandr Berezan



Crazy Wedding

4 October

Authentic comedy



Director Vlad Dykiy



Ministry of Culture based, for example, on the following principle: one supports projects aimed at a wide audience, while the other deals with art films intended for festivals.

An advantage of this first "patriotic competition" from the Ministry of Culture was that all the experts' voting cards are published on the internet after both the first and second rounds so that anyone can read them. They are not signed, but some people with certain analytical abilities were able to work out exactly which expert filled out which card. This is where it got interesting. It turned out that not all the members of the jury were competent enough – some violated the regulations by not giving reasons for their ratings. Others have problems with logic: while recognising a project to be relevant or patriotic, they give the lowest scores.

According to Media Resources Management, **14.23 million** cinema tickets were sold in Ukraine in the first half of 2018 and **15.6 million in** the first half of 2017

One expert decided to follow the letter of the rules and give a zero for all criteria if he considered the project to not be patriotic. This assessment was taken into account when determining the average score, and some projects did not get into the second round due to one zero from one member of the jury. If we take into account that half of the experts were also applicants at the same time, i.e. they submitted their own projects to the competition, but did not vote on them, an additional question arises: were some of them not simply trying to take out their competitors?

After the competition ended, the Ministry of Culture told the winners that the amount of state funding for a feature-length live-action film or animation could not exceed UAH 25 million (\$885k), although this was not stipulated anywhere in the competition's rules. Despite the fact that the Cabinet approved the list of winners

more than a month ago, the Ministry of Culture still cannot say how much money each winner will receive from the state budget.

A problem that came to the fore during the first State Film Agency pitching that has not yet been resolved is the closed first round. Half of the submitted projects do not reach the second round. It is impossible to find out what these films are about. There is no guarantee that projects that really should be supported are not left behind. It often occurs that during the pitching stage, some experts radically change their mark for one of the contestants. Therefore, the only correct solution would be to introduce one round of public pitching for all projects submitting documents that meet the required criteria, but nobody wants to do this.

So when you hear from officials or experts that the competitions are held transparently and everyone can go to YouTube to watch the pitching, remember that a) half of the projects did not reach the second round and b) the experts' ratings are not publicly disclosed, you will not find their names in the titles of the finished film and none of them will be held responsible for their decisions.

This autumn, the first composition of the Council for State Cinema Support will be selected. The people who join it will decide which films will be supported by the State Film Agency. For the first time, cinema experts will receive substantial remuneration - a monthly allowance equal to 35 times the minimum cost of living for able-bodied persons as of 1 January of the current calendar year. As of 1 January 2018, the minimum cost of living is equal to UAH 1,700, so the monthly allowance for each Council member will be UAH 59,500 (47,898 - \$1700 - after tax). When the minimum cost of living increases, the salaries of Council members will increase accordingly. Cinematographers have not unreasonable fears that it will include people who have previously voted on projects as part of Ministry of Culture and State Film Agency committees or have selected experts. As a journalist who was present for the election of experts, I can say it seems that the list of winners was approved in advance, the competition for positions is a sham and members of the commissions who elect the experts often make compromises and come to agreements with each other on who to vote for. Often, there is no logical expla-



4 October

Mystical thriller

Director Roman Perfiliev



Call Sign Banderas

11 October

Detective/action



Director **Zaza Buadze**



Donbas

18 October

Drama



Director
Serhiy Loznytsia



nation behind their arguments about why they supported one candidate and did not support another. So I can not rule out a new wave of backstabbing and scandals.

CAN UKRAINIAN FILMS BE PROFITABLE IN CINEMAS?

This question is discussed continuously. In order to answer it, it is necessary to take two aspects into account: very often, and especially if a film is not publicly funded, it is impossible to know what its budget was. Even if the film-makers disclose the figure, there is no guarantee that it will be accurate. The box office takings are divided between all participants in the process: half the amount is taken by the cinema and the other half by the producers and distributor (an intermediary who negotiates with cinemas to agree on the number of showings, screening times and the period for which the film will be shown). If the distributor invests its own money in advertising, it will take a larger amount. This information is not publicly available. For example, the comedy Crazy Wedding was launched onto Ukrainian screens on 4 October. The State Film Agency allocated UAH 3.24 million (\$115k) to it, or 30% of the total budget. Over the first weekend, the box office takings were UAH 13,112,491 (\$466k). It was seen by 149,423 people, which is a very good result for a Ukrainian film. The filmmakers have stated that this is a record for a Ukrainian live-action film that is not a co-production project. It is already clear that the movie can stay on Ukrainian screens for a long time and will increase its box office takings week by week. For it to break even, it must bring in almost UAH 30 million. At the same time, it should be remembered that we do not know what percentage will be taken by the distributor and how much money the producers invested in advertising. But in any case, it is a very successful Ukrainian project that caters for a wide audience.

For comparison, I will mention another of this year's releases, also intended for a wide audience and supported by the State Film Agency. The Secret Diary of Symon Petliura brought in UAH 2,385,171 (\$84k) from 31,928 tickets sold during the four weeks that it was in cinemas. It was allocated UAH 23,599,998 (\$840k), half of the film's total budget, by the state. Is it necessary to give

money to such a movie? It will not pay back the funding through cinema screenings, nor will it be successful at prestigious international festivals. Nevertheless, the film was created at the Dovzhenko National Film Studio, which according to its manager — who is also its film director — requires state funds. Many viewers consider this kind of cinema to be "patriotic".

Some producers prefer not to use the services of dis-

Some producers prefer not to use the services of distributors and release films themselves. They personally come to agreements with each cinema regarding screening times and the number of showings. The creators of Alive chose this path. They had one condition: the movie should be shown in the DCP format, which provides better picture quality and sound. Not all cinemas agreed to

USUALLY, A CINEMAGOER IS LOOKING FOR EMOTIONS, FOR EXAMPLE, TO LAUGH, SO THE GREATEST DEMAND IS FOR COMEDIES. UKRAINIAN MANUFACTURERS HAVE UNDERSTOOD THIS TREND, SO 2018 AND THE BEGINNING OF 2019 WILL BE REMEMBERED FOR A LARGE NUMBER OF FILMS IN THIS GENRE

this, and some even claimed that the film-makers did not contact them at all, so it was not released on a large number of screens. This year, the same group is releasing the film King Danylo. They are "going it alone" again and plan to continue with the above-mentioned image and sound format. Time will tell if it is able to get into more cinemas than Alive did. After all, the cinemas also have arrangements with distributors who supply them with films from big American studios, which provide them with their main income at the box office and allow them to remain profitable. Both Alive and King Danylo were privately funded by their film-makers. They do not disclose the budgets of the films and say they do not need financial support from the state. In fact, it is a good thing that in Ukraine there are films that are funded both privately and publicly.

I WAS THERE, THE FILM WAS NOT

On social media, it is often possible to read reviews like "I decided to go to see a Ukrainian film, but no one else was interested, so there was no showing". In fact, some »

Dzidzio. First Time

25 October

Romantic comedy

Director Taras Dron and Mykhailo Khoma



Black Cossack

25 October

Mystical love story

Director
Vladyslav Chabaniuk



The Wild Fields

8 November
Action/adventure



Director Yaroslav Lodyhin



cinemas only put on a screening when they have sold three, or sometimes five, tickets. This problem is especially relevant in regions where entire cities only have one cinema. Some movie theatres in Kyiv also have a tendency to do this, but there is much more choice in the capital, so it is not a problem to find a cinema where a film will be shown to even one paying customer. After one viewer, a popular film blogger, made a post on Facebook about his unsuccessful trip to see a Ukrainian film, the manager of the Baida cinema in Zaporizhzhia, Oleksa Nasliednikov, wrote, "Yes, there is a certain economic basis for putting on a screening. The minimum number of viewers to cover costs is four to five people. A cinema is not funded by anyone except its owners and they don't have to justify themselves to anyone except the film's distributor. But we always try to go meet our audience halfway." Two problems arise here at the same time. The first is that our compatriots are not too enthusiastic about going to see most Ukrainian films. The second one is that the Law on State Support for Cinema provides for state financial assistance to cinemas in small cities, namely, "the reimbursement of interest paid on bank loans received for the construction and/or reconstruction and/or technical re-equipment of cinemas located in settlements with a population up to 250,000 inhabitants". This article of the law has not started to work yet. Perhaps the document should prescribe support for cinemas that undertake to show all Ukrainian films – including those that are privately funded and those that are released without a distributor even if only one ticket is sold for a screening.

Another problem is that not all Ukrainian films see a wide release (there is no precise definition of the term "wide release" in Ukrainian legislation, but in the cinema community it usually means a film that is shown on at least 80-100 screens), if they are released at all. In some cities, where, for example, there is only one cinema, Ukrainian films, including those created with state support, may not be shown at all.

Sometimes (often in the capital), you find that when you finally want to go to see a Ukrainian film and visit the cinema website, you see that it is not being shown anywhere or that there is only one showing in one cinema at an awkward time. Why is this the case? The an-

swer to this question is given above. Ukrainian films usually have many showings at convenient times during the first week after release. It is worth remembering that if very few or no tickets are sold for a film during its first weekend, the cinema is unlikely to continue showing it. The issue is not that the cinema itself is not patriotic, but that viewers did not turn up, while it is still necessary to pay rent and employee wages. Therefore, instead of a showing a Ukrainian film, they will put on a foreign one that will certainly attract cinemagoers. And not just one.

WHAT IS A UKRAINIAN CINEMAGOER LIKE?

Nobody can give a precise answer to this question, because such studies have not been conducted in Ukraine, unless individual producers try to determine who goes to see their films. Of course, there are certain common principles. For example, a feature-length animation is intended for the whole family to go to the cinema together, so it has a good chance to collect the most money at the box office. Romcoms are mostly enjoyed by young people aged 16-25. During the holidays, when there are several days off in a row, cinema attendance is higher, so a struggle between several Ukrainian films has broken out for this year's New Year market. Usually, a cinemagoer is looking for emotions, for example, to laugh, so the greatest demand is for comedies. Ukrainian manufacturers have understood this trend, so 2018 and the beginning of 2019 will be remembered for a large number of films in this genre. Viewers also like to see stars and celebrities, so representatives of show-business are appearing more and more often in cameo roles.

Perhaps films about politics like the American series House of Cards would be in demand from Ukrainian audiences: as sad as it is to admit this, the most highprofile and popular figures in Ukraine are politicians and our society is highly politicised. In addition, the release of such a product will in any case cause a scandal, which is also an element of advertising, sometimes one even more effective than 100 positive posts on social media. But so far Ukrainian film-makers have not dared to make such movies and the problem, in my opinion, has nothing to do with the budget. The audience is lazy – for them to find out about a film, it has to be talked



22 November Historical action

Director Taras Khymych



Swingers 2

5 December Comedy

Director **Andreis Ekis**



Kruty 1918

6 December
Historical action



Director
Oleksiy Shapariev



about 24 hours a day on every medium. This advertising costs a lot of money and not all producers want to invest in it, because in any case not enough tickets will be sold in order to cover these costs, not to mention the production budget. We mentioned the box office takings of Ukrainian films that were successful in cinemas, but they are few and far between. While more than 200,000 people can go to see mass-market movies in Ukraine, a festival drama will attract from 2,000 to 20,000. There are very few people interested in such films in Ukraine. Why so few spectators go to see mass-market films is another issue that requires sociological study. It could be due to economic factors, laziness, lack of interest or lack of time.

According to Media Resources Management, 14.23 million cinema tickets were sold in Ukraine in the first half of 2018 and 15.6 million in the first half of 2017. It is impossible to count how many of them were for Ukrainian movies, because often distributors and independent film creators do not disclose this information. The introduction of a unified electronic ticket — a corresponding provision is set out in the current Law on State Support for Cinema — could change the situation. But, unfortunately, there are no signs that this will happen in the near future.

What steps should be taken in the near future in this field? First of all, compliance with the law, i.e. ensuring the adoption of acts necessary to implement a unified state system to keep an electronic record of tickets sold. The state should commission a highly-rated sociological service with a good reputation to make a "portrait of the Ukrainian cinemagoer". It is worth surveying not only people who buy tickets for Ukrainian films, but also those who as a matter of principle only go to see foreign movies, as well as those who do not go to the cinema at all, in order to understand what stops them from doing this. In addition, it is necessary to expand the network of cinemas in the regions with financial support for those who will provide regular screenings of Ukrainian films.

Another step is the creation of an online resource that would bring together most Ukrainian films, both new and older ones. This would be a platform for the further promotion of Ukrainian cinema not only in our country, but also abroad, thanks to which it will be watched,

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in particular, by Ukrainian migrants. Film-makers, in turn, will be able to further monetise their content. In addition, it will help track how many people are willing to pay to watch Ukrainian films if they do not want or cannot go to the cinema for any reason.

The evaluation of projects that are applying for state funding should be transparent. If the experts do not want to state their names on the voting cards that record their ratings, the end credits of the finished film should at least show who exactly backed the project. It is also important to involve foreign specialists who have experience of successfully implementing cinema projects and have not worked with Ukrainian film producers in the expert commissions. The experts should be banned from moving from one commission to another and constantly voting on projects that are applying for financial support.

FILMS SUPPORTED BY EURIMAGES WILL HAVE A GREAT CHANCE OF COMPETING IN TOP-CLASS INTERNATIONAL FESTIVALS, WHICH WILL ENABLE UKRAINIAN CINEMATOGRAPHY TO BECOME PART OF THE INTERNATIONAL PROFESSIONAL FILM INDUSTRY

For the further development of its cinema industry, it would be a good idea for Ukraine to join Eurimages, the European cultural fund that deals with film co-production, distribution, exhibition and promotion. This will enable actors in Ukrainian films intended for festivals not only to receive funding from abroad, but also to create co-produced films, expanding their distribution at least to the countries that provided funds. In addition, films supported by Eurimages will have a great chance of competing in top-class international festivals, which will enable Ukrainian cinematography to become part of the international professional film industry.

Cinemagoers themselves should also remember that when you want to buy a smartphone, you go to look for one in the shop and do not wait until someone brings it home for you. It is the same with films: if you want to watch new Ukrainian movies, look for them at the cinema.

A December Fairy Tale, or the Adventures of St. Nicholas

13 December Family comedy/adventure



Director Semen Horov **Sex and Nothing Personal**

20 December

Romantic comedy



Director Olha Riashyna



Me, You, Him and Her

27 December

Romantic comedy



Director
Volodymyr Zelenskiy
and David Dodson



Starting November 9 ——November 14, 20:00 ——November 15, 20:00 –

"Color like a Labyrinth"

Portal 11 Galley (vul. Triokhsviatytelska 11, Kyiv)

Can color be something more than just an image? Have a shape, sense, sound? The answer to this can be found at a show of abstract paintings by well-known Lviv artist, Ivan Turetskiy. Using color, shades and tones, the painter conveys a multitude of meanings and interpretations, giving hi works not just hidden ideas but also the music of light. Together, this collection is a real labyrinth of color. It's no surprise that the artist's works have made their way into private collections around the world, from Canada and the US to Austria, Germany, France and more.



STING & SHAGGY Palats Sportu (ploshcha Sportyvna 1, Kyiv)

One of the most anticipated concerts of the year, "a mad mash-up" says the press, and for music lovers, a unique event that no one should miss. Sting & Shaggy are coming to Kyiv to present their new album, 44/876, which came out in April 2018. Reggae, easy and spontaneous sounds are the passion that brought the two performers together. The program will include not just their big hits "Don't Make Me Wait" and "Morning is Coming," but also such favorites as "Desert Rose," "Shape of my Heart, "Every Breath You Take," and "It Wasn't Me."



FREEDOM JAZZ: Doo-Doo-Doo

Caribbean Club (vul. Symona Petliury 4, Kyiv)

Jazz has an unusual capacity to enchant from the very first notes played. But when it is performed by the talented all-female band Freedom Jazz, its power doubles. Listeners have little choice but to let the music completely take them over. The different musical instruments seem to work to the voice of the vocalist, creating an unbelievably harmonious and generous atmosphere. Humorous little notes have also been woven into the musical show, directed by Olena Koliadenko. The evening's music was all composed by the band's members.



November 17, 19:00——November 19, 19:00——Starting November 22—

Jamala. Wings

Rivne Municipal Arts Building (vul. Soborna 3D, Rivne)

With her new concert program called "Wings," Tatar-Ukrainian performer Jamala plans to "fly" all of Ukraine. The singer's national tour starts in November in Rivne and moves to all of Ukraine's major cities. The core of this program is songs from Jamala's eponymous new album, which was released in October. In addition to new material, the winner of the 2016 Eurovision Song Contest will perform popular songs from previous albums, including the world-famous "1944," where she sings of the tragic past of her people.



DakhaBrakha

Maria Zankovetska Theater (vul. Lesi Ukrainky 1, Lviv)

Lviv ushers in a folkloric fall with the ethno-band DakhaBrakha. Not for the first time, the group will thrill Lviv audiences with their performance. This musical project organized by artistic director Vladyslav Troitskiy has been wowing audiences for 14 years and not just in Ukraine. In fact, one of their songs can be heard in a commercial for men's coming out in 2016. Their repertoire includes songs in Ukrainian, English, Russian, and the Crimean-Tatar language.



New British Cinema

Kyiv, Odesa, Lviv, Kharkiv and other cities across Ukraine

The New British Cinema Festival has become a favorite tradition in Ukraine. Every November, the British Council in cooperation with the Traffic Arthouse presents Ukrainian filmgoers with a selection of premier films, a press conference, a variety of special projects, all dedicated to the best examples of British cinematography. This year, the festival turns 18, having brought Ukrainian audiences such greats as The Irishman, Flashbacks of a Fool, Notes on a Scandal, Nightwatching, and many more. Stay tuned!









Music Heals Hearts

V ANNIVERSARY CHARITY GALA DINNER

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



SATURDAY, NOVEMBER 24, 2018 19:00

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

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

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