

# The Ukrainian Week

International edition

#9 (139) September 2019

In search of the middle class  
here and abroad

Demographic challenges  
and male mortality in Ukraine

"Unofficial" Ukrainian painting during  
the era of socialist realism

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## BRIEFING

- 4 **Russia's word**  
The Russian-Ukrainian exchange of prisoners is still in question

## POLITICS

- 8 **Boris Johnson and apocalypse**  
Michael Binyon (London) on what economic and political challenges are threatening the new UK Prime Minister
- 10 **Anti-media campaign**  
Why the new government is trying to mess up with journalists and why direct communication with the people is a myth

## FOCUS

- 12 **Stop the vicious cycle**  
How oligarchic-proletarian model puts Ukraine's success in jeopardy
- 15 **Middle ground**  
Where Ukraine's middle class is and how it can develop
- 18 **The force of evolution**  
What conclusions the patriotic camp should draw from Ukraine's presidential and parliamentary elections

## ECONOMICS

- 20 **Clouds in a silver lining**  
On the threats of cheap dollar for Ukrainian economy
- 22 **"Dismissed" from the mines**  
How the DNR-LNR terrorist leadership accomplished their own biggest fear – the closure of the mines
- 24 **Colonial misbalance**  
Is there a hidden threat behind the sudden trade increase between Ukraine and China?



## SOCIETY

- 27 **Mykhailo Zabrodskiy: "Generals do not think within the framework of the previous war"**  
The commander of the Ukrainian Air Assault Forces on the feasibility of holding a military parade on Independence Day of Ukraine and the specifics of the war in Donbas
- 30 **Science & Technology: Diagnosis and treatment**  
Ex-Deputy Minister of Education and Science of Ukraine on the Ukrainian scientific sphere's needs and aspirations
- 34 **His death: Weak "stronger sex"**  
On the reasons why Ukrainian men die earlier than women
- 38 **The new underestimated threat**  
Why demographic challenges in Ukraine are equally dangerous as its economic and political troubles?

## NEIGHBORS

- 40 **The evolution of *homo sovieticus***  
Why is it so much harder than anyone expected to break ties with the soviet past?
- 42 **Donbas: The new repertoire**  
On the fact that open supporters of integration with Russia being persecuted on the occupied Donbas

## HISTORY

- 44 **The art of hesitation**  
The adventures of signing the Ukrainian-Russian Treaty of friendship, cooperation and partnership

## CULTURE & ARTS

- 47 **Ukrainian art: Home at last**  
What "unofficial" Ukrainian art was like during the era of socialist realism
- 50 **The months of futurism, short films and Eros Ramazzotti**  
*The Ukrainian Week* offers a selection of events to visit in September and October



## The Ukrainian Week

**The Ukrainian Week #9 (139) September 2019**

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ТИЖДЕНЬ

The exchange of prisoners between Russia and Ukraine announced at the end of August never did take place. Instead, Ukrainians saw a series of strange statements from government officials who initially declared that Ukraine's prisoners had returned home, then retracted their statement. Among others, newly appointed Prosecutor General Ruslan Riaboshapka for some reason shared a fake post from Bucha City Councilor Anna Islamova, who had written that the prisoner exchange had been successful.



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905 днів





ДАР ШУМКОВ  
ЗА ГРАТАМИ В РФ

МИР БАЛУХ  
ЗА ГРАТАМИ В РФ



Eventually it became known that Islamova had no relationship to the prisoner exchanges and had no information about the exchange, but simply shared rumors she had heard, but by then it was too late. The story got into the press and the families of Russia's hostages drove to the airport to meet their freed sons and husbands – whom they never did see. Expectations were once again raised when it was announced that the exchange was delayed until September 3. Once again, nothing happened. It began to be clear that for some reason the agreement had collapsed.

Various reasons have been suggested for this one-again, off-again situation. Supposedly Russia insisted on a number of men being exchanged that Ukraine had not planned to release at this time. Yet this kind of issue is generally agreed in advance and if the exchange collapsed at the last minute, then the reason had to lie elsewhere. In this case, it was obvious that it was not connected to a particular surname but to Moscow's desire to spoil things for Ukrainians while making President Zelenskiy look like a fool. After all, it's worse to offer hope and trick someone than not to offer any hope at all.

The return of Ukrainian citizens to their homeland from captivity is always a major and joyful event. In contrast to the Russians, who avoid drawing much attention to such exchanges, Ukraine has always celebrated the liberation of its people. And, of course, top officials have always enjoyed the reflected glory of this joy. Zelenskiy could have brought his people great news at the very start of his presidency, but at this time, Moscow is making sure that doesn't happen. Right now, it's not clear if it ever intends to do so.

CLEARLY MOSCOW'S IMPRISONED CITIZENS HAVE FAR LESS VALUE TO RUSSIA THAN THE UKRAINIAN HOSTAGES IT HOLDS DO FOR KYIV. AND THAT'S THE MAIN REASON WHY, FOR THE LAST FIVE YEARS OF ITS CONFLICT, RUSSIA HAS TREATED THE QUESTION OF EXCHANGING PRISONERS AS A CONCESSION ON UKRAINE'S PART AND USES IT AS LEVERAGE

Of course, the disruption was taken full advantage of by pro-Russian, in the person of Putin's kour, the odious Viktor Medvedchuk. Together with Vadym Rabinovych, his partner in the Opposition Platform – Za Zhyttia party, he swiftly flew to Moscow and made sure to promote himself with the prisoners. The story of how they visited Russia and met with the Ukrainian captives was, of course, eagerly shown on the television channels controlled by Medvedchuk.

However, Deputy Chair of the Crimean Tatar Mejlis Ilmi Umerov claims the exchange was disrupted because Putin issued new conditions at the last minute. "After bringing the situation to its peak, he took a step back by adding new conditions: releasing a witness to the Boeing," he told reporters, with reference to the MH17 catastrophe. "This is a very serious provocation and yet another crime committed by Putin. By "witness," he meant Volodymyr Tsemakh, Commander of the AAD militants of DNR in the town of Snizhne. Tsemakh was taken into custody by Ukraine's special forces and is believed to have been involved in the shooting down of the Malaysian Airlines civilian jet in July 2014 and is clearly be a valuable witness in the ongoing case. The fact that Russia insisted on Tsemakh being handed over proves, in and of itself, that Moscow recognizes his guilt in the case and is afraid of being held responsible for shooting down the civilian jet. Whatever the case may be,

the fact that the Russians demanded his release at the very last minute, which was guaranteed to stop the exchange, can only be called a deliberate provocation.

In Russia itself, the hold-up in the exchange process was explained as being due to a change in the procedure according to which exchanges are supposed to take place. Among others, the Russian paper Kommersant cited its own sources as saying that the two sides could not agree to the legal basis for releasing and handing over prisoners to each other. The result was that a new plan was drawn up, according to which sentenced individuals would return to their homeland after a presidential decree offering clemency, while those who were still under trial would return to Ukraine and Russia with notarized copies of their criminal cases. They would eventually be tried in person for their crimes at a later date.

The Russians say that it was because Ukraine had declared the criminal investigation of its seamen illegal from the very start and demanded their immediate release without any excuses or conditions. This way, getting a copy and not the original case, Ukraine's law enforcement agencies would not have to continue a criminal investigation of its own citizens, as had been originally planned.

If it all really does come down to just this, the exchange of prisoners should take place as soon as the legal issues are settled. Of course, no actual dates have been mentioned since the exchange failed to materialize. If Ukrainians can forget about seeing an exchange take place, it will be clear that the legal mumbo-jumbo was just an excuse for Russia to once more fail to uphold its side of a bargain.

Clearly Moscow's imprisoned citizens have far less value to Russia than the Ukrainian hostages it holds do for Kyiv. And that's the main reason why, for the last five years of its conflict, Russia has treated the question of exchanging prisoners as a concession on Ukraine's part and uses it as leverage. So far, the names of those individuals it wants released are not even known – that's how interested Moscow is in its prisoners. The Ukrainian list is almost complete – 22 seamen and high-profile political prisoners like Sentsov, Kolchenko, Klykh, Karpiuk and Bekirov, the Russians have provided only a handful of names. These include a participant in the Odesa union fire on May 2, 2014, Yevgheni Myefiodov, journalist Kirill Vyshinsky, and two Crimeans, Maksym Odnytsov and Oleksandr Baranov, who were originally Ukrainian servicemen but betrayed their oath and received Russian passports.

Who are the remaining 3 dozen individuals? One can only guess. Various names are mentioned, including a Russian serviceman, Viktor Ageyev, who was taken prisoner in a battle in Luhansk Oblast. But mostly these are individuals whom no one knows and whom no one in Russia has even mentioned, neither politicians nor journalists. Russia has always been ashamed of its prisoners, obviously understanding the incriminating conditions under which they fell into Ukrainian hands.

Interestingly, nearly all the Russian press that has written about this uses the phrase "prisoner exchange," although the official Russian story is that there is no military conflict between Ukraine and the Russian Federation. Moscow says that what's taking place in Ukraine for the last five years is a civil war in which Russia is not involved. So we have a little paradox: there's no war, but there are prisoners of war. In Russia, no one is bothered by such paradoxes, of course. And so journalists don't bother themselves with explanations, leaving it up to the reader to find the truth between the lines. ■



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# Boris Johnson and apocalypse

What economic and political challenges are threatening the new UK Prime Minister

Michael Binyon, London

Boris Johnson has arrived like a bombshell. The new British Prime Minister has lost no time in stamping his authority on the government. A day after taking over, he sacked most of Theresa May's ministers, including the foreign secretary and the finance minister. He replaced them with right-wingers committed to Brexit, bringing in hardline ideologues to savage Conservative rebels fighting Brexit. And he has promised that Britain will leave the European Union by October 31, "do or die".

To many people, including the angry and frustrated European Union leaders, it looks as though the option will be "die" rather than "do". They said they will not reopen negotiations, nor get rid of the special provisions on the Irish border, the main issue holding up a deal. They have dismissed Mr Johnson as deluded, confrontational and not a serious politician. And they now fear that Britain will crash out of the EU without any deal on trade,



**Overseas assistance.** Boris Johnson hopes to offset Brexit losses with new US trade deal



borders or regulations and without paying its promised £39 billion divorce settlement.

The new Johnson government has begun emergency preparations for a bitter divorce in the autumn. More than £1 billion has been promised to help farmers who will not be able to sell their food abroad. Industry will be given huge sums to stockpile vital spare parts. Emergency supplies of medicines are being brought in from Europe in case of shortages. Vast new car parks are being set up near Britain's ports to cope with all the trucks that will be stranded waiting for customs clearance. The country is being put almost on a war footing.

But the opposition to such a doomsday scenario is growing. Conservative opponents of a no-deal Brexit are now preparing to block it in Parliament, promising to join the opposition Labour and other parties in voting against any move to leave the EU without a formal agreement with Brussels. This is a real threat, as the Conservative party now has a majority of only one seat. Last week it lost a by-election to the opposition Liberal Democrats, who snatched a formerly safe Conservative seat in Wales. There are at least 20 Conservatives ready to defy Johnson; if only two vote against a no-deal Brexit, his plans collapse.

Johnson is a fighter, however, and is proposing measures that would cause an immediate constitutional crisis. His aides say he may refuse to resign if he is defeated in Parliament. That would force the Queen to intervene and dismiss him – a move that would severely embarrass the 93-year-old monarch. Aides also say he could simply dismiss Parliament or send members all on an extended holiday. That would also be a massive assault on British democracy. As critics point out, the last time this happened was in 1629, when King Charles I dismissed Parliament and ruled alone. This led to a three-year civil war which the king lost. He was beheaded and the monarchy was abolished. Johnson is unlikely to risk such a move again.

With only a tiny majority, the government may soon be forced to call a new general election. This could have unforeseen consequences. The two-party mould of British politics has been broken. The ruling Conservatives are deeply unpopular and might lose many seats. But the Opposition, led by the elderly left-wing Marxist Jeremy Corbyn, is even more unpopular and is deeply split over accusations that senior figures in the party are institutionally anti-Semitic. The Labour party came fourth in the Welsh by-election – a disastrous result. Instead, two small parties would gain: the anti-Brexit centrist Liberal Democrats, and the far-right Brexit party which is winning support by insisting it will stick to the October 31st deadline to leave the EU. A coalition between any of these groups would be unworkable.

Johnson insists he has no plans for an immediate elections. But his actions speak otherwise. He has been touring all round the country, trying to drum up support and preaching the gospel of optimism and determination. He has visited Scotland, Wales and distant cities and has promised huge sums of money to counter the effects of austerity. He has promised a massive injection of £1.8 billion for the health service, an extra 20,000 police to fight knife crime, more money for housing and immediate help for local councils to strengthen decaying social services. There is no indication where this extra money will come from. No new taxes have been announced. Critics say this will either bankrupt the country or force massive

new borrowing and reverse years of austerity to reduce the national debt.

His hard line on Brexit, however, has especially angered the Scots, who largely voted in 2016 to remain in the EU. The Scottish Nationalists, in power in Edinburgh, are now preparing for a second referendum on Scottish independence. This time, the polls suggest, they may do better if the UK government forces Scotland as well as England to leave the EU without a deal. Scottish independence and a breakup of the United Kingdom would face Johnson with an unprecedented challenge to Britain's integrity and economic survival.

Johnson is hoping to use his good relations with the Trump administration to win support from Washington for Brexit and for a new trade deal with America to offset the disruption to British exports to the EU. Britain has sided with America in sending warships to the Gulf to protect oil tankers liable to be seized by Iran. The new prime minister has also offered strong support for America in its quarrel with China over trade. But senior figures in Washington have said that Johnson is "delusional" if he thinks he can get a good new trade deal with the US. America always negotiates in its own interests, and would have far more bargaining power over Britain once it alone and without the support of its EU partners.

The new Johnson government has begun emergency preparations for a bitter divorce in the autumn. More than £1 billion has been promised to help farmers who will not be able to sell their food abroad

Johnson has the advantage of his energy, enthusiasm and determination not to be defeated by political challenges. He has also recognised that the government needs to begin an urgent programme of social reform. Many issues – housing, transport, infrastructure, social care and defence – have been neglected during the three years of Mrs May's government, as she was preoccupied with Brexit. There is now a lot of public anger over rising knife crime, the lack of housing and the crumbling National Health Service.

The new prime minister has promised immediate action to deal with these domestic issues. But his danger is that he has surrounded himself with far-right populist politicians who are ideologically opposed to state help for social programmes. The liberals in his own party dislike and distrust him, and believe the Conservatives are moving too far to the right, deepening social divisions in the country. Open quarrels between liberals and Brexiteers in the party are becoming increasingly bitter, and the party may well split over the issue. This would probably keep it out of power for a generation.

Most Britons are fed up with the rows over Brexit. They are angry over what they see as Britain's new weakness, its loss of influence and the increase in social issues at home: rising crime, drugs, gangs, poor schools and health issues such as obesity. A younger generation believes the government is out of touch and not doing enough on such issues as climate change and new protests are being held every week. There is a general sense of disillusion with politics. It will take all Johnson's energy and wit to restore a sense of direction for Britain and find some acceptable way of dealing with Brexit. ■

# Anti-media campaign

Why the new government is trying to mess up with journalists and why direct communication with the people is a myth

Maksym Vikhrov

From now on, the Cabinet will work behind closed doors. This was announced on Monday, September 2 by the newly elected Prime Minister Oleksiy Honcharuk. According to him, the meetings “should not be turned into a show”, which is why the officials will talk to the journalists after them. Whatever the personal premise of the prime minister is, this decision is like another demonstration of power: the new government is deliberately provoking a conflict with the media community, expecting to impose its own rules of the game. It should be reminded that a week earlier Nestor Shufrych was nominated to the post of Chairman of the Committee on Freedom of Expression in the Verkhovna Rada. It is possible that the decision to give away several parliamentary committees have been made to demonstrate political diversity. But you can hardly find worse defenders of free expression than ex-regionals. And even more so in the person of Shufrych, who in January 2014 voted for dictatorial laws. So it is not surprising that this employment issue has been considered as a gesture of contempt for the media community and civil society in general. But it seems that the authors of the decision hoped for this effect. Against the background of the sudden rummage of “Susplyny” TV channel, all this seems rather gloomy. It is not excluded that a cold war will indeed start between the authorities and journalists. However, its results are unlikely to meet Bankova (Government) expectations.

**BULLYING THE MEDIA, THE NEW GOVERNMENT CONFRONTS NOT ONLY THE JOURNALIST DEPARTMENT BUT ALSO CIVIL SOCIETY, AT LEAST THE PART THAT FEELS TO BE THE DRIVING ENERGY OF THE CHANGES THAT HAVE BEEN INITIATED ON THE MAIDAN**

The new government's dislike of the media has had a long history. “I owe you nothing,” Zelenskiy (then the presidential candidate) told a journalist when asked about business in Russia. It was January 2019. In the same vein, his entire election campaign was held. There was virtually no direct communication with the press, and most of the public communication was carried out on behalf of the candidate by representatives of his team. “The Media for Conscious Choice” movement openly called for Zelenskiy to give a press conference, but to no avail. Subsequently, in June, they called on the president to report on the actions in office, instead the meeting with journalists was closed, moreover, with off-record. There was also no traditional press conference to mark the first 100 days of the presidency. Meanwhile, an interview was broadcast on TV by Zelenskiy given to his former colleague – an actor from the TV series “Servant of the People”. Even though the conversation was about topical issues, it can be regarded as a

regular mocking at the media, rather than a serious report to the public. The head of the Presidential Office, Andriy Bohdan, has voiced the new authorities' strategy in regard of the mass media. Having ridiculed a large part of the media community with his fake release statement, he said: “Classical journalists have got accustomed to being aware of themselves as society. But, as our election campaign has proven, we communicate with society without intermediaries, without journalists.” And, as the facts above show, these are no longer mere words.

The persistent desire to mess with the press seems, at first glance, absurd. We don't lack examples of the country's leaders declaring war on the press – it is enough to recall Donald Trump. However, in this case, you cannot draw the parallels. Trump was the number one enemy of mainstream American media before his election, but the attitude of the Ukrainian media community to Zelenskiy was (with a few exceptions) quite loyal. Having come to power, he had a good chance of building, if not friendly, at least neutral relations with the press. But it seems Zelenskiy's team had already had a different plan. Probably, it was due to dizziness from success. The spectacular election campaign built around Zelenskiy's personal popularity instilled confidence in them that without the media one can not only win races but also successfully run the country. However, this statement is false. First, Zelenskiy's electoral result was not only thanks to his personal charisma and political situation, but also to the fact that his face has been on the air of popular TV channels for the last 15 years. And second, election campaigning and routine communications with the public are fundamentally different tasks that cannot be accomplished by the same means. No matter how spectacular the election performance is, no politician – neither in Ukraine nor in the today's world – has been able to stretch it to a full cadence.

It should also be borne in mind that before the eyes of the Zelenskiy team there were experiences of predecessors, who were loyal to the press, at least agreed that the press itself should be a mediator between the authorities and citizens, and also on its role as a watchdog of democracy. However, they did not provide any political dividends to them. Even worse, the media community made a tremendous contribution to the destruction of Petro Poroshenko's rating (to what extent it was deserved is a separate issue). In short, Zelenskiy's team clearly understood that the press could be dangerous for the authorities. A politician like Viktor Yanukovich would have acted in such a situation quite predictably, launching an attack on independent media with the help of gag-orders (so-called *temniki*), security agencies, thugs for hire (*titushki*) and other brutal means. Instead, Zelenskiy's team have decided to go the other way: not to force the press into loyalty, but to nullify its socio-





PHOTO: UNIAN

**Be careful, the Cabinet is closing.** One of the first decisions of the new PM Oleksii Honcharuk was to hold government sessions in a closed-door regime

political significance by establishing direct communication with the people. That is, to do as Bohdan directly stated. It is difficult to say to what degree that is an unconscious desire to copy Trump or a conscious calculation. However, such plans seem very self-assured. Whether Trump's war against American media is victorious is a debatable question. But whatever is happening in the US, Ukrainian society in its mass is focused on classical media, not on any alternative sources.

According to sociologists, television is the main source of information for 74% of our citizens. The second place with a big gap is occupied by Ukrainian internet media (27.5%). Social networks only ranked third (23.5%). Although the level of trust in all sources is low, 40% of Ukrainians still trust television, while online media and social networks account for only 14% and 12%, respectively (KIIS, 2019). Therefore, communicating with citizens through video blogs and social media posts is an ambitious idea, but in Ukrainian realities it is impossible. At least when it comes to full-fledged routine communication, not situational "throw-ins". Theoretically, the new government may find its point of support among classical media. This is 1+1 TV channel owned by Ihor Kolomoisky, with whom the current president has had long-standing partnerships. But even if it becomes Bankova propaganda outlet, it is unlikely to be sufficient. 1+1 is undoubtedly one of the five most popular TV channels: it is often viewed by 50% of Ukrainians. However, only 24% trust what they see. It is obviously not enough to communicate effectively with the 44 million country. Moreover, the rating of the audience is a variable substance. A year and a half ago, in February 2018, 61% of Ukrainians watched

1+1 and 35.4% trusted it (KIIS, 2018–2019). Therefore, it seems that the refusal of the authorities to act as "intermediaries" in the face of journalists is a desire not supported by real possibilities.

However, there is another important nuance. Bullying the media, the new government confronts not only the journalist department but also civil society, at least the part that feels to be the driving energy of the changes that have been initiated on the Maidan. Historically, the journalistic and activist environment in Ukraine has many points of interpenetration, which were formed during both Maidans, during the confrontation with the Yanukovich regime and during the resistance to Russian aggression. Some of the ordinary people who are "tired of the war" and perceive the events of recent years solely as television shows can really be set against journalists. Even after that, their agenda will still be shaped by TV and the editions of popular online publications. But it is impossible to confront journalists with civil society, however heterogeneous and internally conflicting, this environment is. All the more if the open ordering customer of such a split will be authorities. "The people", on appeals to whom the rhetoric of Zelenskii's team is based, really exists and is truly an arithmetic majority. The fact that the new government has come to terms with them is an undeniable achievement, but not absolute. Because the political subjection is only reached by people's majority once every five years when they are handed out the ballots. However, in order to sit to the end of their cadence, the authorities must also reach out to those who are able to shape state events without ballots: media and civil society. But it seems that Zelenskii's team has not understood it yet. ■

# Stop the vicious cycle

As long as the oligarchic-proletarian model remains in place, Ukraine will not be able to develop successfully

Oleksandr Kramar



PHOTO: UKRNINFORM

**Break it for scrap.** Such an approach to Ukraine's industries suits both the lumpen proles and the oligarchs. The difference is simply a matter of scale

The notion that the level of a country's standard of living has a nearly direct relationship to its level of democracy: The more democratic, the better chance for its citizens to be well off. The belief that a hungry society has no time for democracy is also a popular belief. In Ukraine, people often espouse these ideas to pacify themselves: Until we become richer, what's the point of democratic institutions? However, the connection between the level of wealth and democracy or autocracy is not really that direct, after all. There are plenty of examples in the world of both authoritarian countries whose economies are quite successful, as well as democratic states with an extremely low level of development.

The interrelationship lies somewhere else. The standard of living in a country directly depends on the connection between key socio-economic priorities: encouraging entrepreneurship and economic engagement among ordinary citizens versus the symbiotic domination of an oligarchic elite and a proletarian mass keen to appropriate what national wealth

there is. The former is often evident even in authoritarian environments, while the latter can be found even in a nominally representative democracy.

Both oligarchs and the lumpenized classes are, by their very nature, antagonistic to private initiatives, competition and the other conditions for widespread prosperity in a given society. For the oligarchs, it's because this complicates their economic and political dominion – or even makes it impossible. For the lumpenized, it's because this goes against their demand for "equality in poverty" – if not of their entire society, then at least the vast majority of the fellow-citizens they see around them in their daily lives. For the lumpen mentality, successful members of society are a far greater irritant than the few members of the privileged classes that keep apart from the rest of the population.

The degeneration of representative democracy that can be seen against a background of flourishing populism and a growing indifference to politics in general confirms, yet again, that



Ukraine suffers from just such an oligarchic-proletarian model of society. A new generation of politicians is effectively exploiting the inclination to populism among a broad swath of people who are uninterested in the real intentions of any politician or their readiness to carry out what they promised.

Meanwhile, their very envy of the wealth of others in contrast to what they perceive their own poverty that is deliberately being turned into one of the main factors for dissatisfaction. Overcoming social inequality, rather than an overall rise in the standard of living thanks to an expanding economy and “national pie,” is being offered as a panacea to poverty in Ukraine. This not just fails to provide the foundation for some kind of social justice – a socialist utopia of material equality – but it actually makes it impossible to establish social justice by offering equal opportunities to realize the varied potential of every individual and of the society as a whole.

### SOVIET GENES?

The model of society that has a tiny layer of oligarchs at the very top, super-wealthy individuals who monopolize influence over the distribution of resources and crush any form of opposition, while at the bottom is a vast layer of the poor that are dependent on the oligarchs and are happy with any scraps handed down by them, is not a Ukrainian invention. However, Ukraine had fertile ground for this model to develop, prepared by three generations under communism. For seven decades, the majority of the people were cut down and any sense of ownership and of entrepreneurial initiative were leached out of them, at the same time as a privileged caste of “nomenklatura” formed at the top. As the 1990s saw only imitation reforms, rather than real ones, the oligarchic-proletarian model was constantly being shaped and renewed, despite the two revolutions of 2004 and 2013-14 that were so closely associated with the middle class and civil society.

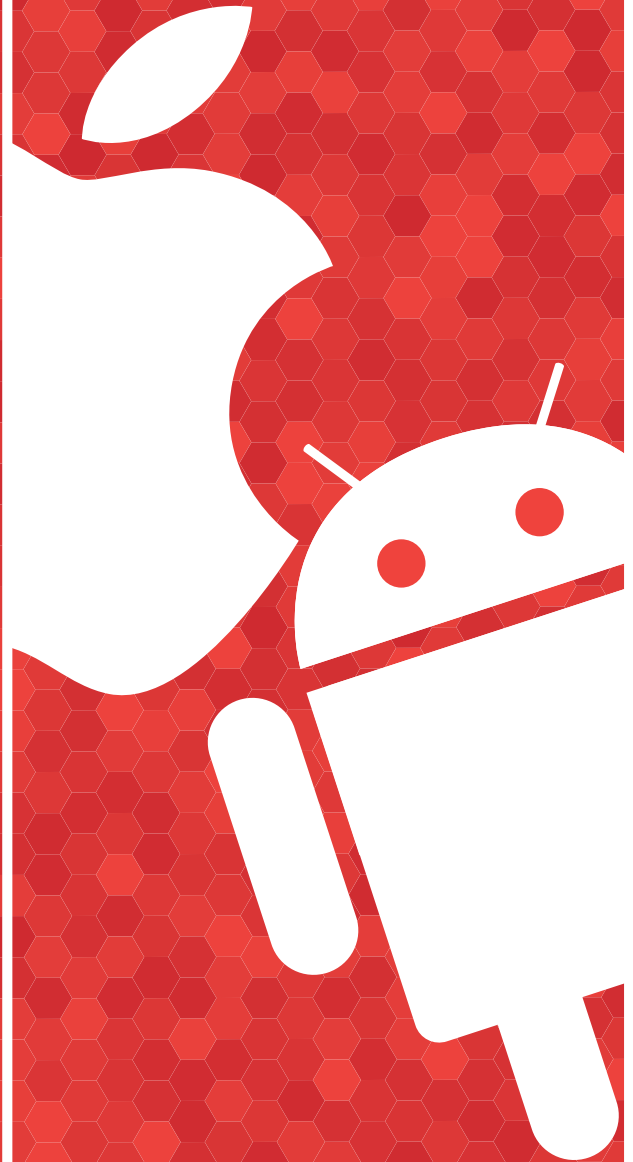
To this day, commercial success depends, not less on effectiveness than on proximity to the national or local political elite, while getting in to power at all levels depends on the ability to manipulate the lumpen mass of voters. Oligarchs are interested in maintaining a low cost of labor and in getting rents in raw materials and other monopolized sectors, their goal being to acquire all the available national wealth for minimal labor costs. What's more, their business empires typically do not enjoy the advantages that private business normally has over state-run ones: the desire to improve and develop its own assets with a focus on the future.

For instance, a slew of countries really did place their bets on supporting so-called national champions – major corporations or financial industrial groups (FIGs) in sectors where they had objective competitive advantages or very strong market positions. They were supported by the state, often even had direct tax breaks, and their interests were lobbied at the political level. On the other hand they had to align their own strategies with interests of their country of origin. This last aspect is fundamentally different in the model of interaction between a country and its economic champions compared to the oligarchic model of economic parasitism on the country of origin.

### THE SUCCUBUS OF OLIGARCHY

Having sucked out all the juices out of what were the basic sectors of Ukraine's economy until not long ago, the oligarchs have been actively looking for new “victims” that they can capture in their characteristic proprietary model of business. This could very soon become those sectors where SMEs dominated because of their smaller scales and profitability: light industry, wood processing, furniture making, food processing, and non-oligarchic agribusiness. Other sectors that »

У К Р А Ї Н С Ь К И Й  
**Тиждень**



so far have remained community or state-owned, such as healthcare, residential services, some areas of power generation and gas extraction, and the military-industrial complex (MIC), are now also in the risk zone. If the oligarchy manages to swallow these sectors as well, destroying the remnants of competitiveness and the seedlings of non-oligarchic national business, the country is likely to lose what is possibly the last chance for non-oligarchic development, together with what remains of its economic competitiveness.

Interestingly, the current oligarchic-proletarian system is adaptable enough to imitate reforms under pressure. But the various superficial and fragmentary transformations are not properly instituted, they are not designed to be systemic, and so they aren't leading to the desired positive impact. Election campaigns end up being an expensive competition, not of ideas and platforms for improving society, but of representatives of different business groups vying for the right to run the country on behalf of their own interests. The inevitable "punishment" of the latest political projects and their replacement by similarly "new" ones are, in the end, just more lost time for the country. From the very start, the creators and sponsors of

any country historically happened when there was a social basis for them to be accepted. Where they were able to mature properly, they were supported by an evolutionary process, but where there was strong resistance from the old system, a revolutionary process was inevitable. Even here, it's important to recognize that Ukraine's deeply paternalistic society cannot change on its own within the timeframes acceptable for the country's survival. It needs a leader who will force things and teach people to survive in a capitalist environment without expecting freebies and social handouts from the state.

Ukraine's relatively young and small middle class, which has taken shape between the lumpen masses and the oligarchic elite, has often been drawn into supporting political projects that had little bearing on its real interests and has generally been relegated to a secondary role. Meanwhile, all previous attempts to organize the middle class or elements of it and even to formulate its position in Ukraine were rife with infantile notions. Typically, it limited itself to protests against one action or another by those in power or demands to get or maintain certain privileges. It never demonstrated any particular desire to establish an independent game and to change the rules, rather than simply rotate those who established them based on the old patterns.

This middle class was shaped largely in opposition to the unfamiliar oligarchic-bureaucratic state as a mechanism for governing, based on its desire to minimize interactions with such a system. Still, its prospects and the necessary internal changes depend directly on its capacity to finally grow up and shift from resisting the state and sporadically protesting the most unacceptable actions of the government and the oligarchy linked to it, to a more mature, responsible approach that will make it possible to carry out healthy policies benefiting all of society. Operating on such principles as "avoiding paying taxes, no matter what, because they are being spent God knows how by others," "not getting involved in politics because it's a dirty mess," and "treating the corrupt bureaucracy as the enemy and minimizing budget outlays for it" is futile.

Under the current circumstances, the only way out for the middle and entrepreneurial classes in Ukraine is to take the initiative and responsibility to finally move from simply rejecting the "foreign" state to subordinating it and transforming it into a tool for carrying out the policies that make sense to them. The priority should be on measures aimed at demonopolizing the economy as quickly as possible. First, an end needs to be put to sectors whose access is restricted to the select few, who will no longer be able to corner corrupt or natural rents which hampers the country's economic growth. Secondly, natural monopolies that can't be broken up for objective reasons should be exclusively in the state's hands. Income from natural resources should thus go to the state and be used in the interests of the entire society.

The alternative to the destructive oligarchic-proletarian model that has been operating for more than two decades now needs to be a model that allows the broadest swath of Ukrainians to put their energy into the country's overall wealth through an expanding "national pie." This means stopping the practice of the old method of simply redistributing this wealth. That share of Ukrainians for whom the opportunity to show entrepreneurial initiative was very important remains unusually large. The NAS Institute of Sociology's long-term survey showed that it was more than 63% in 2016 compared to 46% in 2006, a decade earlier. Still, this potential cannot be taken advantage of as long as the system is based on an oligarchic-proletarian model that involves the unfair and economically inefficient distribution of the nation's wealth. ■

HAVING SUCKED OUT ALL THE JUICES OUT OF WHAT WERE THE BASIC SECTORS OF UKRAINE'S ECONOMY UNTIL NOT LONG AGO, THE OLIGARCHS HAVE BEEN ACTIVELY LOOKING FOR NEW "VICTIMS" THAT THEY CAN CAPTURE IN THEIR CHARACTERISTIC PROPRIETARY MODEL OF BUSINESS

these parties are prepared for their ephemerality, have their Plan Bs, and are mainly concerned with ensuring that they get back a return on their "investment" during that brief time.

What this costs society is not just economic stagnation as a result of the objective reluctance of monopolists to improve the efficiency of their companies and the inability of society itself to really influence those in power. After all, it doesn't provide the socio-economic conditions necessary for a competitive democracy, such as a competitive business environment. Those who want to get out of the oligarchic-proletarian system are forced to either adapt themselves to the dominant model of relations or to more actively look for opportunities to realize their ambitions outside the country. A demonstrative comment on this came from an emigrant forum: "Better to show your child that its parents want to achieve something, that work should be valued and offer a decent wage, than to stay here! Surviving on subsidies and raise a child in misery with a slave mentality is the easiest way out."

Over the last few decades, state policy was largely aimed at restricting competition and getting access to economic resources on behalf of the oligarchy, even though it seemed to have different objectives. What was called a "social state," was primarily a fund for the ruling oligarchs to buy the necessary number of lumpen voters to ensure that their governing was legitimized through the formal appearance of a representative democracy. This downward spiral into which the country keeps falling ever more deeply through a poisonous mix of oligarchic lobbying and populism must be stopped.

## A MODEST PROPOSAL

The current symbiotic model needs to be broken. Given where Ukraine is today, this can only be done through the instruments of government. Since the state itself and those in power are only instruments, it's important that they be in the hands of people determined to see change through. More than this, both systemic and profound transformations in



# Middle ground

Where Ukraine's middle class is and how it can develop

Lyubomyr Shavalyuk

Why is middle class so important in state-building? There are multiple answers backed by historical experience from different countries and epochs. Summarized, they will lead to the following conclusion: middle class is virtually the only strong layer of society whose interests always match that of State. Why is this so?

The equivalent of *lumpenproletariat* hates the State for giving it too little. It blames every trouble on the State and always opposes the order in place. These people make good social environment for coups. The poorer the state, the more *lumpen*, less stability and slower development it has. Oligarchs are another extreme: they disdain the state for giving them too much. They are interested in preserving the order in place as one that allows them to endlessly redistribute resources to their benefit. Proliferation of oligarchs cultivates social injustice and discourages people who can actually drive development. This stifles the state and conserves it in its embryonic state, holding back its potential. Neither the *lumpen*, nor the oligarchs can tolerate long-term development of the State. So, they hamper it where they can.

Middle class is the twin sibling of the state, a mirror of it. The more efforts middle class takes, the more results this brings. The State needs strong middle class to unleash its potential and make it more efficient, stable and dynamic. Middle class needs the State to preserve its position, drain the social swamp of the *lumpen*, restrain oligarchs and create conditions and opportunities for progress.

Ukraine has been gradually moving from degradation and stagnation towards managed development in the past years. Without cultivated middle class, this path will be extremely thorny and patchy. In order to boost socio-economic power of this layer, Ukraine needs to understand what it is, where to find it and what it needs.

## DEFINING MIDDLE CLASS

Middle class is an indistinct category. Developed countries categorize it by the level of income that meets a wide range of material and social needs. This approach works there because life is stable enough to allow referral to middle class based even on the area where the person lives or the brand of the car he or she drives. Income there is closely linked to lifestyle, serving as another accurate indicator of middle class.

Ukraine is different. A poor country with income levels comparable to much of the third world, its middle class is standardly measured at anywhere between 5 to 15% of the population. At the same time, Ukraine has developed, educated and cultured people, which makes it different from the typical third-world countries. Therefore, nearly half of Ukrainians refer to themselves as middle class, according to sociological surveys.

A poor country with highly developed population is a paradoxical combination, a rare phenomenon in the context of history. But that is Ukraine's reality. Decades of economic degradation have led it to where it is now, and it takes a non-

standard approach to define middle class in Ukraine in this context.

Ukraine has many people who are poor, especially by West European standards, but lead a fairly progressive and cultured life. They illustrate the essence of middle class in Ukraine. Income is just an external material reflection of it; values of proactivity and internal stimulus are the actual expression of the essence, creating the respective incentives and pushing these people to act accordingly.

Maslow's hierarchy of needs offers a good illustration. Middle class is comprised of the people whose basic physiological and security needs are satisfied. They live for creativity, self-fulfillment, social projects and more. In other words, these people can make ends meet (even if subjectively: some people feel perfectly comfortable physiologically and security-wise while looking poor to others), so they do not invest their energy into survival, focusing on personal, family and social development instead. This is the essence, the core

According to the Ministry of Economic Development, the average share of state-owned business was 8.9% in Ukraine's economy accounting for 8.2% by income, 15.2% by assets and 12.0% by the number of staff

of middle class. In developed countries, it is almost always linked to satisfactory income – jobs there create sufficient opportunities for self-fulfillment, and they pay well. In Ukraine, this happens far less often. As a result, representatives of the middle class in Ukraine, their lifestyle and desire to break out of the routine often surprise.

## SPOTTING MIDDLE CLASS

Identifying middle class centers by income levels can be confusing in Ukraine. For example, many in the IT industry fit the traditional description: they earn well and often have market-driven and development-oriented mindset and lifestyle. Mid-level managers in mid-sized and big business often match economic and mindset parameters too, while not all small business owners do. According to the State Statistics Bureau, two thirds of them work in trade. These are mostly people focused on buying cheap and selling expensive. They are obsessed with physiological and security needs, even if pretty satisfied already.

It is hard to find middle class in civil service. Low salaries are not the only reason for that. Let's look at state-owned enterprises. According to the Ministry of Economic Development, the average share of state-owned business was 8.9% in Ukraine's economy accounting for 8.2% by income, 15.2% by assets and 12.0% by the number of staff. This shows that state-owned companies have serious assets while generating little income in a sign of inefficiency. Similarly, the number of



**Solidarity.** The Revolution of Dignity was a manifesto of middle class mindset

staff is disproportionately high, signaling that many employees simply waste their time at work. If they were middle class, they would be motivated to change things, achieve results, bring companies to a higher level with different financial indicators. Unfortunately, employees at state-owned companies do not have such incentives. Low salaries reflect this.

The same is true for officials. Many of them are passive, lack initiative and have chosen to work for the state because of the stability and privileges it guarantees. They sit in their cubicles trying hard not to move too much. Government institutions convey the spirit of the Soviet Union far more often than an aspiration for self-fulfillment pursued by middle class. Even EU-level salaries will hardly change anything because their mentality has been affected irreversibly. Prosecutors, tax officers, customs officers and law enforcers offer a good illustration. They abuse office to make a lot of money, drive fancy cars and live in luxury mansions. Are they middle class? No. Because their actions and lifestyle do not help anyone develop. Quite the opposite. And they try to preserve this status quo.

It is difficult to come across middle class representatives in oligarch-owned business, even if there are some exceptions. Oligarchs are not used to doing business by competition rules, so they rarely stimulate progress in their own companies, or among their staff. Such companies have no internal social lifts, nor an established system to boost development. They view their assets as a cow they can milk but not feed or raise,

and they treat their employees as something close to slaves. This stifles business and the people who work in it, not daring to leave. When oligarchs do try to develop business, they normally end up being clumsy because their mentality and development are mutually exclusive. It is impossible to develop a business based on a non-market, non-competitive and often criminal foundation. According to the National Bank of Ukraine, 17 biggest business groups generated almost UAH 1trln of net revenues in 2017, an eighth of total revenues for all commercial entities in Ukraine, including individual entrepreneurs. This is a serious share, but not a decisive one. The problem is that poor corporate culture in the oligarch-owned business is often a model replicated by smaller companies that could otherwise work on a market basis and create the environment for their employees to become middle class.

Shaping middle class in Ukraine is important from the socio-historic perspective, too. The Maidan was a manifestation of the middle class, uniting its representative regardless of their income levels. Volunteers, activists, volunteer soldiers born from the revolution are the best of the middle class. These are the people willing to sacrifice their life and health for the higher needs in the Maslow hierarchy. In this context, it is possible to say that middle class has seriously expanded in Ukraine.

There is a downside to this. Many Ukrainians who were young in the soviet time are mentally unprepared to join the middle class. They survived for most of their life and have grown used to focusing on physiological and security needs.



They do so now. This is not linked to the level of income: Yanukovych had a lot more money than any average representative of the middle class. But he never grew to the level of the middle class in terms of his mindset or values. There are millions of such people. Regardless of how much money they have, they would still not be able to live a life of someone from the middle class. This is the outcome of soviet psychological traumas; it is too entrenched to change.

### STATE POLICY

The State needs strong middle class like plants need water. Therefore, it should cultivate and raise it, take every effort to boost its growth and development. In order to do so, the State needs to ensure a number of things.

It should boost the growth of income among the population. The only way to accomplish this in a long-term prospect is to increase labor efficiency and productivity thereby creating the necessary conditions. There should be no inflated unjustified minimum salaries or other social standards funded from the central budget.

Productivity growth requires proper conditions for business development and elimination of the elements causing inefficiency. In other words, Ukraine needs to conduct reforms. For example, privatization of state-owned companies by private investors with a good reputation can deliver productive jobs. This will increase middle class and decrease the number of people without initiative (they will be laid off). Launching the land market will increase competition for land. This will squeeze out all ineffective producers from the agribusiness and lead to the growth of salaries in the industry. All entrepreneurs that are not focused on developing their business as priority can be taught to conduct their business properly at courses (like the Servant of the People's MPs have recently gone through a training). Otherwise, tough competitive environment can be created to force them to survive and adjust to the dynamic market situation. The same is true for oligarchs: it is probably impossible to teach them; but placing them in an equal legal playing field with identical rules will cut off their opportunities to convert the scale of their business into state rent. With time their assets will be taken over in parts by the most effective and entrepreneurial, or their successors will be forced to change and adapt. There are many such specific recipes. All it takes is political will to implement them.

Barriers in business development should be removed to increase productivity. The State creates too many today, from regulatory and bureaucratic to the army of law enforcers, tax officers, judges and prosecutors that often only rip business owners off. In this context, quality reform of the judiciary, the tax system, domestic security agencies and governance are the contributing factors to the shaping of middle class.

Middle class should be cultivated on mental level. The population should be taught to behave in the same way as middle class behaves in developed countries. This includes the ability to spend high income, as well as to appreciate the money earned and not waste it like many richer Ukrainians often do. This also includes the ability to take initiative, have proactive civic consciousness and responsibility. Middle class reads books, continues self-education throughout all life, complies with rules and laws, is responsible about elections and interested in the state of affairs in the country. It has time for many other things which are not yet part of routine for many Ukrainians.

The world offers some interesting approaches to middle class building. In his book *From Third World to First: The Singapore Story*, Lee Kuan Yew wrote that one of his goals in his nation-building efforts was to make sure that every Singaporean family has an own home. This would create a class

of established owner-citizens who will care about the country and its future. He introduced interesting schemes using pension funds. This is a good approach to building middle class. Another example is the removal of street kiosks and licensing of taxi drivers – a transformation of employment into civilized form. Singapore did this alongside the creation of effective

MIDDLE CLASS SHOULD BE CULTIVATED ON MENTAL LEVEL. THE POPULATION SHOULD BE TAUGHT TO BEHAVE IN THE SAME WAY AS MIDDLE CLASS BEHAVES IN DEVELOPED COUNTRIES. **THIS INCLUDES THE ABILITY TO SPEND HIGH INCOME, AS WELL AS TO APPRECIATE THE MONEY EARNED AND NOT WASTE IT LIKE MANY RICHER UKRAINIANS OFTEN DO**

tive jobs, so that the street traders and taxi drivers had an alternative place to work. In Kyiv, the efforts to remove kiosks started when the economy was in a deep crisis. Only later did the labor market in Kyiv offer enough jobs for everyone.

The State has many resources to develop middle class. But it needs wise management to channel these resources into the right direction. Unfortunately, Ukraine has not had such a government in 30 years. As a result, the history of its middle class is a typical example of exciting accomplishments despite everything. ■



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# The force of evolution

What conclusions the patriotic camp should draw from Ukraine's presidential and parliamentary elections

Maksym Vikhrov



**The right conclusions.** *Yevropeyska Solidarnist* has attracted activists and veterans to its ranks, so there is a definite chance for the party to revive now that it's no longer the Bloc of Petro Poroshenko

In a few more weeks, the new political make-up of the country will become quite clear. The patriotic or national-democratic/pro-European forces have been shifted into the opposition and are unlikely to have more than 73 seats in the new Verkhovna Rada. Moreover, it's unlikely that even these modest resources will be consolidated in any way, because all of them went into the election in separate columns, shredding their common patch of Ukraine's voters. The fewer opportunities they have to influence state policy, the stronger the temptation will be to pose as a tragic minority that is desperately standing up to the current powers-that-be.

But the truth is the truth: this kind of mood was widespread in the patriotic camp even during the presidential election, and it has only grown stronger since the VR election ended. Politicians from this camp are comfortable with this: by using mobilizing rhetoric, they will be able to maintain the core of their electorate for the next five years. The truth is that nearly all of Ukraine's political parties like better being in the opposition: it's far easier to make grand gestures when your hands aren't busy trying to control the helm of government. Sitting things out in the opposition is the most obvious path, but this time it could prove to be a dead end. Where in 2010-2013, it was enough to carry out a minimal program – be decisively opposed to the regime – now it will require solid work to overcome their own past mistakes. In other words, to evolve.

Most of all, they have to give up the idea that this year's election was exclusively the result of collective folly or the

large-scale betrayal of ideals. If they go around thinking about the notorious 73% exclusively as *vatnyks* – cotton-heads – and anti-Ukrainian, playing the tragic martyr will be a lot easier, of course—but it will be very hard to engage in politics. The truth must be faced: the lion's share of those who voted for the “Little Russian” Volodymyr Zelenskii in 2019 voted for the “statesman” Petro Poroshenko in 2014. The results posted by Zelenskii and *Sluha Narodu* in regions that have been considered “orange” since the first Maidan should also lead to some reflection. It's hard to imagine that all these people suddenly became *vatnyks* and Little Russians overnight although they had supported exclusively pro-Ukrainian forces until this point. In fact, the 73% also include a substantial share of swing voters with whom serious politicians will have to engage. Moreover, these are protest voters, but their protest is not necessarily aimed against “army, language and faith” or Ukraine in general.

For a long time, independent Ukraine's political circles were built around the confrontation between nominally pro-Ukrainian, pro-Russian and pro-European forces. At that time such a situation seemed quite normal, as the question of Ukraine's independence hung in midair. And so politicians honed their rhetoric and adopted certain ways of thinking, depending on their immediate objectives. With the passage of time, the agenda changed as well. A simple example from more recent times: promises of association with the EU and visa-free travel appealed to voters until the AA was signed and easier travel were instituted. The minute these happened,



both goals lost their capacity to mobilize voters. The same happens at the macro level. Independence rhetoric along the lines of 1989 was dated by the time of the Orange Revolution and now it's simply archaic – not because people stopped believing in the value of independence, but because independence is now taken for granted. Yet political circles seem not to have felt these changes and many ran campaigns that appeared to be confronting pro-Russian forces: Zelenskiy was Yanukovich 2.0 and out on the streets it was either 2004 or 2010. This worked at one time, but things have changed.

Of course, withstanding Russia's aggression is inevitably #1 on the national agenda. Reminding voters that there's a war going on is the official duty of the country's leadership and the civic duty of all politicians. The fact that voters did not cast their ballots in favor of state-oriented forces was a major shock for the patriotic community, which explains this away mainly by saying that Ukrainians have forgotten that there is a war or else have simply grown weary of it. But this is not a very accurate interpretation. In 2014, when the war had just begun and was entering its hottest phase, Ukrainians unanimously voted for Poroshenko the "statesman." However, the situation has altered considerably since then: after 2015, it turned into a half-dormant confrontation, which meant that the country could also focus on other issues, including reforms.

Dealing with a confrontation with Russia, Ukraine's resources have understandably been very limited, yet the fact that the Poroshenko administration failed to carry through on many objectives cannot just be explained away as due to the military conflict. This includes bringing the separatists, Yanukovich's allies and the killers on the Maidan to justice. After all, the threat of a judiciary comeback is also partly because the government failed to carry through judiciary reform. Obviously, protesting against all this by voting for Zelenskiy may have been irrational, but the fact remains that the war *ipso facto* did not guarantee the patriotic forces success.

A third task has to be carried out by those who claim political leadership in the patriotic camp: it's time to rethink the way they communicate with voters. The pro-Russian camp always addressed the "broad mass of people," without concerning itself with what it should be proposing to other population groups. The pro-Ukrainian camp tends to mostly address itself to the educated classes. That's how it has been historically, as this was the dissident and pro-independence class in soviet times. For pro-Russian forces that cherished all things soviet, consciously or otherwise, the intellectual class was socially and culturally "other," in contrast to one-time red directors and former komsomols.

The patriotic camp and the intellectual class gravitated towards each other and so during the first and second Maidan, the vast majority Ukrainian intellectuals stood on the side of pro-Ukrainian forces. But this contribution should not be underestimated, as it helped mobilize the pro-Ukrainian share of civil society among which it had clout, and this proved the driving force behind both Maidans. If we look at the social profile of the Euromaidan, nearly 53% were students and specialists, while the share of ordinary workers and rural residents was less than 8%, according to a Democratic Initiatives Fund poll in December 2013.

Still, during the elections, the ability to mobilize civil society activists no longer provides the same advantage. Whereas after the first Maidan the real threat of Party of the Regions made it possible to engage voters on a mass scale, in 2019, neither ex-Regionals nor Zelenskiy offered the same kind of reason to mobilize. Indeed, it turned out that the patriotic political camp had no other arguments to persuade

the mass of voters. Decommunization, visa-free Europe, language protection initiatives, derussification in the information space, the tomos were all factors that found their best targets in those groups of the electorate that proved to be in the minority at the ballot box. Attempts to address the "broad national masses" in the language of populism – higher wages and pensions, monetizing subsidies and so on – also failed to bring the expected results. This turned out to be partly because Ukrainians had other feelings besides hunger, and not the least because of a definite improvement in the economy.

And so the one who worked with these feelings, captured them and made much of them got the best result. Much as we may be tempted to put down populism, democratic politics cannot get away from it. Obviously, the leaders of the patriotic camp need to learn to work, not only with the intellect but with the body politic: learn its cultural codes, learn to understand its moods, and so on. This does not mean blindly copying the current president, Donald Trump or Boris Johnson, but effective politicians need to know how to reach the people directly and not depend on the intermediacy of the intellectual class or material incentives.

THE TIME WAS RIPE FOR THE LEADERS OF THIS CAMP TO SATISFY DEMAND FOR HIGHER QUALITY POLITICS BACK DURING THE MAIDAN, ESPECIALLY AMONG ITS CORE ELECTORATE. THEIR INABILITY OR UNWILLINGNESS TO RESPOND TO THIS DEMAND HAS ALMOST RELEGATED THEM TO THE POLITICAL MARGINS

In the end, there's the fourth task: the patriotic camp must grow parties that are of a different quality. Those forces that are around now were mostly based on widely-known principles, typically projects formed around an unchanging leader for the latest round of elections. Most of them are not only lacking in an ideology but even in a basic organizational structure: they are rapidly mobilized to run an election campaign, after which they go into hibernation or simply fall apart. The most important point is that these parties interact very little and very reluctantly with civil society. Yet they should actually be formed in direct cooperation between politicians and civil society, whence their main personnel should be recruited, not from among party sponsors, their service personnel and local bigwigs. At the same time party work needs to be going on all the time, not just in a one-time burst of activity because of elections. It looks like Ukraine has an example in *Sluha Narodu* – a party established literally on someone's lap within a few months. However, this case is an anomaly, not a trend.

Even in patriotic circles, never mind among ordinary voters, there is colossal fatigue with parties that they are forced to vote for time and again. Whereas 15 years ago, infamous individuals would be "compensated for" by including a few reputable individuals in party lists and FPTP districts as decor, this kind of calculus is less and less workable. Why? Because the patriotic camp itself has developed higher expectations of the quality of politics. What the ex-Regionals are permitted by their voter is no longer acceptable for national democrats. Obviously, the time was ripe for the leaders of this camp to satisfy demand for higher quality politics back during the Maidan, especially among its core electorate. Their inability or unwillingness to respond to this demand has almost relegated them to the political margins, so they have little choice now but to evolve. And being in the opposition is a great opportunity to work on their mistakes. ■

# Clouds in a silver lining

A cheap dollar bodes ill for Ukraine's economy... remember 2008

Liubomyr Shavaliuk

The US dollar is finally down to UAH 25 for the first time in the last three years, but reactions to this new exchange rate vary. Those earning their income in hryvnia are happy. They can now afford a new computer, washing machine or vacation abroad with their hryvnia-denominated salaries. Those who have been hiding their dollars in their mattresses are kicking themselves, fearful of that the greenback will weaken even further. In remote villages in southern Ukraine, rumors circulate that the buck will go down to UAH 10 – the Big Mac index says that's where it should be – so it's time to sell dollars off ASAP. Supposedly, they say, the new Government will sort things out and all the economic troubles of recent years will vanish. People there are on the verge of panic: the crazy election euphoria has not yet dissipated, which is pushing them to act irrationally in a perfectly rational sphere. The cheaper dollar has stirred up the whole country. In fact, if the current situation in the forex market continues, Ukraine's economy is likely to face hard times.

Only the lazy Ukrainian has not heard about why the hryvnia is growing stronger: the revaluation is largely thanks to a good harvest last year and a serious inflow of foreign hot money captured by government bonds. However, few have been talking about the consequences, and these will be both far-reaching and mostly bad. Of course, people like to see their purchasing power in hryvnia rise when measured against imported goods. But this is not a balanced situation, so it cannot benefit the economy long-term for three main reasons.

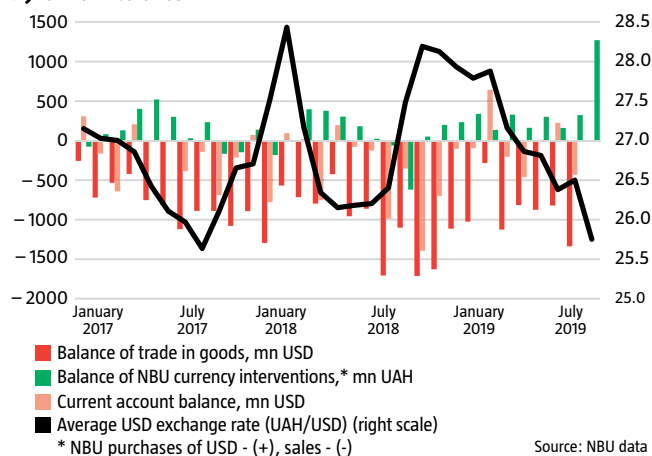
## IMBALANCE OF TRADE

A cheaper dollar seriously undermines Ukraine's balance of trade as the gap between export revenues and spending on imported goods widens sharply. According to the National Bank of Ukraine, the trade deficit in June was over \$1.3bn, up 55% from last year. The current account deficit was \$432mn, up 250% from what it was in June 2018 (see **Dynamic imbalance**).

Why does this matter? Investors see the current account balance and trade balance, its key component, as fundamental value indicators for a country's currency. The greater the deficit, the higher the risk of devaluation. Non-residents have pumped billions of dollars into Ukraine's government bonds in recent months because the hryvnia was cheap and interest rates were high. Interest rates have already started going down following the NBU's prime rate, and the central bank has signaled that this trend will continue.

Meanwhile, the hryvnia is no longer cheap. Quite the contrary, it is fairly expensive now, measured against Ukraine's balance of payments. This means that government bonds are starting to lose their appeal in the eyes of non-resident investors, day by day. As a result, the hot money inflow risks turning into an abrupt outflow. Ukraine's forex market is like a spring that is being increasingly tightened by foreign capital.

Dynamic imbalance



The tighter it is turned, the less the spring is able to withstand continuing pressure. As soon as the pressure lets up, the spring will shoot off, causing untold harm.

A comparison between the current situation and the pre-financial crisis years does not inspire optimism. Ukraine's trade deficit sucked \$1.3-1.5bn out of the economy every month in late 2007 and early 2008. The balance of revenues and trade in services were not as favorable then as they are now, so the total current account balance was far worse. But who can state with certainty what the current account balance might be if the dollar goes below UAH 25? Ukraine's current account may well approach the level of 12 years ago in unfavorable conditions, such as shrinking global prices for raw materials, steep growth in consumer lending in Ukraine, a poor harvest, and so on.

The situation was far worse in 2013. The trade deficit in goods was over \$2bn some months, once even going above \$3bn. Extreme austerity, mobilizing resources and the Yanukovich credit from Russia were the only things that saved Ukraine from a crash. Now, Ukraine is in a market environment and non-residents are in a position to take investment decisions that will hurt the country, even with far better indicators. Should things get to that point?

## MELTING PROFITS

Lower earnings for domestic manufacturers are another downside to the cheaper dollar. Exports of goods and services accounted for over 45% of Ukraine's GDP in 2018, which means that exporters accounted for almost half of the economy. They are now having a hard time as the stronger hryvnia hits their bottom line. The US dollar is almost 8% cheaper now than the average last year, and the gap is still



larger compared to the rate used in the 2019 Budget. This means that exporters have earned around 10% less this year.

Meanwhile, their costs are growing: the average salary in June 2019 was almost 18% higher than in 2018. Stuck between a rock of revenues and a hard place of spending, Ukrainian exporters are watching their profits melt away like the last snow in the March sun. At this rate, Ukrainian entrepreneurs could soon find themselves unable to make ends meet cash-wise, let alone invest – the perfect recipe for an economic downturn.

Life is easier for big businesses, as they can keep foreign currency earnings in accounts abroad until the dollar rises again. Full currency liberalization will allow this now, whereas just a few months ago exporters were forced by law to sell a share of their revenues on the interbank forex market. Meanwhile, SMEs are getting desperate. Farmers are delivering their 2019 grain harvest to elevators, they're getting paid in hryvnia, and they're struggling to understand what they should do with such low relative earnings and how to start the next sowing season.

The situation in the real sector is very similar to spring 2008, when the dollar went down to UAH 4.65 from UAH 5.05, a rate supported by NBU interventions for many years. All exporters lamented that the government did not know what it was doing. The result came fast: hryvnia tumbled to UAH 8/USD that fall, after several months of devaluation, with all the familiar consequences. Going through the same process now would be very bad for Ukraine. The country's leadership needs to learn from past mistakes.

## A TANGLED BUDGET

The third negative is an underfunded budget. While President Zelenskyy scolds Customs officers and fires heads of regional offices, this doesn't change the main problem: shrinking revenues from Customs are mostly the result of the shrinking dollar and the customs valuation of goods linked to it. So far, Customs has failed to meet revenue plans in any of the first seven months of 2019 (see **Chronic shortfall**), leading to a shortfall of UAH 19.2bn for January-July.

The budget situation is tricky. On one hand, uncollected revenues lead to an unplanned increase in the budget deficit because the treasury received UAH 21.9bn less than planned. On the other hand, the Ministry of Finance attracted an unexpectedly large volume of cash with oversubscribed government bonds. This has helped it to cover the deficit: the net worth of government bonds issued over January-July 2019, UAH 47.7bn, i.e. issue less redemption, and non-resident bond holdings grew by UAH 80.1bn. This means that foreign investors have

de facto taken over part of NBU and commercial bank government bond portfolios. The combination of these two trends has kept the Ministry of Finance in surplus for now: the treasury single account had close to UAH 49bn by early August, a record for nearly two years. But how long this money will last if foreign investors change their minds about the attractiveness of Ukraine's government bonds is anyone's guess.

And so, non-residents buying government bonds is pushing the dollar and budget revenues down, and the hryvnia and the budget deficit up. The net outcome of this tangled trend is twofold. Firstly, government debt is growing faster than it should, which is generally not good, especially with the prospect of a new IMF program. The Fund will insist on tough controls over the deficit that are not now in place. Secondly, the economy is getting more funds from the state than it otherwise might, which is stimulating growth: GDP grew an impressive 4.6% in Q2'19 compared to Q2'18, and tax inflows increased in June and July (see **Chronic shortfall**). This looks great – but only for now. And this raises the question of the quality of GDP growth. At the moment, there's no data to evaluate it in depth.

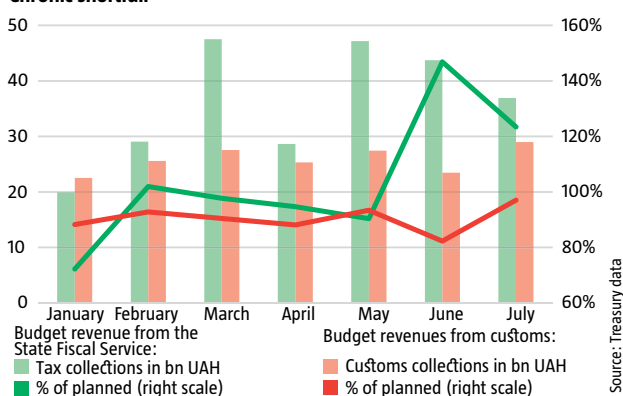
A combination of fiscal and monetary stimuli, with the NBU lowering the prime rate, could quickly overheat Ukraine's economy. If it is fundamentally unprepared for such massive stimulus, inflation will pick up. This is yet another red flag for non-residents to prepare to leave. When these red flags – a cheaper dollars, lower prime rate, overheated economy, and inflation – reach critical mass, investors will start moving out. There will be no time for analysis or balanced decisions. To be fair, most government bonds issued by the Finance Ministry in recent weeks have a maturity of more than one year and have drawn tens of billions of hryvnia. This is good because it makes it more difficult for "hot" money to flee. Still, the government should avoid that kind of scenario with better balanced tax and budget policies, rather than trying to restrain it manually on an emergency basis.

## BUCKING WORLD TRENDS

The most interesting aspect of this web of developments and trends is that the international context does not match the situation in Ukraine – and this could eventually affect the country's economy. Global stock, bond and forex markets are very tense right now. American protectionism is one of the causes, as new belligerent measures are introduced on a regular basis now. This is undermining the dynamics of global trade, along with industrial and economic growth in most countries. Currency markets reflect this fully. The MSCI Emerging Markets (EM) Currency Index fell 3% in August. The euro lost 3% against the dollar, the pound lost over 5%, Polish zloty went down nearly 5%, the Chinese yuan fell 3%, and the Argentinean peso lost almost 50%. Most world currencies devalued, while hryvnia went up 10%! And not thanks to fundamental economic factors.

Clearly, this exceptional revaluation will have consequences. Economic proportions have changed seriously. According to NBU estimates, the real effective exchange rate (REER) for the hryvnia was 0.93 in June, just 0.5% below December 2013. This means that hryvnia has lost all of the competitive advantage it gained as a result of the 300% devaluation during the 2014-2016 crisis. Price growth in the country and currency devaluation in its key trade partners lay behind this result. July and August figures will undoubtedly be worse. It will then be obvious that the situation today is more threatening than that in late 2013, when exporters

**Chronic shortfall**



were simply stifled by an overpriced hryvnia and non-competitive exchange rate.

If ruinous global trends continue, national currencies may devalue further. If the hryvnia grows or stays at the current level in that context, the global situation will become another factor compressing Ukraine's spring and bringing the moment it breaks that much closer. It will be too bad if Ukraine is not ready for this.

### FIGHT BUBBLES WITH POLICY

The current situation points to another parallel with mid-2008. The crisis was already unfolding in the world then – the US's problems with an overheating real estate market were already evident in 2006 and economic growth began slowing down then – even though the really painful manifestations emerged in the fall. Ukraine was experiencing a full on hot money rush. First, foreign investors had been bringing in billions for several quarters in a row, driving the hryvnia from UAH 5.05 to UAH 4.65/USD. When the dollar got cheap, investors rushed to record their profits and withdraw capital. The tail of the hot money was wagging the dog of economic fundamentals. Today, there is every sign of the same happening again. This is a serious threat to the country's financial stability and economic system.

The problem is that those in charge are not acting constructively. MinFin is blaming the NBU for being too passive with interventions, urging it to buy up foreign currency more aggressively in order to stop the devaluation of the dollar. The NBU is simply balancing out excessive fluctuations on

the forex market, intervening only when the dollar loses value too steeply within a day or a week. In reality, neither the Ministry of Finance, nor the NBU is offering a policy to solve the problem. MinFin could issue fewer government bonds to reduce the influx of foreign currency from non-resident investors.

The latest auctions for government bonds suggest that the Ministry has actually started doing so. The next few weeks should show whether this is so or the Ministry just took a summer break. The NBU could treat the balancing of exchange rate fluctuations as fixing excessive deviations from a certain yearly average, such as the exchange rate used in the budget, rather than as offsetting overly steep fluctuations within a given trading session. None of the two is demonstrating the necessary fiscal leadership or taking effective steps to coordinate policy, although the current situation desperately requires real coordination. It will be extremely difficult to lead the economy out of the cave of increasingly frequent threats otherwise.

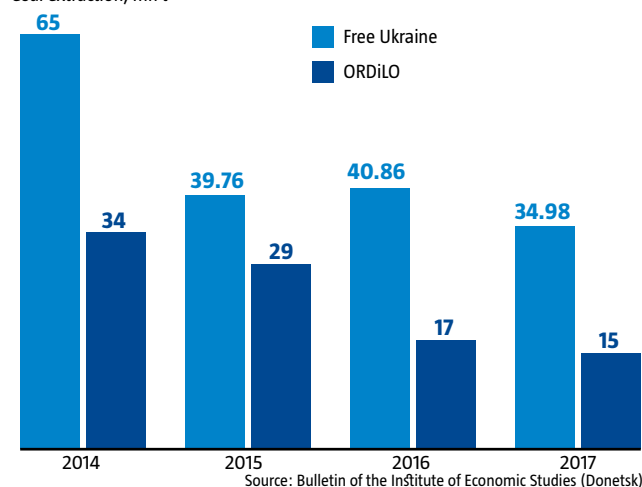
If an economic crisis unfolds in the world, and the reasons for one are many and growing, Ukraine could benefit from following Poland's example in 2008-2009: this was virtually the only neighbor that avoided a drop in GDP. The price, however, was devaluing the zloty by 40%. Ukraine's economic system, including the banking sector, needs to be extremely well tuned and government agencies need to be proactive if they are to prevent the current dollar devaluation from triggering ruinous processes. How prepared is Ukraine for such a long-distance swim? ■

# "Dismissed" from the mines

What the supporters of DNR and LNR feared most, the closure of the mines, was accomplished by their terrorist leadership, not by the "junta" in Kyiv

Denys Kazanskiy

**The big gap**  
Coal extraction, mn t



Source: Bulletin of the Institute of Economic Studies (Donetsk)

In spring 2014, when the mining towns of the Donbas were overcome by pro-Russian demonstrations and disturbances, the leaders of the anti-Ukrainian putsch often scared locals with tales of how the new Ukrainian government, under pressure from the EU, was about to eliminate all the mines in the region. Scaremongering about the destruction of the coal industry was one of the mobilizing factors that the separatist leaders used to ensure widespread support.

"Europe doesn't need our mines," "America dreams about the ruin of the powerful industrial potential of the Donbas," and "Westerners wish us ill and will shut down our mines like in the 1990s" were messages that regularly echoed in the spring of 2014 during rallies in Luhansk, Donetsk, Horlivka, Alchevsk, and other cities in Donetsk and Luhansk Oblasts.

In the five years that have passed since then, Ukraine no longer controls a large part of the Donbas and the residents of mining towns are now not threatened with visa-free travel to the EU or "homodictatorship" – the other popular horror stories at that time. They are safely separated from the rest of Ukraine by a line of trenches and minefields. Thousands died over these years in order to prevent "banderovtsi" from getting



at the Donbas mines. Alas, all these sacrifices failed to save the Donbas coal industry from damage and depredation. The horror that was supposed to be visited on the region by Europeans and Americans, in the end, was visited by their own “liberators” and “defenders” – under the tutelage of their handlers in Moscow.

In the pseudo-republic media, objective information about the state of the coal industry is almost entirely absent. Real statistics are not being published and any difficulties are mentioned in passing in the vaguest possible terms. Instead papers are flooded with articles about the “growth of extraction”, “early accomplishment of production plans,” and the “resurrection of the coal industry.” But a determined reader can find data about the real state of affairs in ORDİLO can be found between the lines in various sources, data that testifies that the branch is in the hands of marauders who have been literally trashing Ukrainian enterprises trapped on the other side of the line of contact.

According to the “Bulletin of the Institute of Economic Studies” published in Donetsk, which is available online but generally only read by a narrow circle of professional economists, coal extraction in the territories under LNR and DNR declined 55% between 2014 and 2017, going from 34 million t in 2014 to 15mn in 2017. These numbers won’t be found in the propagandist mouthpieces of the two “republics,” although the pathetic state of the sector is written about quite openly in scientific journals.

An analysis of the development of economic potential in the Donbas coal industry under contemporary management conditions came out in the fourth issue of the Bulletin of the Institute of Economic Studies in 2018. It states that of Ukraine’s 270 mines, 157 are under DNR/LNR control, meaning more than half. However, where the 113 in the rest of Ukraine extracted 35mn t of coal in 2017, the 157 mines in ORDİLO managed to dig only 15mn t.

The reason for this kind of dreadful inefficiency is because only 70 of the mines in ORDİLO are actually operating today, and only 37 of those are any making money. Obviously, some of the 87 stopped operations because of the armed conflict, but this affected only a few companies. For the most part, the mines were simply looted, shut down and flooded by the militants, especially all the mines in Horlivka and Yenakievo.

The decline in output and economic woes in ORDİLO is typically explained away by the occupying administration as Ukraine’s fault. Supposedly the main reasons for all their problems are the conflict and the blockade. However, the illustrations in the scientific publication demonstrate clearly that this is not the case (see **The big gap**). The criminals who took over the mines turned out to be incapable of running them properly. Nor were they able to organize sales of their product to Russia. It turned out that the “brotherly nation” simply had no need for coal in such quantities, whereas Ukraine, from which the Russians provoked the locals into separating, was interested in expanding the mines. Unfortunately, those who supported DNR/LNR didn’t seem to have enough sense to realize this.

Yet another serious body blow to ORDİLO’s coal industry was the end of subsidies from the state budget. The popular myth was that the Donbas “fed all of Ukraine,” but it appears that, in fact, the industrial heartland was getting billions of hryvnia in subsidies, based on the older exchange rate. What these billions did was allowed a lot of mines to stay afloat and support locals in smaller mining towns. But in 2015, thanks to the efforts of the so-called “fighters against Ukrainian fascism,” the flow from this cash cow stopped.

“Up until 2014, these companies were subsidized by the budget, plus there was a moratorium on declaring coal min-

ing companies bankrupt,” says the Bulletin article. “This issue took into account not only economic but also political and social components of the situation, as in many towns the coal industry was the main employer and local mines were the main source of revenue for the local budget. Starting in 2015, the subsidies were dropped and capital investment slowed down considerably, and there was no longer any alternative to shutting down the mines.”

Because of the capital shortfall, Donbas mines are forced to keep working on worn-out equipment. This equipment will work for some time yet, but no one knows what to do beyond this point. Why? Because there’s no investor willing to put money into stolen assets located in a ghetto that no one recognizes.

“At most coalmines, industrial and processing assets have depreciated by 60-80%, only 66% of standing equipment still works, having outlived its lifespan by some amount,” write the authors of the article. “It all needs to be replaced ASAP and could cause an accident at any moment. More than half the companies in the coal sector have been operating for over 50 years. Moreover, the equipment for the cleaning and preparatory shafts is not up to contemporary technical standards.”

Dozens of mines were closed and extraction numbers collapsed. What’s more, this trend will only grow stronger. The same Institute article warns that in the not-so-distant future, the “government of LNR” will be forced to close dozens of mines and lay off nearly 30,000 miners! “In connection with the planned liquidation (shutdown) of coal extraction enterprises, 28,400 workers are slated to be laid off: 20,800 in DNR and 7,600 in LNR,” the report states.

Obviously, all these thousands of laid off people will not be able to find other work in ORDİLO, as the occupied territories are showing almost no growth in jobs in the grey zone between the conflicting sides. This means that the most realistic outcome for most miners will be to emigrate from ORDİLO, either to Russia or to the rest of Ukraine. The “people’s republics” that are free of “banderite oppression” have no use for them.

Meanwhile, in addition to inept management and open looting at ORDİLO mines, this year has brought yet another pestilence that is not dependent on the situation on the ground: global prices for coal have fallen. Europe has been gradually turning away from this kind of extracted fuel. Coal is being squeezed by both by natural gas, a much cleaner-burning fuel, and by renewable sources of energy, which are burgeoning lately. The steep fall in prices have caused even Russia’s Krivbas coal region to feel the pressure. So there’s not much to be said for the wretched mines in DNR and LNR that are already operating on the verge of bankruptcy.

The official press in the two “republics” doesn’t write at all about the problem with coal sales, but the sites of coal company mines publish some very depressing numbers. For instance, the mines in the MakiyivVuhillia union managed to extract only 84% of their target in July 2019, even though this volume was already far lower than what was the case before the war. The total output of MakiyivVuhillia for June 2019 testifies that the mines only reached 56% of their target production.

The decline in demand for coal is obviously a long-term trend. This kind of extracted fuel is too dirty and will largely be squeezed out by renewable sources of energy. For the economy of ORDİLO and the Donbas over all, this kind of development harbors nothing good. But where mining towns in the rest of Ukraine still have a chance to attract new investors and establish an alternative to this dying sector, in ORDİLO there are basically no options other than extracting raw materials. Declining demand will only put the last nail in the coffin of the coal industry in the grey zone and lead to an even greater outflow of people from the occupied territories. ■

# Colonial misbalance

Is there a hidden threat behind the sudden trade increase between Ukraine and China?

Oleksandr Kramar

Based on the results of the first quarter of 2019, China became the leader among Ukraine key trade partners. The volume of foreign trade between Ukraine and China rose to \$5.5 billion; while with Russians it came to \$5.4 billion. At the same time, dynamics of the past several years proved that China's role in the world markets will continue to increase – and Ukrainian market is not an exception (see **Growth trajectory**). Despite the fact that rising trade with China is a common thing for many countries across the world and European countries in particular, Chinese share in Ukraine's foreign trade is nevertheless much more substantial than in Poland, Belarus or Moldova. It is only in Russia, where China controls disproportionately large share of country's foreign trade.

China's trade expansion, that has become noticeable over the past couple of decades, is a result of dynamic growth of Chinese economy and its influence in the world. From 1979 until 2010 its growth constituted nearly 10% a year. Country's GDP in dollars gradually overcame economies of the G7 – Italy in 2000, France in 2005, United Kingdom in 2006, Germany in 2007 and Japan in 2010. Nowadays in terms of the volume Chinese economy is still smaller than American, however, in terms of purchasing power China overcome the United States in 2014. At the same time, Chinese growth has visibly slowed down in face of the eco-

inaccessible for many sectors of Ukrainian economy, that could have supplied its produce to Chinese markets. At the same time, other countries are able to freely supply products to China worth of hundreds of thousands or even billions of dollars every year.

Currently Ukraine is only represented on Chinese domestic market with its metal and steel production, as well as corn, sunflower and soy oil, unprocessed wood and small amounts of food products. For instance, Ukrainian export of wood products to China has been steadily growing, however, hereby we are talking about semi-processed goods or those with lower levels of processing (see **Ukraine exports to China**). Namely, supply of timber to China grew from \$14–15 million in 2015–2016, to \$76.3 million in 2018; export of wood veneer grew from \$3.4–3.9 million to \$7.5 million within the same period of time. However, while Ukraine sends low-processed wood to China, it exports a rather high volume of value-added finished goods. For instance, Ukraine imported fibreboard and plywood on a total value of \$13 million.

Until recently Ukrainian export of whey has been dynamically growing (from \$0.5 million in 2015 to \$2.3 million in 2016 and \$12.5 million in 2017), however there has been stagnation since 2018, while over the first half of 2019 the volume of supplies fell to \$4.4 million. It is likely that similar fate is also awaiting Ukrainian condensed milk (\$3.5 million in 2018, \$16.1 million in the first half of 2019). Ukrainian produce is still underrepresented on several other lucrative segments of Chinese domestic market. For instance, Ukraine fails to export its high quality butter (only \$3.7 million of export in 2018), or cheese (it is barely exported). At the same time China imports \$0.5 billion of butter and cheese each year. Ukrainian exporters are represented much better on domestic markets of several other, much smaller countries. Last year Ukraine exported \$1.8 million of chocolate products, and additional \$4.5 million of other confectionary and bakery products to China. Ukraine supplies its meat only to Hong Kong – namely poultry (\$18 million in 2018), pork (\$2 million in 2018), beef, lamb or other meat (\$0.5 million) and meat products (\$2.6 million). As of now, access to the mainland Chinese lucrative markets is still restricted.

Trade deficit with China from 2009 to first half of 2019 has reached **\$38.3 billion**

omic crisis of 2008. While in 2005–2007 its dynamics amounted to 11.4–14.2%, in 2018 it fell to 6.6%, and since 2011 it has never been higher than 8%. In the light of recent trade war between the United States and China, Chinese economy has barely shown any signs of noticeable growth at all.

In order to compensate for its losses, Chinese companies are trying to be more pro-active in their trade with other countries around the globe, including Ukraine. Ukraine, on the other hand is trying to use cooperation with China as an opportunity to solve internal problems of Ukrainian economy. However, based on experience of the past decades, it has become evident that uncontrolled influx of Chinese products is either destroying the local industries or creating obstacles on a way to creating the new ones. At the same time, Ukrainian producers have little or no access to domestic Chinese market, one of the biggest markets in the world. As a result, since the 2008–2009 crisis and its aftermath, that Ukrainian economy, especially its industrial sector, is still struggling to overcome, Ukraine imported Chinese products on a total sum of \$60.8 billion. However, Ukraine's export amounted to \$22.5 billion only. Therefore, trade deficit with China from 2009 to first half of 2019 has reached \$38.3 billion.

While China is leading virtually colonial trade and economic, the nineteenth century-styled, policies towards its current trade partners, the country keeps its domestic market restricted and

## IMMEDIATE DAMAGE

At the same time, every year Ukraine is being literally bombarded with Chinese machinery, electrical appliances and other consumer products. According to the 2018 data, Chinese import to Ukraine on 53.4% constitutes of machinery, 10% – mainly ready metal products and 9% – light industry goods. The share of imported machinery in Chinese imports grows even in the context of overall growth of trade between Ukraine and China. For instance, in 2017 this share amounted to 44%, in 2018 – 53.4% (as noted above), and since the beginning of this year this number has already reached 55%.

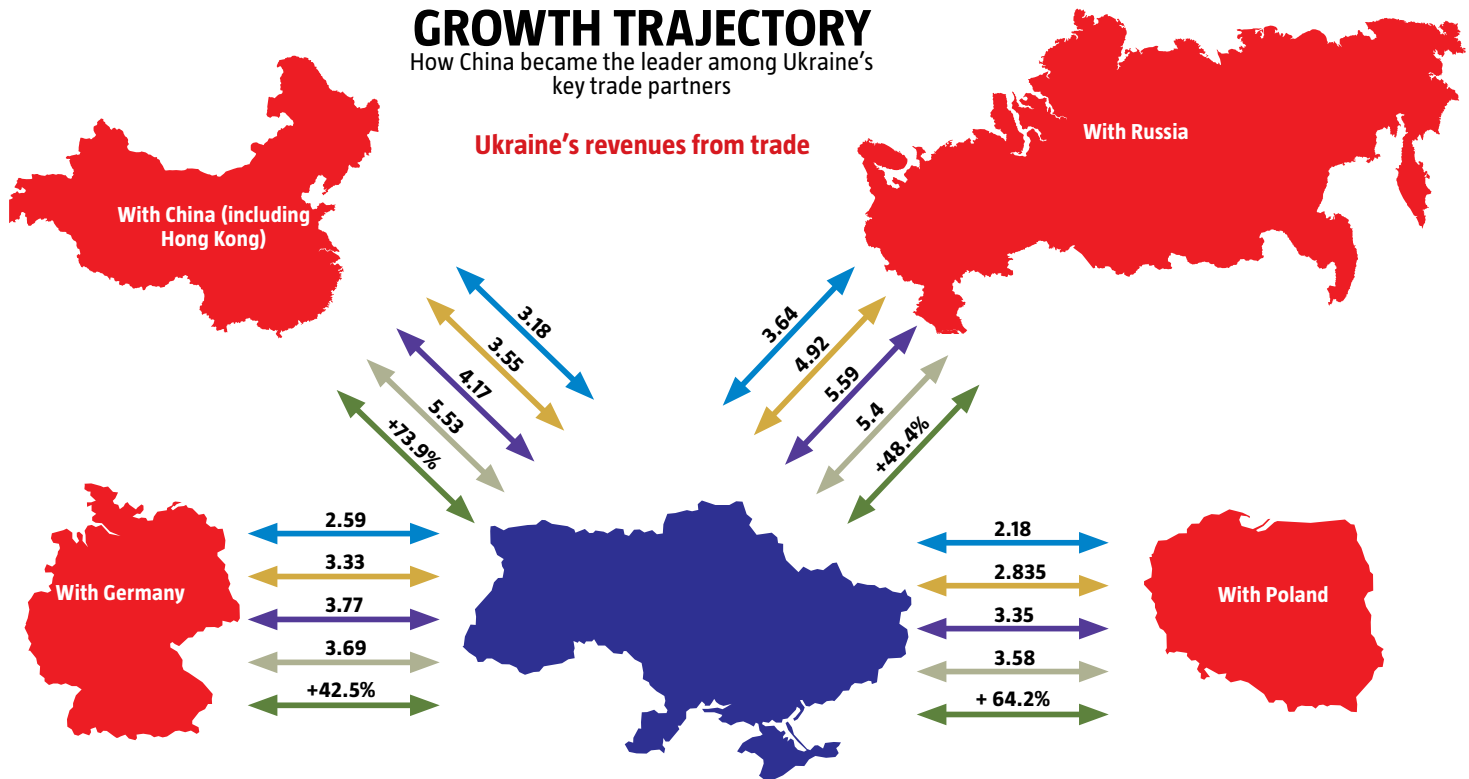
The list of products groups with an import value over UAH 50 million includes nearly 300 names. For instance, yearly import volume of 70 groups already grew over UAH 0.5 billion; 43 of them already account to more than UAH 0.5 billion and constitute nearly 33% of the overall applicable produce bought by Ukraine.



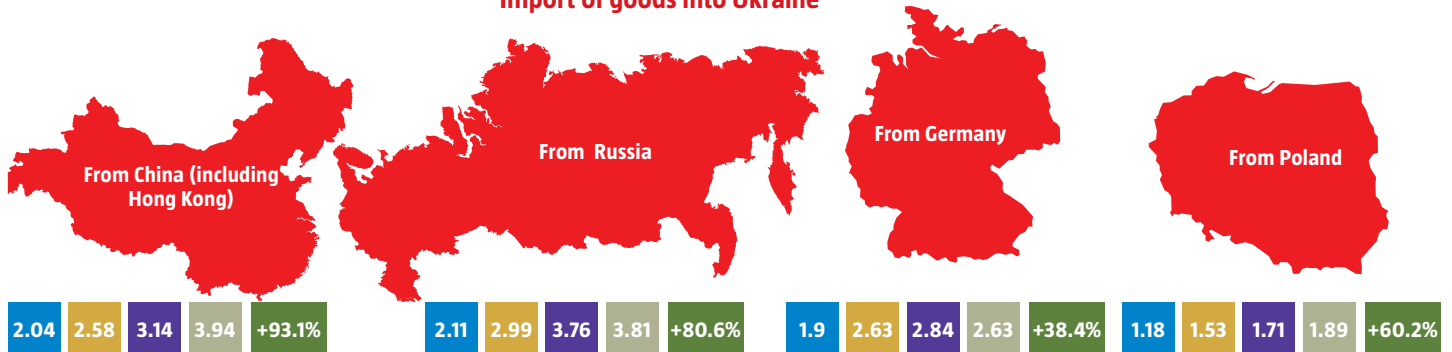
## GROWTH TRAJECTORY

How China became the leader among Ukraine's key trade partners

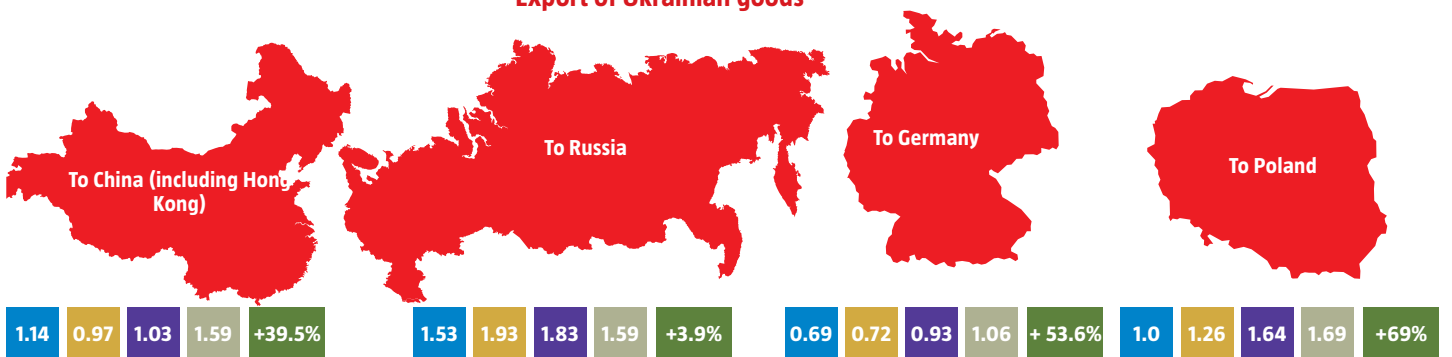
### Ukraine's revenues from trade



### Import of goods into Ukraine



### Export of Ukrainian goods



First financial half-year, 2016, \$ billions

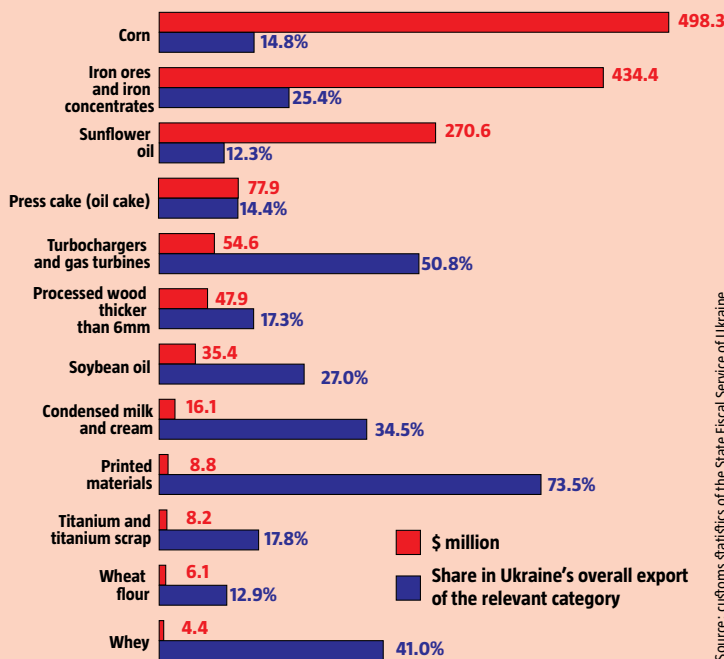
First financial half-year, 2017, \$ billions

First financial half-year, 2018, \$ billions

First financial half-year, 2019, \$ billions

First financial half-year, 2016 / First financial half-year, 2019, in %

## Ukraine exports to China. First financial-half year of 2019



Out of all the Chinese products present on Ukrainian markets, the highest volumes are of Chinese diodes, transistors, photosensitive semiconductor devices and piezoelectric crystals (\$398.5 million in the first half of 2019). Here the total worth of supplies reaches UAH 2 billion a month, and it is more than 90% of all Ukrainian import of such products. Second place goes to the devices of automatic information processing and their related parts, magnetic or optical reader-machines (\$150 million in the first half of 2019) – those products have an import share of 66.5%. Third place belongs to various telecommunication devices (\$197.7). Chinese exports of such products constitute a 53.4% share of all such supplies to Ukraine. Various ground digging or excavating machines and snow cleaning vehicles (\$130 million) with the share in import of 61% came fourth.

There are products on the market, that are slightly lower in terms volume of supplies, but much higher in terms market share, such as Chinese bicycles (94.6% of import, \$19.5 million in the first half of 2019); rubber and plastic shoes (87.6%, \$ 57.6 million), hand electrical devices (75%, \$39 million), lamps and other light devices (69.3%, \$38.1 million); toys (86.1%, \$72 million). Among other products where the numbers of supplies are high, but its overall share in the same trade category is lower, there are Chinese products for garden care (\$102, 15.1% million), flat-rolled galvanic coated carbon steel (\$ 63 million or 34%), tyres and wheel trims (\$57.5 million or 28.3%), tractors (\$36 million or 11.9%) and furniture (\$37.7 million).

Over the first half of 2019 the above-mentioned volumes of supplies became almost twice higher and have a tendency to grow.

Earlier *The Ukrainian Week* has already explained that, should Ukraine restrict access to its domestic market for certain Chinese goods, who are practically putting a stop to the development of local industries, it will have a rather high chances to grow its domestic production and at least fulfil its own needs.

In 2018 the import of machinery from China amounted to \$4.06 billion, or UAH 110.4 billion, which is more than the over-

all profits of all the Ukrainian producers that year (UAH 102.9). Therefore we are talking about the rather comparable numbers. In the same year Ukrainian enterprises sold metal products on a sum of UAH 33.7 billion, while Chinese import amounted to \$385 million, which is UAH 10.5 billion. We are also talking about nearly equivalent of nearly one third (31%) of Ukrainian metal production on Ukrainian domestic market.

Every year this equation between Ukrainian and Chinese only gets worse and is not in favour of Ukraine. Chinese have much bigger scale of production and powerful sated support and they are expanding their influence all over the world. In Ukraine, in addition to all the circumstances described above, Chinese also meet very little resistance.

There is a similarly poor, or at times even worse, situation in light industry, furniture and glass industries, in pottery and cement industry. Those industries could become the drive of change for Ukrainian small and medium business and generator of new work places Ukrainian regions with high levels of unemployment. Namely, only in 2018 Ukraine imported \$16.4 million of canned fish and seafood, \$14.7 million of fruits, vegetables and nuts. At the same Ukrainian food producers are struggling to get the same level of exposure to Chinese domestic markets – with the exception oil, whey, condensed and dry milk, as well as small amounts of flour.

## THE NEED TO CHANGE THE STRATEGY

Further increase in trade and economic cooperation with China on practically colonial conditions, that have been formed over the past few decades, making Ukraine supply raw and semi-raw materials to China and opening up its completely unprotected domestic market to Chinese fished goods in return, is very dangerous. In 2007 Chinese GDP per capita amounted to \$2,700 and was almost equal to Ukrainian one, while in terms of Purchasing Power Parity (PPP) it was even lower (\$6,800 against \$8,100 in Ukraine). However, by 2018 the situation has drastically changed. While Chinese GDP (PPP) has reached 18,100, Ukrainian has only grown to \$9,300. Even despite recent slow-down tendencies, Chinese economy is still nevertheless growing almost twice quicker than Ukrainian. This will be the vase even if we analyse the GDP data per capita, when Ukrainian population is reducing, while China's is growing.

Ukraine needs to radically change its approach to trade partnership with China and only guard its own national interests. Ukrainian producers must be given much broader rights and wider possibilities when it comes to accessing Chinese domestic market, and be allowed to supply Ukrainian value-added finished goods. At the same time, access to Ukrainian market for Chinese products must be restricted. It is true, that nowadays it will be more difficult to achieve this than in the past. However, passive stance of the Ukrainian state will only become the source of even bigger dangers and will keep increasing the disproportionate elements of the bilateral trade.

It is important to properly utilise recent changes in global international trade and turn those changes into Ukraine's favour. Potential trade wars between the giants of the world economy certainly do not depend on Ukraine's position. However, the new reality allows us to once more reevaluate Ukraine's economic policies and especially its foreign trade. Apart from losses to Ukrainian exporters, the era of economic nationalism can even aid the development of Ukrainian economy, should Ukraine adopt reasonable nationalist economic policies. It can also give a chance to reflect on past mistakes of the recent decades and prioritise what's important. With the current volumes, and what's important, structure, of the bilateral trade, Ukraine's losses will definitely not exceed the benefits. ■

# Mykhailo Zabrodskiy:

“Generals do not think within the framework of the previous war”

Interviewed by  
Dmytro Krapyvenko

**The Ukrainian Week** discussed with Mikhailo Zabrodskiy, the commander of the Ukrainian Air Assault Forces (elected to the Verkhovna Rada on the list of European Solidarity), on the feasibility of holding a military parade on Independence Day of Ukraine, topical issues of the army, maintaining the country's geopolitical vector and the specifics of the war in Donbas.

## Does Ukraine need the Independence Day parade?

— A country in war does need a parade. I'm glad to see that public opinion on the celebration has reached the President and the event will take place.

**Some of the points initially voiced against holding the parade included its cost and the fact that both the parade, and the preparations are an extra burden on the military who are already doing a lot of things. So why not just give them a few more days off?**

— Given my 30+ years in the army, I can say that the country can find both resources and military staff to take part in the parade, if it wants to hold one. This is not too much of a problem.

**Your colleagues in the European Solidarity nominate you for Head of the National Security and Defense Committee (MP Zabrodskiy was appointed Deputy Head of the Committee after distribution of posts within the new Verkhovna Rada committees – Ed.). What will be your first initiatives if you head or join the committee?**

— We are not going to Parliament for seats or portfolios. We have a series of initiatives that should be submitted, some for the second time, to the Verkhovna Rada.

We have a vision of what the committee could do within the next two-three years. The priorities I would list include a new law on the Security Bureau of Ukraine (SBU) to abolish its function of control over economic activities; changes in the system of counterintelligence, and public oversight over the SBU. The next step is the law on intelligence: we need to coordinate the activities of all respective components within different law enforcement and security agencies, review their powers, distribute functions and accountability. Another initiative is to introduce a new system of sergeant ranks close to NATO standards. Also, it is important to amend the Customs Code for duty-free import of defense goods. This will help us solve the issue of obtaining defense technologies, components, modern systems for communication and reconnaissance, etc. – all the things that are difficult or impossible to produce in Ukraine at the moment.

**The position of President Zelenskyi's party and his personal position on NATO is quite uncertain.**

**What will you do if the government sabotages Euro-Atlantic integration?**

»



**Lieutenant General Mykhailo Zabrodskiy**, Hero of Ukraine, was born in 1973 in Dnipro. He graduated from the A. F. Mozhaysky Military-Space Academy in St. Petersburg, the US Army Command and General Staff College in 2006 and the I. Cherniakhovsky National Defense University of Ukraine in 2017. Zabrodskiy joined Army service with the 95th Airmobile Brigade, going from platoon to brigade commander. He commanded Ukrainian peace-keeping contingent in Kosovo in 2009. The 95th Airmobile Brigade conducted a two-week raid in the enemy rear under his command in 2014. Zabrodskiy commanded the Ukrainian Air Assault Forces from 2015 and ATO forces in 2017-2018. He was elected to Parliament as part of Petro Poroshenko's European Solidarity party list in the 2019 snap election.

— The position of the parliamentary majority should echo that of society. We know that nearly 70% of Ukrainians support Ukraine's movement towards the EU and over 50% towards NATO. Nobody can ignore the will of the people. Apart from that, EU and NATO integration is in Ukraine's Constitution. It is important to make sure that we continue to inform the population about the benefits of membership in NATO and the EU.

**Do you feel that the army and law enforcement and security agencies overall are experiencing some sort of backroll? One evidence is the lawsuits blocking material and food supplies to the army under the reformed scheme.**

— I would not call this backroll, but certain attempts to disrupt the positive developments taking place in security agencies. Take the segment of food supply: many military units will not be able to switch to the new system as a result of the latest court verdicts. The same is true for material supply. If this trend lasts, we can find ourselves in a position of 2014 where virtually everything was in deficit.

A FORCE SCENARIO COULD IN THEORY BE QUICK AND EFFECTIVE. BUT MILITARY THEORY SAYS THAT ANY INFLUENCE SHOULD BE COMPREHENSIVE AND INVOLVE MILITARY, AS WELL AS POLITICAL, ECONOMIC AND INFORMATION ASPECTS

**Chronic understaffing of units is one of the greatest problems in Ukraine's military. Salaries are hardly an issue, especially that they are raised on a regular basis. Your party fellow and veteran Oleksiy Petrov says that army charters need to be changed in order to motivate people to join the army. Do you agree?**

— Yes, a deficit of staff is a huge problem for all sections of the military. It requires a comprehensive solution; more funding will not solve the issue. All changes in the past 10-15 years, ever since Ukraine started building its professional contract-based army, have been very delayed. Here is one simple example: the government raised salaries for the military starting from January 1, while in fact soldiers and officers get more money two-three months later – and prices and the labor market had already changed.

I will say something professionals know but the public doesn't. When you have an organizational structure, a car-

cass, it's much easier to grow muscle. A military unit can have half the staff, but it can be unfolded to its full size with operational reserve or mobilization, if need be. We begin to forget one of the bitter lessons from 2014: it was hard to build units virtually from scratch when they only existed on paper then. We needed people for all key positions, from commander to cook. It will now be much easier to staff the military organisms that already exist than it was to create them from scratch. *налепи*.

**The old-school officers regarded the charter (code of rules – Ed.) as something sacred. Whenever someone said anything about its flaws, they would say that "This document was written with blood!" Can it not grow outdated?**

— Of course, the charter can get outdated just like any other document. The saying about it "written with blood" refers to two codes of rules: for battle (even though it already has a number of controversies given the modern situation) and for garrison and guard service. The latter has many provisions on the use of arms, legal issues and clear instructions to avoid unnecessary use of weapons or incidents. It has a set of very clear rules that are several centuries old and are in charters of virtually any other country. Still, the document has to be tied to reality and be fully in line with the modern situation. For example, I was always surprised to see statements about protection of your Motherland on page one and the number of toilets per people in a dorm on page 15. These requirements are still valid in Ukraine's army. But work has started to draft new books of rules for everyday life of the military.

**I recently spoke to an officer, deputy commander of a battalion. He mentioned soviet-style bureaucracy and living conditions at permanent duty stations as some of the biggest problems discouraging people to extend their contracts. Do you believe that these are important problems?**

— The system of record keeping, even if somewhat automated, has many traces of the previous epochs. Personnel record keeping, temporary duty travels – all this is too often bureaucratized. But it is hard to think that this affects rank-and-file servicemen; these are usually the problems of officers, from company commanders up. A machine gunner will write two-three reports a year. So I would not claim that it is bureaucracy that demotivates professional servicemen. It can affect them indirectly.

When it comes to the living conditions at permanent duty stations, Ukraine has launched a program to build dorms. It is hard to say whether it will be continued into the next year. Of course, dorms do not solve the issue of residence for professional servicemen completely. It's a temporary decision and it's not for everyone. A bed in a room for four or five does not work for the military who want to have a family. But we do have temporary solutions for some categories of the military. But garrisons are different, with different rent prices, different packages for the servicemen and different conditions.

**The previous Rada had more MPs in camouflage than the current one. How would you interpret this?**

— Parliamentary elections in 2014 and 2019 were different. The Rada is a reflection of society, its state. In my view, some mandates went to people who speculated on being part of a law enforcement or volunteer unit five years ago. This, too, had some impact on the voting in 2019. Also, I think that we have gone from quantity to

quality: even if the military have smaller representation in Parliament, it will be quite professional. Overall, I don't think anyone will be going to Rada sessions in uniforms.

**Weariness with the war – is this a real sentiment or a propagandist cliché?**

— There is a law of human psychology: daily reports about shooting, injured and killed are eventually perceived as weather forecast. There is weariness, and this is hardly surprising. In broader terms, this is more of a propagandist cliché. Plus, the war directly affects a relatively small part of Ukrainian citizens ever since mobilization ended.

**Another widespread meme is that Ukraine has lost the information war. Do you have that feeling too?**

— From the perspective of 2014, yes, we lost the information war to Russia. Events in Crimea and the Donbas prove this. We lost part of our population informationally, the people who may be watching dozens of non-Ukrainian TV channels. Still, we have learned a lot in the past five years. I don't see the situation today as a defeat. Paradoxically, we should not be looking for the impact of the information war in the information field alone. Information campaigns can influence the choice to take up weapons or not, and the choice of things to post and share on social media. They can influence voting in elections.

The key task of psychological operations is to make people follow instincts and turn off experience, education and reason. These operations make it very easy to manipulate societies, and Ukraine has developed some immunity in this regard.

**Is it fair to say that every general thinks in terms of a previous war?**

— I can disagree. It's not that generals think in terms of the previous war, it's military education. Unfortunately, it is somewhat stuck at the level of interpreting the available guideline documents. How are these documents written? You conduct an operation or you have a military conflict that has ended – you analyse it, consult (or forget to consult) with professionals and draft a guideline document. Then several generations of future officers are educated on the basis of this document. They receive grades and decorations for diligent studies. But they see a very different picture when they come to the army or, God forbid, to war. Everyone understands this, but they keep playing the usual game. Sadly, Ukraine's modern system for training military specialists still holds on to this non-constructive legacy.

Soviet military schools trained staff for global war. They had their scale, operational and strategic space. Nobody counted tanks or artillery systems piece by piece. Trench war was seen as outdated legacy from World War I. Armed conflicts of the USSR's last years showed how the nature of war was changing. Unfortunately, military education in Ukraine did not duly appreciate this experience.

War has changed profoundly. We only knew or heard something about drones before 2014. Now, every battalion has one. We knew that digital radio communication and electronic warfare existed, but we faced the war with soviet radio stations from the 1970-80s. We now know transfer from maneuver to trench warfare and battle with

very restricted use of aviation. Our concepts before the conflict, at the beginning of it and now are extremely different. We have valuable experience which should be used to educate future officers.

**You served at the peacekeeping contingent in the territory of former Yugoslavia. How could Ukraine benefit from the Balkan experience?**

— Croatia's Operation Storm could be one of the possible solutions. A force scenario could in theory be quick and effective. But military theory says that any influence should be comprehensive and involve military, as well as political, economic and information aspects. If at least one of these does not work, all others will not bring the expected result. If you have four horses in your cart and one gets sick, the other three will need to pull the fourth one, however strong they might be.

WE NOW KNOW TRANSFER FROM MANEUVER TO TRENCH WARFARE AND BATTLE WITH VERY RESTRICTED USE OF AVIATION. OUR CONCEPTS BEFORE THE CONFLICT, AT THE BEGINNING OF IT AND NOW ARE EXTREMELY DIFFERENT. **WE HAVE VALUABLE EXPERIENCE WHICH SHOULD BE USED TO EDUCATE FUTURE OFFICERS**

**Balkan experience includes handing over military leaders from all sides of the conflict to international court. We already have a precedent: the cases of Vitaliy Markiv (a Ukrainian National Guard serviceman recently sentenced to 24 years in prison by the court in Pavia, Italy, for alleged murder of an Italian journalist. The trial was seen as controversial and biased against Markiv by many and the respondent plans to appeal against the verdict – Ed.) and Serhiy Kolmohorov (a border guard sentenced to 13 years in prison for alleged murder of a young woman in a car that crossed a checkpoint in Mariupol in 2014. The trial was also criticized as biased, and Kolmohorov was released two years later to return to military service – Ed.). Do you see a trend of biased persecution of Ukrainian military?**

— Such precedents give reason for much concern. There are other examples from the early stage of war in addition to the ones you mention. You have cases of desertion in any mobilization campaign in any country. Ukraine is no exception. A person fled the battlefield, was found six months later and sentenced to a fine of UAH 512. The lawyers' arguments were impressive: he deserted because his life was under threat! Then a border guard (Kolmohorov – Ed.) who used weapons against a car that did not stop at the checkpoint under very murky circumstances got a real prison term.

**With political pressure on courts, thousands of the military can end up under trial for simply fulfilling their duty in the ATO-Special Operation Area...**

— Political regimes under whose "political will" thousands and tens of thousands of innocent people end up in courts tend to have very unhappy endings.

**Under what circumstances would you quit your MP mandate and return to the army?**

— The Constitution lists all conditions under which an MP leaves his or her mandate. And I'm not leaving the Army, I'm just delegated to the legislature to fulfill certain duties. ■

# Science & Technology: Diagnosis and treatment

Ukraine's scientific sphere needs to be overhauled and invested in

Maksym Strikha



**About the author:** Maksym Strikha holds a PhD in Physics and Mathematics. He is a professor, former President of the Ukrainian Physics Society (2013-2016), and Deputy Minister of Education and Science since 2014.

One thing that is acknowledged broadly is Ukraine's strong scientific tradition. The country can take proud credit for a number of global discoveries. In 1932, a team led by Oleksandr Leipunskiy at the Ukrainian Institute of Physics and Technology in Kharkiv was the first in continental Europe to split a lithium nucleus. In 1940 in Kyiv, Vadym Lashkariyov conducted the first experimental research into the PN junction involving silicon, a fundamental element of modern electronics. In 1951, a team led by Serhiy Lebedev in Feofania, a suburb of Kyiv, launched the first computer in continental Europe, while the world's first *Encyclopedia of Cybernetics* was edited by Viktor Hlushkov and published in Ukrainian in 1973, also in Kyiv. In the 1930s in Kharkiv, Lev Landau developed the theory of second-order phase transitions, while Mykola Boholiubov published *Lectures on Quantum Statistics* in the late 1940s in Kyiv. Also in Ukrainian, this was one of the most important academic texts of the 20<sup>th</sup> century. The list of accomplishments continues into the present: detector crystals grown in Kharkiv helped discover the Higgs boson in an experiment at the Large Hadron Collider in 2012.

## ON THE ACADEMIC SIDE

Formed in the 1960-1980s under Borys Paton's leadership, the Ukrainian SSR Academy of Sciences was unique in the Soviet Union. It was far better integrated into the command economy than the Soviet Union's Academy of Sciences or the academies of the other republics. The phrase *patonization of science* was coined here: critics used it to reflect the focus on R&D that was customized to the needs of the republic's economy, thanks to Dr. Paton, president of the Ukrainian Academy of Sciences since 1962. This system of academic science has barely changed since. Although academy staff has almost halved in the years since independence, virtually all of its institutes are still operating. Some continue to contribute to the progress of global science and technology, while others were set up to serve industries that vanished two decades ago.

Throughout all the transformations in Ukrainian society, the National Academy of Sciences has kept its leading place in the country's system of scientific development. Art. 17 of the Law on scientific and technological activity allocates 55% of all public funding for science to the NAS. Together with five sector-oriented academies established in the years of independence – medicine, agriculture, teaching, law and the arts—, the academic sector receives 68% of the entire science budget.

Apart from the Ukrainian SSR Academy, the scientific segment had two other important components in the soviet period: sectoral institutes and institutions of higher education. The task of thousands of sectoral institutes was to work on various technological solutions for industry. These institutes employed severalfold more researchers than the Academy itself, even if work there was seen as less prestigious and academic prospects were largely limited to the level of a candidate of sciences, a degree between a Master's and a Doctor's. Few PhDs or professors worked at the sectoral "boxes," a term reflecting the secret status of many of these institutions with just the mailbox index for an address. Most of these institutes were turned into joint stock companies and privatized in the 1990s. Just a few hundred survive today, that have adjusted to the market environment and provide proper R&D services to clients.

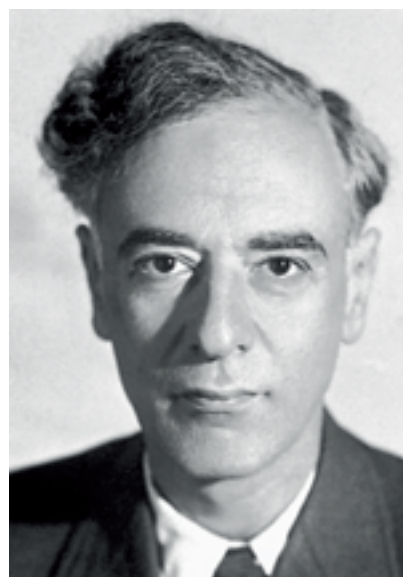
In Western countries, fundamental science is still mostly developed at universities, where senior and PhD students engage in research. The Soviet Union mostly looked at universities as educational facilities. Their staff had to focus on lectures and do research in their free time. As a result, there was no public funding for university science in the Soviet Union. Its only source of money was R&D commissioned by state enterprises. This made university researchers more flexible and ambitious compared to their Academy peers. By habit, the latter still see universities as places where no serious science takes place because intense lecturing leaves no time for it.

Throughout the years of independence, there have been many calls for Ukraine to turn its universities into key scientific research centers, following American or British models. The 2014 Law on higher education defined science and R&D as mandatory activities for post-secondary institutions, alongside the teaching component. The Law on scientific and technological activity placed university research on an equal footing with academics in 2015. But real numbers don't reflect official declarations: less than 15% of the total science and R&D budget goes to university research in Ukraine today. Some university R&D work is funded through education





**In cybernetic space.** Viktor Hlushkov spent most of his scientific career in Kyiv



**Lev Landau.** Nobel Prize winner and Kharkiv scientist

funds allocated to thematic research in individual departments, but this has not made much of a difference.

Despite all this, universities have grown into serious players in Ukraine's scientific efforts since 1991. For the last four years, university researchers have been publishing more articles in journals referenced in WoS and Scopus databases than their Academy of Sciences peers and the gap keeps growing. Universities and NAS institutes contribute 26% of Ukrainian researchers to the Horizon 2020 winning consortia each. One positive trend in the past 18 months has been that innovative SMEs contribute a whopping 42%. Finally, universities make nearly 80 kopykas on every hryvnia they receive from the public purse in contracts with domestic and international clients. By contrast, NAS institutes make around 20 kopykas.

It has to be admitted that, since independence, science and R&D have hardly ever been a priority for Ukraine's politicians. Finance ministers saw it as an expenditure rather than as critical investment in the future. Sadly, researchers themselves and the NAS leadership contributed to this attitude because of their reluctance to consider even cosmetic changes to the system inherited from the soviets: the room where the Academy's presidium meets still displays a marble stele with quotes from decrees by Leonid Brezhnev and Mikhail Georgadze awarding the Academy soviet orders. Even in the run-up to the NAS's centenary, a proposal to replace these quotes with Hetman Pavlo Skoropadskiy's law on the founding of the Academy, which was much more broadly acceptable, was treated as "heretical" and never implemented.

As a result, the National Academy of Sciences is generally seen as an "assembly of the very elderly" and pragmatic politicians are increasingly reluctant to discuss any increase in funding for scientific activity. The consequences are clear: the equipment and technology at most the country's scientific institutions are hopelessly outdated, even though serious research is impossible without expensive modern equipment—and salaries are mis-

erable. All this pushes researchers, especially the young and proactive, to emigrate or to change jobs. The total number involved in scientific activity has plummeted fivefold from over 300,000 researchers in 1991. Ukraine lags behind all of its neighbors, including Poland, Romania and Turkey, for the number of scientists per 10,000 adults, although 20 years ago it was ahead of them.

## WAR TIPS THE SCALES

The current war partly affected attitudes, as it has hit science hard. Ukraine lost 95% of its marine research infrastructure, the only highland astrophysical observatory in Crimea, the most modern telescope, the best center for catastrophic medicine, and more. 27 universities and research institutes have relocated away from the occupied territories since 2014. Nearly 12,000 researchers and lecturers had to leave their jobs and start from scratch elsewhere, as their equipment, materials, libraries, lecture halls, and homes lay on the other side of the line of contact.

Meanwhile, politicians and the public have understood that Ukraine's researchers and engineers are the only possible developers of defensive and offensive weapons under a *de facto* embargo on weapon supplies from Western "allies." A great deal has been done over these last few years. Ukraine now has its own high-performance multipurpose drones, new missile systems using new fuels, reliable communications systems, world-class tactical combat care methods, and more.

And so, changes in science and R&D have begun after 25 years of mere talk. They are still fragmentary and restricted by the wartime lack of funding, but they are at least underway. The Verkhovna Rada passed a new version of the Law on scientific and technological activity in late November 2015, the product of a difficult compromise between various reformers with diverging views of reform, and conservatives from the NAS with their desire to avoid change. The law introduced a number of important provisions democratizing science, restricting terms of office for all top positions to two, deepening in-



**Ukraine's contribution to the collider.** The world's best-known scientific project uses the discoveries of Ukrainian scientists, including detector crystals grown in Kharkiv

ternational scientific cooperation – Ukraine joined the EU's Horizon 2020 program in 2015 as associate member—, diversifying funding for research, and introducing a new procedure for certifying scientific institutions based on authorizing meaningful scientific hubs, not those imitating activity.

Public attention is now primarily focused on two innovations: the establishment of the National Science and Technology Development Council chaired by the PM, and the National Research Fund. An international audit of Ukraine's science and innovations initiated by the Ministry of Education and Science and conducted by EU experts in 2016 using Horizon 2020 political tools generally approved these innovations in its 7 key points and 30 recommendations for Ukraine's leadership. The auditors paid specific attention to the work of the National Council as the coordinator of all scientific policies in Ukraine and the National Fund as the entity providing grant money for scientific projects, regardless of the institution or industry they work in. At the same time, the audit noted that, with its long-standing tradition of science, Ukraine did not fit into the general scheme, and needed customized solutions.

## THE EU ASSESSMENT

Ukraine's EU partners positively assessed the country's progress in reforming its scientific sector at the Ukraine-EU science cooperation commission in January 2019. The National Council has started working, even if less frequently or deeply than what the law calls for. The National Fund has been set up as a legal entity with UAH 262mn allocated for 2019 as separate funding and not just a temporary patch. EU experts have also

noted the significant success of Ukrainian scientists in international cooperation: 138 consortia with 198 Ukrainian scientific institutions, universities and R&D SMEs have earned funding under Horizon 2020. Overall, €24mn has come to Ukraine through Horizon 2020. Associate membership has become a commercially successful project for the country, as Ukraine received more from the program than what it contributed as a member.

European Commission experts have defined three key problems facing science in Ukraine today:

- extremely poor funding;
- lack of an effective innovation system to ensure the commercialization of R&D results;
- an unreformed, outdated and inflexible system at the NAS.

They noted that trying to solve any one of these problems without solving the other two would fail. Politicians will never allocate more funding to an unreformed Academy, especially when it lacks proper links between research labs and manufacturing. Ukraine's science and technology system is intertwined, and neither the NAS, nor universities are monopolists in it. So it is wrong to speak of any islands of improvement in an environment of overall degeneration.

## TINY STEPS FORWARD

In fact, funding for science has increased 77% in absolute numbers over the past three years, from UAH 5.289bn in 2016 to UAH 9.364bn in 2019. But it is still just 0.24% of GDP compared to an average of 2% in the EU. The Government's approval in July of the Innovation Sector Development Strategy developed by the MES jointly with scientists and business representatives sent a positive signal this July. Much more legislation has to be passed soon to support it.

Two other serious problems stem from the three noted: one relates to youth and the other to research infrastructure. The Kharkiv Institute for Physics and Technology offers a good illustration of the first problem: it has 2,000 staff and just nine PhD students. This means that it has no future, despite its unique schools and equipment. Other institutes of the National Academy of Sciences are in a somewhat better position, but still far from normal. The share of young teams has grown from 0.5% to 1.5% in the science budget over the past three years, mostly thanks to the Ministry of Education and Science, which allocates almost 11% of its total funding for science in universities to the young.

Despite largely outdated equipment and technology in most institutions, the ultramodern Neutron Source Facility at the Kharkiv Institute for Physics and Technology was built with American funding as a compensation for giving up its stocks of plutonium. The facility is unique, not just in Ukraine but in the whole of Europe. Otherwise, though, Ukrainian scientists can only envy their colleagues in Poland, Romania and Baltic States, which have built ultramodern labs with structural funds from the EU. Ukraine has no access to these funds for now.

The Ministry of Education and Science has funded the construction of 15 centers for the collective use of equipment, each servicing several universities and scientific institutions based on their specialization. This policy is already bringing positive results. Two young talents said that they would not emigrate at the opening ceremony of the Ivan Franko University's Laboratory of Intermetallic



Compounds, a collective-use research equipment center in Lviv. They can now do more complex work at home. Ukraine needs many more such centers equipped with the technology worth tens of thousands of euros, and even millions of euros in some cases.

### LOOKING TO THE FUTURE

When Ukraine's new Government starts working in a few more weeks, it will face a number of challenges in science:

- to complete the launch of the National Research Fund. The ball is in the science and research community's court now: it needs to propose someone to be the Fund's executive director;
- to introduce basic funding for priority research in universities based on a government audit. The 2020 budget already allocates the initial UAH 100mn;
- to increase salaries for researchers and investment in research infrastructure;
- to successfully negotiate Ukraine's status in Horizon Europe, the EU's next framework research initiative.

Preparations have already started. The new Government will have to make good use of what its predecessors accomplished so far. At the same time, questions will remain about the future status of the National Research Fund and the National Academy of Sciences, which have not been subject to wide public discussion yet.

The current law makes the Fund fully independent of the executive agencies. As a result, it cannot be an effective tool to support sectoral R&D, such as defense, medicine, the environment, and so on. The scientific commu-

nity decides on its priorities through its delegates to the National Council Science Committee and the Research Council of the Fund will always put the support of "high" fundamental science first. One option is to accept the Fund's current fully independent status, in which case it will focus on what experts refer to as excellent science. Another option is for the Fund to become a player in a much bigger field. Then it will be the Government that defines thematic and sectoral priorities. EU experts suggested the second option three years ago.

When it comes to the NAS, ideas vary, ranging from "leave the organization as is and increase the funding" to "merge NAS institutes with universities." Some propose a compromise: establish a powerful public research concern like the French CNRS on the basis of functional institutions based on a state audit, and transform the National Academy of Sciences into a collegium of academics and associate fellows, a community of scientists respected and supported by the state, similar to the National Academy of Sciences in the US or the Royal Society in the UK.

If the country's politicians really care about developing science in Ukraine, they will finally launch reforms in this most conservative segment of the science and research system. It's important that any reform is discussed with and accepted by the majority of the scientific community. Researchers should see it as an opportunity to introduce new European rules, not as a cover-up for yet another round of asset distribution. It's equally important to bring serious money to this process, including from the private sector. ■



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# His death: Weak "stronger sex"

The reasons why Ukrainian men die earlier than women

**Daria Ozerna**, biologist and scientific journalist;  
**Andriy Kosetskiy**, sociologist and big data analyst

There are few people who manage "to live happily ever after and to die on the same day". But it seems that Ukrainians do not have such chances at all: life expectancy of men in our country is 10 years less than of women. In almost all countries, women live longer than men, but in Ukraine this difference is one of the largest in the world. Even more striking it is only in our former socialist camp partners – in Russia, Belarus, Lithuania and Latvia. In the EU countries the difference is 5 years.

So what is the reason and what to do to live longer, happier and not leave your wife as a young widow?

## LIFE EXPECTANCY IN UKRAINE

Life expectancy in Ukraine is 72 years, and it is quite short. The average life expectancy in the EU is nine years longer – 81. We are ranked sixth among countries of Europe and Central Asia.

In European countries, life expectancy has steadily increased since World War II. However, there was no stable trend in the post-Soviet countries, now it grew and then declined. As a result, we are still at the level of the 1960s by this rate.

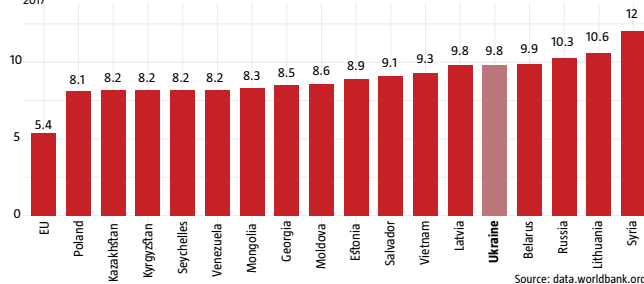
The short life expectancy of Ukrainians is related to the premature death of men. Life expectancy of women in Ukraine is also low, but it is not so dramatically different from that of European countries. For example, in comparison with the EU, men in Ukraine live 11 and women only 7 years less. So the reasons are not only in poverty and Chernobyl, these problems are usually ascribed to. Something our men do wrong unlike men in Europe. And in something that makes considerable odds men around the world differ from women (see **Almost 10-year difference**).

## MORTALITY FACTORS

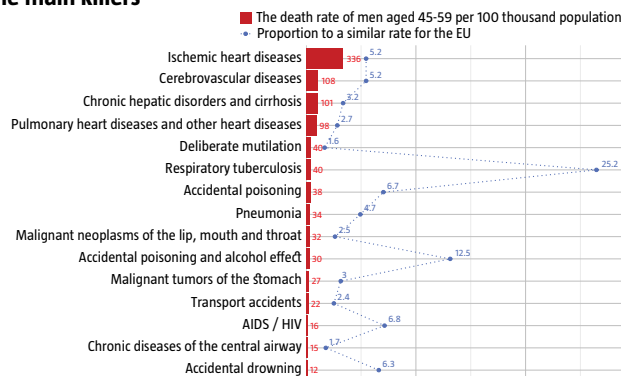
To understand why Ukrainian men die so early, we have observed the causes of premature deaths in the 45-60 age group and compared them with the causes of deaths in EU countries.

The most common factors of death for men of this age are blood vessel diseases (heart attacks, strokes, hypertension, cardiomyopathy), cancer, traumas and gastrointestinal diseases (see **The main killers**).

**Almost 10-year difference**  
Women live ten years longer than men  
2017



## The main killers



For most reasons, mortality rates in Ukraine are three to four times higher than in EU countries. This means that in the EU, middle-aged men die less, and for various reasons, which are more or less evenly distributed. And we can clearly see that premature mortality is primarily caused by several diseases.

**Big Four Diseases.** In Ukraine, among most common lethal factors are ischemic heart diseases, cerebrovascular diseases (when there is a lack of blood supply to the brain), chronic hepatic disorders, "pulmonary heart" and other heart diseases. The death rate from cardiovascular diseases is of particular concern, as it is more than four times higher than in EU countries and takes the most lives. What is the reason? No, it is not the specifics of the healthcare system (which, incidentally, is being effectively reformed) to blame, because then there would be no difference between men and women. The reason is that men have a different lifestyle from that of women: they smoke more, drink alcohol, do not care about their fitness, forget to take medication... And though invisibly, but relentlessly, all this pushes them in their late fifties to the coronary care unit on a drip.

**Cancer.** With regard to cancer, the EU-Ukraine ratio is still normal: Ukrainian men are 1.6 times more likely to die from cancer. This is many, but not significantly, for all the causes of mortality. Some cancers (such as leukemia or brain tumors) cannot be prevented. For other diseases, the risk of developing skin, lung, larynx, esophagus, pancreas, or rectal cancers can be significantly reduced. You should avoid prolonged sun exposure, smoking, drinking alcohol and consuming fried foods.

**Alcohol.** Accidental alcohol poisoning is 12.5 times more common among Ukrainians than Europeans. Chronic hepatic disorders and cirrhosis are three times more frequent. This leads us to two thoughts: we have problems with alcohol consumption; not all alcohol in our market is of good quality and legal, we will discuss this soon. Ukrainians are also more often accidentally poisoned and drowned as a result of drinking alcohol while resting near water bodies.

**Tuberculosis.** Tuberculosis deaths per 100,000 populations are relatively insignificant, but this figure is more than 25

times higher than in the EU. This can be explained by the activity of tuberculosis in prisons, HIV and widespread antibiotic resistance in Ukraine.

**Reasons there might not be.** Ukrainians are much more likely than Europeans to die from accidents, infectious diseases, respiratory diseases and diseases of genitourinary system and of skin. What is common in these tragedies is that they could be much fewer, because there are, for example, safety belts, labor protection, vaccines, asthma treatment under the program “Available medication”, antibiotics, and sunscreen. Perhaps we have been used to despising caution, perceiving it as the opposite of manliness?

## DRINKING SELDOM, BUT IF THERE IS NO TOMORROW

Alcohol is worth talking about in more detail. If you estimate the consumption of official alcohol (one that State Statistics Service of Ukraine records in statistics on production, sales and imports), Ukrainians drink less of it than citizens of almost all EU countries. So obviously there is a high proportion of shady and smuggled drinks in Ukraine. According to the WHO (2014 and 2018), between 36% and 50% of alcohol consumed is sold without excise duty. In 2010, Ukraine was ranked sixth in the world by the amount of alcohol consumed by men (see **Men drink much more alcohol**).

According to the WHO report for 2014, Ukraine is the most risky pattern of alcohol consumption among all countries of the world. This means that not only do we drink a lot, but we do it wrong:

**Drink much at a sitting.** There is no safe dose of alcohol, but there is an amount that the body's enzymes can neutralize relatively quickly. It is equivalent to 130 ml of wine, 300 ml of light beer, 40 ml of strong alcohol (horilka), but it also depends on the person's weight. If you drink more, then alcohol and its derivative – toxic acetic aldehyde – last longer, and this is harmful. For example, a liter bottle of light beer contains double maximum allowable rate of consumption for men. If one drinks the equivalent of 60 grams of alcohol at a time, the WHO qualifies it as a “heavy intoxication”.

**Often get drunk.** Almost half of men who drink alcohol regularly get drunk. Among women, this is only one in five. There are also 10% more non-drinkers among Ukrainian women than men. In addition, drunkenness increases rate of injuries through violence.

**Drink in public places.** Drinking on playgrounds and benches is prohibited by law, but it does not stop anyone. We can witness this in almost every park in the evening.

**Often drink without after-bites.** The consequence of it is metabolic syndrome: the development of insulin resistance and, eventually, the type II diabetes, obesity or the accumulation of visceral (internal) fat, atherosclerosis. If you drink wine or beer with your meal, the likelihood of developing this syndrome

is reduced. But if you drink the same beer, for example, instead of dinner, your stomach increases, your blood glucose levels rise, your blood pressure increases, and your age is shortened.

**Drink unevenly.** The amount of alcohol that people in general drink is distributed differently. Consume evenly every day: for example, a glass of wine at dinner. Or much at a sitting: drink a lot on Fridays or go to a bender. According to the World Bank, in Ukraine, comparing with other European countries, the first way is peculiar to a small number of people: 36% among men, 12% among women. That is, the majority of the population drinks unevenly, consequently, all harm of alcohol falls to those who do it rarely, but as they say, heartily, as if there is no tomorrow. Most prone to binge drinking are divorced or single men aged 30-60.

## THE WAY ALCOHOL KILLS

Alcohol consumption increases the risk of atherosclerosis, heart failure, hypertension, alcoholic cardiomyopathy, chronic hepatic disorder, esophageal cancer, pancreas and rectum cancers, dementia and traumatism. Every third Ukrainian who died of heart disease suffered from alcoholic cardiomyopathy. If you drink (half a liter of wine or a liter of beer or half a glass of horilka in two hours), it is very likely that there will be arrhythmia, shortness of breath and even pain behind the sternum. Regular binges or drinking increase the risk of stroke. Alcohol is incompatible with a number of drugs: those for cardiovascular diseases, hypertension, painkillers, anti-diabetics, antidepressants, cholesterol-lowering drugs (statins). Therefore, the medicine for diseases that kill Ukrainians cannot be taken at the same time with alcohol.

The body's reaction to alcohol has a clear “gender inequality”. Women have an indirect J-type dependence of high blood pressure and susceptibility to other cardiovascular diseases on the amount of daily alcohol. It is even “useful” for women to drink a little (equivalent to 15 ml of pure alcohol). It lowers the pressure, but larger amounts of alcohol instead raise it. Immediately we should warn that the word “useful” – in quotation marks, because at the same time alcohol increases the risk of breast cancer, and there is no safe dose of alcohol at all. But men, starting at 10 ml a day, are at risk of hypertension and the more amount of the alcohol, the higher it is. Among those who drink, hypertension affects every second man and every fourth woman. That is, the former drink more, and it beats them more than women.

Alcohol-related public health problems are inherent in developing countries or those that have suddenly become wealthy and have extra money to drink (see **Men also get drunk more often**).

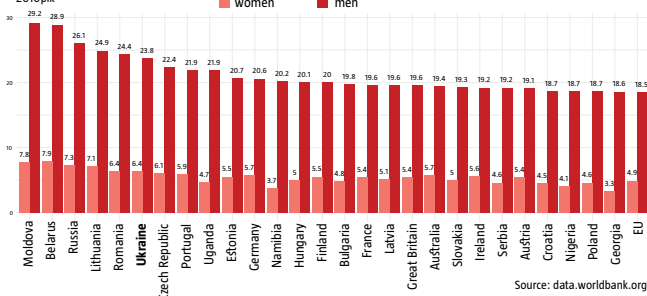
## MOST SMOKERS DIE SHY OF LUNG CANCER

Smoking 25 times increases the likelihood of lung cancer, a disease with a very poor prognosis. But tobacco, like alcohol, leads slowly to a hospital bed. Lung cancer becomes a “fashionable” diagnosis 20 years after smoking has become fashionable in society. Most Ukrainian smokers do not live up to it, as it develops near the age of 70, while people die from coronary heart disease or stroke. That is why new generations of young smokers (youngsters in our country start smoking early – at the age of 16-18) do not think about the possible consequences.

In Ukraine, 47% of men and 14% of women smoke regularly. By the percentage of smokers we are in the top 20 among the countries of the world. We also have a significant gap between men and women in smoking rate: it is much smaller in European countries. Men tend to smoke more often than women. So we have another reason for the premature death of men.

### Men drink much more alcohol

Pure alcohol consumption per capita, liters per year  
2010ppk



Active and passive smoking relentlessly leads to chronic obstructive pulmonary disease (COPD), a disease that is rarely diagnosed in Ukraine but is often experienced. COPD is manifested as shortness of breath, persistent bronchitis or emphysema. Difficult work of lungs leads to “pulmonary heart” – already mentioned the main cause of premature death of Ukrainians.

About a quarter of heart diseases develops through smoking. It doubles the risk of coronary heart disease or even quadruples it. It also shifts the cholesterol balance to the unhealthy side and thus causes atherosclerosis. Smoking triggers free-radical processes in the body – continuous bombardment of cells, DNA, blood vessels with very reactive molecules. As a result, the blood supply to the heart or limbs deteriorates. Smoking can even lead to peripheral vascular disease when vessels constrict and weaken the blood supply to the legs or kidneys. Smoking increases your risk of cancer. In Ukraine, the rates of ischemic heart diseases, cerebrovascular diseases, lung diseases and gastric, larynx, rectum and gall bladder cancers caused by smoking are 15–20% higher than in the EU.

The main thing is that smoking begins to kill intensively “in a team” with other bad habits, or, in the medical language, – factors that can be influenced. That is, being a slender smoker who runs and eats salads every day, you can reach old age, but it will not work if you smoke, lie on the couch with beer and have obesity (see **The difference in rate of smokers among men and women**).

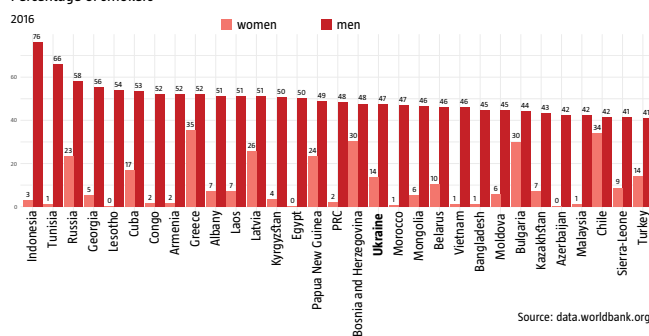
### EVERY OTHER IS NOT AWARE OF HIS HIGH PRESSURE

High pressure is unpleasant, risky, but often manageable. The causes of hypertension are an increasing age, excessive consumption of salt (over a teaspoon a day in all products), stress, obesity, fat on the stomach, excessive consumption of alcohol – that is all we have in Ukraine. Even poor nutrition of the mother during pregnancy, of the baby in the early years of life, or excessive one in adulthood can cause breakdown of pressure regulation mechanisms.

In Ukraine, 33% of people have high blood pressure or take medicines that control it. In this case, women are more aware of their hypertension and are being treated. Every other man does not know that he has hypertension (only one in four women is ignorant). In the young category, hypertension is more common in men than in women. Prior to the beginning of the medical reform, there was no routine check of pressure and weight when visiting a therapist in Ukraine, meaning that many people did not receive a timely diagnosis. “No one is healthy now,” is quite often what really sick people think and do not receive treatment.

However, it is still worse. The World Bank report states that treating hypertension is a problem. Half of those who have known about hypertension and who have been prescribed the

**The difference in rate of smokers among men and women**  
Percentage of smokers



medication either have not taken it or have not adhered to doses and frequencies. Among those diagnosed with hypertension, only half have been advised to reduce their salt intake and reduce stress, and 37% have been advised to lose weight. Only in half of cases smokers with hypertension have been advised to quit smoking. And these lifestyle tips are paramount steps to controlling high pressure. A similar pattern is among those who have high cholesterol and blood glucose levels.

That is, men who smoke, have visceral fat, enjoy alcohol and salty snacks, are very vulnerable to high blood pressure. And at the same time, they often do not know about it, and if they do, they do not treat it.

### POT-BELLY AS A CONSEQUENCE OF LIVING YEARS

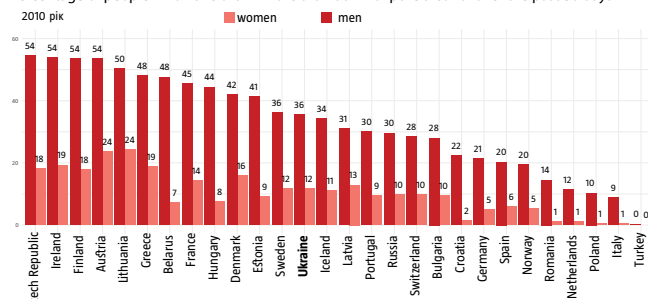
37% of men and 47% of women over 50 have at least one chronic illness. That is, the latter are more often ill, but rarely die prematurely. This is due to both your own health and physiology. Throughout the world, men are less likely to use medical services and carelessly follow a doctor's guidelines, so that their chronic illnesses remain largely untreated. Women are more cautious and diligent in this matter.

However, in duels with chronic illnesses, women have a significant advantage: they are more or less protected by estrogens before menopause, and in menopause, hypertension rather than cardiomyopathy or heart attack, as is typical for men, occurs. Hypertension can be managed fairly effectively with medication and diet. With heart attacks, everything is much more complicated. Women experience a heart attack differently than men, and this is a significant cause of death due to it. However, if it is not lethal, then women recover of it better.

32% of men are overweight and 12% are obese. In women, these figures are 25% and 24%, respectively. More than 40% of obese people are not aware of their problem. But weight is not all, there is more to it. The predisposition to cardiovascular diseases, the main killers of Ukrainians depends on the fat distribution in our body. If it is placed under the skin and mostly on the buttocks and thighs, it is not terrible. If it is on the trunk, between the internal organs and looks like “I only have a belly, otherwise I am thin”, then the heart and brain are in danger. This fat is called visceral, and it is a powerful source of inflammation, the cause of cholesterol imbalance, atherosclerosis, the type II diabetes, erectile dysfunction and the development of cardiovascular diseases. The place of fat deposition is due to heredity and sex, as well as hormonal background. Men are more prone to visceral obesity than women. However, if a woman's waist is larger than her thighs, she is also at risk of contracting the disease. The bulging belly of a man is not a natural consequence of years lived, but evidence of a constant lack of movement and excess of calories. And although this type of figure is quite common in our country and is not condemned by society as much as a woman's weight, you should not put up with it. ■

### Men also get drunk more often

Percentage of people who have drunk more than 60 ml of pure alcohol over the past 30 days\*



\*60 ml of pure alcohol – two big glasses of beer, 150 ml of horilka or half a liter of wine.





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# The new underestimated threat

Why demographic challenges in Ukraine are equally dangerous as its economic and political troubles?

Oleksandr Kramar

Demographic situation in Ukraine has been rather difficult since the proclamation of independence in 1991. Birth rate has stayed lower than the death rate, while large scale labour migration, ageing of the population became Ukraine's everyday routine. Nowadays such complicated circumstances do not allow one to foresee a full scale of the challenges that are threatening the mere existence of Ukraine as a state and its national identity. These challenges have been accumulating over the past couple of years along with rapid deteriorating of the demographic indicators, even compared to the previous decades. We are talking about the danger, which could become no less fatal than the ongoing Russian military aggression or economic grievances that Ukraine is currently battling. Coupled with breakdown in traditional family ties and structures (amount of recent newly-concluded marriages has drastically decreased, while the divorce rate is growing), there is a visible drop in a birth rate. Even despite the fact that compared to the previous decades death rate indicators remained stable and even lowered a bit, the numbers of newly born in 2019 were almost twice as low as the the amount of those who died. Over the past year Ukraine's population has shrunk on 252,000 people. After a while, those population losses are gradually compensated by arrival of other ethnically and culturally different populations from overseas. Ukrainian state, its previous and current governments alike, however, failed to address these demographic challenges.

In spite of active phase of Russian military intervention on the East in 2014–2015, as well as the sudden and deep devaluation of Ukrainian currency and country's economic crush, there were 410,000 children born on Ukraine-controlled territory in these years. In 2018 these numbers have decreased to 336,000, and it seems like in 2019 we are anticipating to only have around 300,000 newborns (there were only 127,000 born so far). Birth rate has decreased from 442 of newly born per 10,000 women to 369 in 2018. It continues to decrease. This is not a sign of a long-term tendency, though – from 2008 until 2016 relevant indicators varied from 424 to 459 children per 10,000 women. State policy, designed to encourage young families to have children, that has been actively implemented since the Orange Revolution on 2004, has still had its effects, despite its downside and limited allocated funds.

At present we are witnessing the first signs of a new demographic peril. Demographic tendencies are unbelievably inert and it takes time and a lot of effort to correct them, at the same time making it impossible to amend these tendencies within the short period of time. If Ukrainian state sets out to prevent the demographic catastrophe right now, results will only become noticeable after one generation – but should the state ignore the problem right now and stay indifferent, it will lead to irreversible catastrophe within some two or three decades. For example, in 1960 there have been 870,000 people born in Ukraine (those who are approaching their retirement age right now); in the period from 1980 to 1990 each year this indicator fluctuated between 650,000 and 750,000 people (most of them are today's youngsters.) At the same time in 2000 (i.e. those how have just recently reached their legal adulthood) this number barely reached 385,000, and

this year, as mentioned earlier, this number may or may even not reach 300,000. Generation of the demographic hole of 1990–2000 will soon be in the childbearing age. But the difference between those is almost double.

Traditionally, relatively high birth rate has always remained solid in the west of Ukraine. Recently, however, even those regions have demonstrated rapid drop in the birth rate indicators. For instance, over the first five months of 2014 there have been 12,800 children born in Volyn and Rivne Oblasts, but there have only been 9,300 children born within the same timeframe in 2019. In Galychyna (which includes Lviv, Ivano-Frankivsk and Ternopil Oblasts) these numbers were set at 23,500 and 17,100 respectively; in Zakarpattia – 7,100 and 5,200; in Bukovyna – 4,600 and 3,400. In central Ukrainian Oblasts dynamics are not much better – and in several cases they are much worse. For instance, in Vinnytsia Oblast there were 7,100 children born in the first half of 2014 and 4,900 born in the same time in 2019; in Khmelnytsk Oblast these numbers were 5,900 and 4,100; in Zhytomyr Oblast – 6,100 and 4,100; in Cherkasy Oblast – 4,950 and 3,200. Ukrainian capital, Kyiv, was the only region where statistics has remained much the same (13,800 and 13,400 respectively), however, even in Kyiv these numbers have failed to grow.

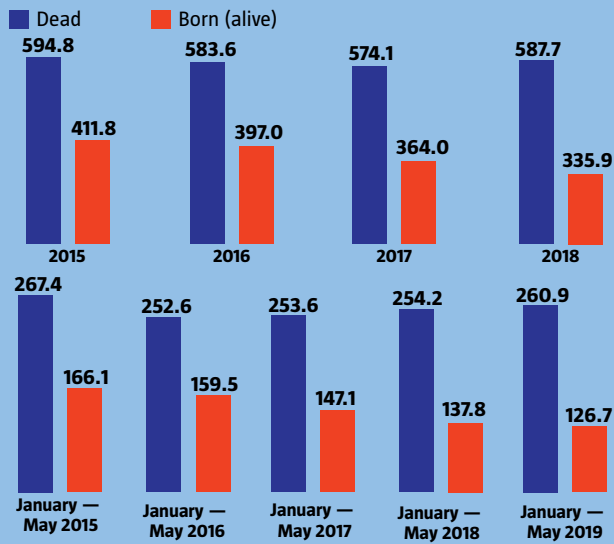
Over the past couple of decades Ukraine has experienced severe wave of social migration. These are the people, who went abroad trying to secure higher standards of living, settling down and working there. Nonetheless, it would not be right to suggest that Ukrainian demographic crisis is simply rooted in country's troublesome economic and social situation. There are plenty of countries across the globe that maintain rather high birth rate indicators, and their living standards and economic situation are far below those in Ukraine.

At the same time, in urbanised countries of Europe and in the United States, birth rates are visibly higher than in Ukraine. Similar thing can be said about Ukraine's immediate neighbours. For example, while in Ukraine coefficient of birth has lowered down to 1.3, in Poland and Belarus it was 1.47 in 2018, while in the US – 1.73 and 1.74 in the United Kingdom. Poland's current population is equal to that of Ukraine (without the occupied territories). In 2018 there were 388,200 children born in Poland compared to 369,300 in 2015. Even in Romania, which is facing similar demographic problems, there were 189,000 children born in 2018 – still a competitive indicator, considering the fact that Romanian population is nearly twice the size less than Ukraine's. Belarus population is almost four times smaller than Ukraine's; however there was 94,000 born in the same time frame. Every year there is less children born in Ukraine than just in the state of Texas alone (382,000 in 2017). Ukraine's current levels are almost equal to the ones in Australia (309,000) however, Australia's population is one and a half time smaller.

Should the current pattern remain, after several generations there will be no more than 20 million people left in Ukraine – at least descendants of those, who are living here right now. However, such a huge and comfortable territory in Europe will not remain empty or with low population density for a long time. Therefore, while the numbers of Ukrainians are falling, a number

**Dangerous tendencies**

Dynamics of key demographic indicators, thousands of people



Source: author's calculations based on the data provided by the State Bureau of Statistics and State Migration Service

of migrants from various countries across the globe are growing. This will create a challenge, which may become as substantial as the danger of being fully absorbed by Russia or becoming its political and cultural satellite.

Numbers of foreigners, mostly from various Asian or African countries, moving to Ukraine, are dynamically growing. Due to a demographic explosion, as well as natural obstacles in their homeland, those people are actively seeking for the new opportunities to use their skills and bear the fruits of their work. In the early 2019, there have been 276,000 foreign citizens registered and settled in Ukraine. Throughout 2018 homeland security services have uncovered 11,200 illegal migrants.

According to the State Bureau of Statistics, out of 309,000 foreigners, who came to Ukraine in 2010–2017, some 180,800 or 59% were immigrants from various countries in Asia and Africa. In 2017 their share grew over 66%, while back in 2011 it constituted barely 37%. Over the past couple of years percentage of African migrants has been steadily growing – from 10.5% of all foreigners in 2015 to 16.2% in 2017 (4,600 out of 28,400; there is no data to show which countries are considered in this analysis). In 2010–2011, however, the same group of immigrants only constituted 1% of all foreigners living in Ukraine. A huge share of all foreigners, who settled in Ukraine are young men and women. For instance, in 2017, according to the State Bureau of Statistics migrants aged 15–34 constituted 65.4%.

Many foreigners, who settled in Ukraine already, had their own children born in Ukraine, and, as a result they received its citizenship. According to the current laws, there is a wide spectrum of children born to foreign parents or stateless persons, who can claim Ukrainian citizenship. According to the State Migration Service, in 2014 there have been 4,700 people, who have received the citizenship by the right of birth; in 2015 this number grew to 6,600, in 2016 – to 10,600, in 2017 – to 16,600 and in 2018 – to 19,100. Therefore, based on these statistics over the past four years the numbers have quadrupled. A number of people, who became naturalised Ukrainian citizens by birth over the first half of 2019 (8,000) have already outdone the similar numbers demonstrated in 2014 or 2015.

Overall number of people, who acquired Ukrainian citizenship by birth over the past five years constituted 47,600 (if we include the first half of 2019 this number will increase to 56,000). It

is also likely, that Ukraine will follow the EU demographic model. In 2016 Ukraine issued 2,800 work permits, in 2017 this number increased to 4,700 and in 2018 – to 5,000. One worrying factor is that a wave of migrants, who settled in Ukraine, move to mostly Russified or semi-Russified big cities. This means, that for foreigners with different ethnic culture it will be Russian and not Ukrainian, that will most likely become the second language they use, and Russian will be the language of interethnic communication. Moreover, because Ukraine currently lacks any integration policies for new settlers, new comers will become Russified and will join the indifferent, Russified and sceptical postcolonial masses with an unhealthy nostalgia for a Soviet past. This may lead to either dangerous prospects of either creating unintegrated and isolated ghettos, or foreigners being fully absorbed by the Russified indoctrinated masses. They may simply turn Ukraine into a faceless stop lacking its identity on their long way to the richer EU states. Demographic challenges are even more important than the issue of economic development; it may be even more urgent than stopping Russian aggression or establishing well-working political system. If Ukraine fails to solve the problem and adopt adequate demographic policies, it runs a risk of spending several decades on building a home for others, while neglecting themselves. It is rather wrong to attempt smoothening demographic losses via the means of increasing life expectancy or decreasing death rate. These tasks, no doubt are absolutely important, especially in light of degrading standards of medicine in Ukraine and a pitiful healthcare over the past couple of decades. Those factors on its own, however, won't be able to prevent Ukrainian identity from blaring and disappearing in light of the new global migration period across the world.

The root of declining birth rate lies in the decay of the mere idea of family in itself and the growing lack of interest of many demotivated young Ukrainians, who do not wish to create families and make children their priority. While in 2015 there has been 300,000 marriages concluded and 129,400 divorces filed in Ukraine, in 2018 these numbers changed respectively to 228,400 and 153,000. In the same timeframe amount of marriages per 1,000 people fell from 7.8 to 6, while divorce rate grew from 3.3 to 3.9 per 1,000. In the present time there are two divorces per three marriages in Ukraine and it is possible that these indicators will be equalled. In Chernihiv Oblast amount of divorces nearly reached the amount of marriages (4.7 against 5 respectively); in Sumy Oblast these numbers are 4.4 against 4.7; in Kyiv Oblast – 4.2 against 4.7; in Cherkasy Oblast – 4.5 against 5.1; in Poltava Oblast – 4.8 against 5.5. Recently there has even been a drastic decline in marriages and visible growth in divorce rates in western Ukrainian regions. For instance, in Ivano-Frankivsk Oblast marriage coefficient (a number of marriages concluded per 1,000 people) fell to 5.6 in 2015 (overall Ukrainian figure is 6) compared to 6.9 in 2015; divorce rate grew from 3 to 3.4. In Ternopil Oblast marriage coefficient declined from 6.5 to 5.3, while divorce rate grew from 2.8 to 3.4.

Ukraine needs a well-defined demographic policy based on support for traditional marriage, support for those families who are willing to have children. There is also a need to fight many psychological, ideological, sociological and economic factors that demotivate young people from setting up a family. There is also a need to neutralise behaviour models in terms of social and economic relationships imposed by the outside factors in the day of information and technology. Ukraine also needs to adopt a proper housing policy, because according to a number of surveys issues surrounding the ownership of a house is sometimes central when it comes to youngsters' inability to get married and it is one of the key reasons for couples filing for divorce. Only 33% of young couples live in their own homes and nearly 31% do not even own a separate house. ■



# The evolution of *homo sovieticus*

Why is it so much harder than anyone expected to break ties with the soviet past?

Maksym Vikhrov



**The new Komsomol?** Infected with the soviet virus, young Ukrainians continue to bow to the soviet cultural and historical heritage while actively enjoying the benefits of western civilization

There's a widespread stereotype that nostalgia for the USSR is something typical of the elderly who yearn for their own youth. But the further Ukraine goes, the less persuasive this interpretation seems. Primeval *homo sovieticus* – *sovok* in Ukrainian and Russian – as produced by the Communist Party of Ukraine with its mohair berets and steeped in kom-somol traditions is indeed a thing of the past. In part, purely objective factors are contributing to this: sociologists polling public opinion have concluded that the soviet virus infected mostly the poor and the elderly, mostly in southern and eastern Ukraine, who are slowly giving way to a new, younger generation. The immunity of this newer generation is far stronger but, it turns out, this body politic is also infected with the *sovieticus* virus in a new, more dangerous mutation.

Between Volodymyr Zelenskiy and Petro Symonenko, the perennial communist leader, there is a huge political gap, but they both believe that WWII “burst into our home” on June 22,

1941. Zelenskiy's party *Sluha Narodu* may declare itself libertarian or even Thatcherite, but its name was not invented by the 95 Kvartal team, but was a well-known stalinist aphorism. *Sluha Narodu* MP Maksym Buzhanskiy may not bear any resemblance to the “mohair berets,” but that hasn't stopped him from repeating the perennial soviet lie that the Galicia Division was tried by the Nuremberg tribunal. How many more surprises the July election's winners have up their sleeves and where it will all end, Ukrainians will soon see. In the meantime, it makes sense to figure out where this “Sovok 2.0” comes from and what dangers it represents.

The previous generation of *homo sovieticus*, represented by politicians like Petro Symonenko, Natalia Vitrenko and Oleksandr Moroz, clung to soviet paradigms because they were incapable of adapting to the new reality – economically, culturally, and even technologically. This led to a powerful impulse to escapism and in their political dreams they fled to the

only place that was familiar to them: back to the USSR, where people “had everything,” where there was “law and order,” and, most importantly, where they understood how everything worked.

By contrast, the new generation of *sovoks* take full advantage of everything that contemporary markets can offer, from gadgets to visa-free travel and democracy. Because of their age, most of these Ukrainians never really were steeped in soviet realities. Where Symonenko had already risen to the post of Second Secretary of the Donetsk Oblast Committee of the CPU by the time the Soviet Union collapsed, 13-year old Zelenskiy was only going into Grade 7. Ukrainians in their 30s and 40s today either were not touched at all by the totalitarian brain-washing machine, or barely felt it. Where the older generation was comfortably accustomed to the world of shortages, queues and equalized pay, the new *sovoks* were children of the capitalist era and expected reality to meet “European” conditions. Breaking their backs on “grand construction projects” and marching endlessly are not part of their life plans, as they have grown used to a qualitatively different life.

The new *homo sovieticus* has broken through social barriers to join the middle class and even higher. Yet all these people, sometimes to their own great surprise, find themselves in the same uniform and marching in line with the lumpenized “mohair berets.” Even if their political preferences are very different, they are all carrying out one historic task: preserving the ideological remnants of the Soviet Union and preventing Ukraine from escaping the soviet environment once and for all.

This seems like a paradox, because the younger generation of *sovoks* seems interested in the exact opposite, based on all the social indicators – to get access to all the benefits of contemporary civilization as quickly as possible, moreover not anywhere else but here in Ukraine. But, in fact, there’s no paradox in this at all. To be drawn to the lures of the western world and to perceive yourself as part of that world are very different things. The older generation of *sovoks* looked at the “goodies” offered by the modern world, from jeans and smartphones to democracy and free speech with unconcealed contempt, as junk that the devious West was trying to seduce soviet people with. Younger *sovoks* are more than happy to make use of all this as trophies without associating themselves with the civilization that made it possible for all of it to be invented and become widely available. This kind of individual can fly to Vienna for coffee every weekend but their mentality always treats Europe as “other” and they never identify themselves with Europe and its achievements. The civilizational homeland of these *neo-sovoks* is the post-soviet space, crippled as they are by post-totalitarian, post-communist and post-colonial syndromes. For this very reason, the best litmus paper is their attitude towards decommunization. Because for both older and younger *sovoks*, the soviet world is at the foundation of their identity, the language in which their cultural code has been written.

Where the older generation of *sovoks* sucked in the soviet system through the milk of their stepmother, the Communist Party, the *neosovok* is being fed from other sources. With the collapse of the Soviet Union, the mechanisms of sovietization did not just disappear: the post-soviet culture is a direct descendant of the soviet culture. The main “dogwhistle” remains the cult of the “Great Patriotic War,” whose center of gravitation affects all post-soviet people and is the point around which they shape their common identity. But there are plenty of other socio-cultural threads like this. Some grew up on soviet film, others are growing up on its contemporary Russian remakes and serials about “valiant Chekists.” The older generation wallowed in its frustration through the underworld songs of Vladimir Vysotskiy, while their children moved to Russian

chanson, and their grandchildren listen to Russian-language trash rap. KVN<sup>1</sup> and its clones have done far more to preserve the post-soviet pseudo-civilization than the Communist Parties of Ukraine and Russia put together.

The same can be said about Ukraine’s oligarch-owned television channels, which have flooded Ukraine with media *sovoks* for decades. After all, the majority of post-soviet mass entertainment has been created in Moscow with the idea that it would be distributed as is or follow Moscow’s “recipe.” In short, it’s thoroughly infected with sovietism because Moscow itself is infected with sovietism. Nothing much need be added about literature or the continuing links to soviet holidays. Of course, each of these threads is relatively thin, but together they are able to hobble a person’s consciousness and prepare them to be receptive to populist propaganda.

WHERE THE MOHAIR BERETS INSISTED ON “RETURNING EVERYTHING TO THE PAST,” THE NEOSOVOK IS PREPARED TO SUPPORT ANY POLITICAL FORCE, WHETHER “STRONG MANAGERS” OR “LIBERTARIANS,” **JUST AS LONG AS THEY DON’T PEDDLE THE CIVILIZATIONAL REHABILITATION OF UKRAINE AND DIDN’T DISTURB THE POST-SOVIET COMFORT ZONE**

This kind of soft, covert neosovietism is infinitely more dangerous. The brutal stalinism of the “mohair berets” no longer holds any sway. Instead, younger generations can easily be sold on the illusion that Europe can be constructed in Ukraine without actually becoming Europeans: without restoring their collective memory, without healing post-colonial traumas, and without building their own identity. In short, a naive belief that “Europe” just represents a certain level of consumption of tangible and intangible goodies, which can be reached without climbing out of the post-soviet swamp. Or a belief that it’s possible to climb out of this swamp by some easier path, avoiding the stage of developing a national state and decolonizing altogether.

The nature of this kind of thinking is that same infantilism that leads people to believe that the way to end foreign aggression is to simply stop shooting. In the political arena, this has completely predictable consequences. Where the mohair berets insisted on “returning everything to the past,” the *neosovok* is prepared to support any political force, whether “strong managers” or “libertarians,” just as long as they don’t peddle the civilizational rehabilitation of Ukraine and didn’t disturb the post-soviet comfort zone. Moreover, the *sovok*’s defense can even be under patriotic slogans. For instance, “don’t break up the country during a war,” with reference to language, history and culture, “honor today’s heroes,” as opposed to heroes of the past, and so on.

This kind of rhetoric always finds its audience since, according to a Rating poll from 2018, nearly every third Ukrainian longs for the USSR. How many cling to the remnants of the *sovok* without realizing it is anybody’s guess. The only thing that can be done is to continue the detoxification process begun in 2014–2015. Getting rid of soviet monuments and cleaning up toponyms were major historical achievements, but the harder bit remains ahead: cleaning out the socio-cultural plane, which will last not phases but generations. Where the initial phase of decommunization required the ability to work with ropes and sledgehammers, and then to draft bills of law, now it will involve working with meanings, cultural models and social habits. Most likely this will have to be undertaken for the next while without real support from the government, and possibly in the face of its indifference, if not resistance. But no one promised that this would be easy. ■

<sup>1</sup> The Club of the Funny and Inventive, a soviet comedy show that was launched in 1961

# Donbas: The new repertoire

Open supporters of integration with Russia are being persecuted on the occupied Donbas

Denys Kazanskiy

Since the beginning events in the occupied Donbas would outrage with its absurdity, but recently, on the six year of war, the insanity has reached a new level. While at the beginning there was at least some logic in this nonsensical scenario, at the present moment there is literally nobody who could explain what is going on in Luhansk and Donetsk and where is everything heading. Even the people, who live in the occupied areas, fail to understand the logic behind Moscow policy towards occupied territories. Nearly every day leaders of the terrorist groups are announcing entirely contradicting statements and promises, so at this point it is seemingly impossible to dig deep and figure out what is the terrorists' political strategy and what is the game plan outlined to them by Moscow.

After five years of the lengthy fighting and continuous bloodshed, it was suddenly announced that, apparently, all these years the so-called “republics of Donbas” have not been fighting to separate themselves from the “much hated Ukraine” and “return into the welcoming arms of mother-Russia”, but – please do hold your excitement right there – to return back into Ukraine (!). So, supposedly they separated in order to join Ukraine. Logic? There is none. This is not a joke and not even an excerpt from *Catch-22*, a satirical novel by Joseph Heller. This is present-day reality. These days militants from “LDPR” are almost threatening Ukraine with “severe” consequences if it refuses to take those occupied territories back – at least this is the vibe one is getting from the “official media outlets” of “LPR” and “DPR”.

In 2014 nobody would have believed this could happen. Leaders of the militants and the so-called “republics” suddenly declared their “pro-Ukrainian” stance, and never failed to mention the need to return Luhansk and Donetsk into Ukraine. They are even forcing the local population to record video appeals to Volodymyr Zelenskiy, asking him to take back the occupied territories and grant them a special administrative status. Those, who still insist that return should not be even considered and, like in 2014, insist that Donbas should join Russia, became marginalised – not without consequences. Because in the ‘russkiy mir’, or the Russian world, every opponent is automatically branded as a traitor, American or Ukrainian spy, a destroyer. Therefore, at present, those who were at the centre of anti-Ukrainian unrest, ironically turned into “ukrop’s accomplices”, who are “ruining stability of the republics”. That’s the term mainstream militants are now calling anyone who disagrees with Pushylin and Pasichnyk.



Дейного пригрозил Киеву серьезными последствиями в случае отказа принять Донбасс в состав Украины [dnr-news.com/dnr/50532-deyn](https://dnr-news.com/dnr/50532-deyn) ...

Перекласти твіт



**From words to deeds.** The “LNR” Commissioner at the negotiations in Minsk made a provocative visit to the Ukraine-controlled Stanytsia Luhanska

Naive opponents of the “new strategy” attempted to stage a massive protest in Donetsk aimed against reintegration of the occupied territories to Ukraine, however the protest has been quickly shut down by the “DPR authorities”. Pro-Russia supporters decided to organise their protest action under the slogans “Putin, accept the true choice of Donbas” and it was designed to be an answer to an earlier flashmob asking Zelenskiy to grant Donbas a special status. However, soon after it became clear that the times have changed and as opposed to 2014, addressing Putin directly is not even worth considering. On 27 July few dozens of people gathered in the centre of Donetsk to protest again



reintegration with Ukraine, however their protest did not last long. At first they had people in plain clothes (potentially officers of the so called “MGB”, the local authorities’ “state and security office”) arriving to the place where the action has been held and prohibiting them to film or photograph the event, impertinently demanding that the people leave immediately. Afterwards, plainclothes police announced that the “square of Lenin has had a bomb reported on it”, so all the protesters were asked to leave.

There were explicitly freakish, bizarre and marginalised people participating in the protest action: maniac and deranged grandmas or even Beness Aijo, a citizen of Latvia of Russian-Ugandan descent, an activist of the National Bolshevik Party, whose delirious, hysterical speech about the urgent need to restore USSR became a social media hit. This way, pro-Russian movement of Donbas was taken back to its earlier, pre-war stage and was openly marginalised. A bunch of freaks, who were known in their region for their fanaticism and insanity, were skilfully used by the Russians in 2014 in order to cover up Russian military intervention. Back then with the Russian help many local lunatics and madmen, participants of the so called “Russian marches” suddenly imagined themselves MPs, ministers and political administrators of the non-existent state. They lived their roles so vividly, they must have believed it was real. However, soon after Russians decided they won’t need those people anymore and all the fanatics astonishingly discovered that all of a sudden they were marginalised and pushed at the backstage of political theatre and backyard of the modern history. This time, however, they ended up not even in Ukraine, where they had the luxury to use the rights and privileges as the citizens of the democratic state – now they were living in an isolated, impoverished ghetto that has not been recognised by anyone. Moreover, “authorities” of the “republic” now treated them as dangerous and unwanted elements, just the way they were seen by Ukrainian authorities in 2014. For example, the chief propagandist of “DPR”, Maya Pirogova called Roman Manekin and Andriy Purgin, veterans of pro-Russian movement in Donbas, who criticised potential reintegration with Ukraine, “maidauns” – a derogatory term Russians use for Ukrainians, who support pro-EU and pro-Western choice for Ukraine. It’s highly doubtful those people could have imagined in 2014 they would end up where they are right now.

Nevertheless, official policy of the so-called “DPR” and “LPR” “authorities” (and Kremlin’s, for that matter) cannot be easily explained by the simple wish to reintegrate temporarily occupied territories into Ukraine. It is not easily to see the logic behind those demands. On one hand, those people are demanding a special status within Ukraine and are even threatening Kyiv with “serious consequences”, should it refuse to take them back. On the other hand – the same authorities are shelling Ukrainian military positions and killing Ukrainian soldiers. For example, on August 6 four Ukrainian soldiers have been killed. There are many other, indirect signs indicating that Russia is not willing to stop the war and leave Donbas. Earlier this summer, representatives of the “DPR” began rebuilding and refurbishing checkpoint on the border between

Ukraine-controlled and occupied territories – in fact, it looks like instead of the checkpoints, “DPR” is aiming to erect a regular border. On one hand, it possibly means that Russians are not prepared to advance further into Ukrainian territory, on the other hand – they clearly do not even consider to hand back the control over Donbas to Ukraine any time soon. By now militants have already built nearly 10km of the border near Olenivka and they aim to build identical border checkpoints near Gorlivka and Oleksandrivka. The “DPR” media feed this information to the local population under disguise of “caring about the people”, who have to cross the border between Ukraine-controlled and occupied territories. This, however, has little in common with reality – over the past five year long queues at the checkpoint and people’s suffering have rarely interested “authorities”.

IN FACT, IT LOOKS LIKE INSTEAD OF THE CHECKPOINTS, “DPR” IS AIMING TO ERECT A REGULAR BORDER. ON ONE HAND, IT POSSIBLY MEANS THAT RUSSIANS ARE NOT PREPARED TO ADVANCE FURTHER INTO UKRAINIAN TERRITORY, ON THE OTHER HAND – THEY CLEARLY DO NOT EVEN CONSIDER TO HAND BACK THE CONTROL OVER DONBAS TO UKRAINE ANY TIME SOON

One could not fail to notice, that the new checkpoints were built immediately following the announcement of the presidential elections’ results in Ukraine. Therefore, we are talking about certain political decision – and it clearly contradicts Moscow’s earlier manoeuvres. It seems that, while in Moscow’s eyes Ukraine had been governed by the “fascist junta”, they did not rush to build a border. Now, when there is a new government, that Moscow apparently wanted to negotiate, they suddenly rushed to build checkpoints in order to “ease the pain for ordinary citizens”. All this is coupled with viral videos sent to Zelenskiy by Donbas residents demanding to take them back and grant them a special status. What is the reason for this absurdity?

It seems like authorities of LDPR are not able to explain their actions themselves. They are trying to find clumsy and farcical explanations for the sudden change in the strategy. “You must understand, a special status is not an autonomy. It does not mean, that we will return back into Ukraine. This is the only way to stop this madness, this war. You should understand that we, as a sovereign state will be a state within the state – that will be out special status” – has recently announced one of the militants’ leaders, Leonid Pasichnyk while meeting residents in the occupied territory. There is no legal framework for such thing, however, as a “state within the state”, so either Pasichnyk is just feeding lies to Donbas residents, or he himself does not really know what is going to happen. It is also unclear, why would he think that Ukraine would agree for a “state within the state” and why would Ukraine benefit from such thing in the first place.

Anyhow, considering those statements and further shelling of Ukrainian military positions in the East, it is rather clear now that Russia is not going to stop the war. Ukraine has no choice, but to fight for its territorial integrity. ■

# The art of hesitation

Adventures of signing the Ukrainian-Russian Treaty of friendship, cooperation and partnership

Stanislav Kulchytskiy

Ukrainian-Russian Treaty of friendship, cooperation and partnership expired on the 31<sup>st</sup> of March 2019. In order to extend it for another ten years, one side had to notify the other one within the six months prior to its expiration. On 6 September 2018, Ukraine's National Security and Defence Council (NSDC) announced it will not be seeking an extension due to Russia's illegal annexation of Crimea and its hybrid war on the east of Ukraine. Later on, after Ukraine's then-president, Petro Poroshenko, signed the document on 17 September 2018 Russia's has been officially notified that no extension has been made. On 6 December 2018 Ukrainian parliament voted to terminate the agreement as of 1 April 2019.

Was it possible that the fate of this treaty could have been different? Lengthy and complicated history of this document begs to differ. Russia has proven to be extremely untrustworthy and dubious partner in its relationship with Ukraine. It makes sense to briefly describe the history of the documents below.

## COLLUDING INTERESTS

Perhaps it would make sense to briefly describe the circumstances surrounding the overlong creation of this Ukrainian-Russian treaty, signed by then head of the parliament of Ukrainian Soviet Socialist Republic (UkrSSR), Leonid Kravchuk, and the head of the parliament of Soviet Russian Federal Socialist Republic (SRFSR), Boris Yeltsin on 19 November 1990. In terms of maintaining its own political sovereignty, Russia, as a Soviet republic, has always been a step ahead of the rest of socialist republics. Ukrainian communists, supportive of Ukrainian sovereignty and led by Kravchuk, were obediently following Yeltsin. In his opposition to Mikhail Gorbachev, Yeltsin desperately needed support from the biggest regional soviet republic – Ukraine. Soon after, the talks in Moscow have begun.

Not long afterwards, it became clear that Yeltsin and Kravchuk were ready coordinate their actions against Gorbachev, but their aims turned out to



**A time bomb.** A treaty of friendship signed in 1997 and which allowed the Russian Black Sea fleet to stay in Ukraine was a Trojan horse that brought the 2014 annexation to Ukraine

be contrastingly different. Ukrainian communists were hoping to win independence for their country and get rid of Kremlin's heavy hand on their shoulders. On the contrary, Boris Yeltsin and his circles have not even anticipated the fall of the Soviet Union as such. They only wanted to replace the pan-Soviet power centre in Moscow and make it more Russian. The root of the tensions between those two centres, the pan-Soviet and the Soviet-Russian, date back to the early days of creation of Soviet Union. Regional power centres in national republics had more power than the same national power centre in Russia (that is, state institutions of Soviet Russian Federal Socialist Republic as opposed to pan-Soviet state institutions located in Moscow), where the Soviet government was located. Founders of the Soviet Unions would not agree to have two power centres in Moscow

– one pan-Soviet and one “national” Russian one, thus Russian republican government has always had little power and influence.

According to Bohdan Horyn, member of Ukrainian Soviet delegation on the talks in Moscow, both sides could not come to an agreement on the issue of national borders and official recognition of each other's territorial integrity. Russians even offered to remove this conflicting point from a text of the treaty, because there were only administrative, but not state borders between Russia and Ukraine. After heated arguments, Russians agreed to a formula, when both sides would officially recognise each other's state borders and territorial integrity within then-borders of Soviet Union. Bohdan Horyn rightly pointed out that while for Russians it was explicitly important to secure close ties of independent Ukraine's to the

Soviet Union, Ukrainians deemed this comprise to be Russia's recognition of Ukraine's state borders and its territorial integrity. "This rather serious compromise on the Russian side meant that in Russian perception free Ukraine is possible, but only possible within the concept of Soviet Union", said Horyn. "In fact we were dealing with a slightly rephrased Lenin's formula." Hereby Horyn referred to a Lenin's phrase in his "Critical Remarks on the National Question", where he claimed that "Free Ukraine is only possible when Russian and Ukrainian proletariat act together. Without such unity Ukraine's freedom will not even be discussed."

Collapse of the Soviet Union has reshaped the borders of Europe. Newly emerged countries, including Russia, had to sign various treaties with each other as well as with European states, recognising each other's borders and territorial integrity. This has been done according to the 1975 Final Act of the Conference on Security and Cooperation in Europe. Signatories of this treaty agreed to respect integrity of international borders that have emerged after the Second World War.

## BORDER ISSUES

Russian president had a rather realistic understanding of the political environment and did not attempt to prevent USSR from collapsing. On the contrary, he has delivered the final blow to the collapsing Soviet state, by resisting the Soviet Communist power centre in Moscow. This, however, does not diminish the fact, that Russian political elite, including the former dissidents such as Aleksandr Solzhenitsyn, have always assured that one way or another Ukraine has to be brought back and absorbed by Russia. From time to time Russian State Duma and Assembly of Federation voiced their claims over Crimea, Sevastopol and Black Sea fleet. In their relationship with Ukraine, Russia's political circles attempted to avoid doing the obvious – recognising Ukraine's state borders and its territorial integrity.

On the 23 June 1992 Ukraine and Russia held diplomatic talks in Dagomys. Leonid Kravchuk and Boris Yeltsin signed an agreement delineating countries' relationship and laying foundation for the future full-scale international treaty. Soon afterwards Russia's Foreign Ministry delivered a draft treaty to Kyiv, where the second article of the draft was phrased in a way that Russia suggested to simply "adhere to the principle of mutual respect when it comes to recognising each other's borders," in

other words – Russia diplomatically refused to recognise Ukraine's borders as such. Needless to say, Ukraine declined to even review this draft.

Article 2 of the following 1994 Russian draft has been radically modified. It has read as "signatories of this treaty respect each other's territorial integrity, as well as inviolability of the border as per Final Act of the Conference on Security and Cooperation in Europe." It seemed like Ukraine's previous objections have finally been taken into account – but it was no more than diplomatic talks. Ukraine has not signed the aforementioned 1975 Final Act as an independent political entity. Moreover, this agreement was merely a political document, not a legally binding agreement, and has only confirmed inviolability of the Soviet borders. Nothing has been said about potential border-shifting within the Soviet Union, as well as between the states that emerged as a result of Soviet Union collapse in 1991.

Ukraine offered a radically different draft. "Signatories recognise inviolability of the current state borders. Hereby they also confirm that they have no territorial claims to each other and they undertake that no such claims will be made in the future". Such phrasing has been earlier used in Russia's treaties with Poland and Hungary. Russian delegation has immediately dismissed the draft, openly admitting that phrasing it this way will make it impossible for the document to be ratified by the Russian State Duma.

## 1997 SOLUTION

Finally, two sides signed a Treaty of friendship, cooperation and partnership in 1997. This, however, was only possibly owing to two important factors. First of all, Ukraine agreed to compromise on the issue of Black Sea fleet. Despite the obvious historical background, the presence of the Russian Black Sea fleet in Sevastopol could have been seen in violation with Ukrainian Constitution, which prohibited the presence of foreign military bases on Ukrainian soil. Secondly, Russian political circles realised that should they continue to openly ignore Ukraine's demand to recognise its borders, Ukraine will make a permanent shift towards Europe and the West. Despite Russia's annoyance and desperation, Poland, Hungary and Czech Republic officially began the process of acquiring membership in NATO.

The final draft of the Article 2 of the treaty was phrased as "Signatories of this treaty, according to the Charter of the United Nations as well as their obligations to Organisation for Security and Cooperation in Europe, respect each other's territorial integrity and recognise inviolability of each other's borders." Mentioning the UN meant both sides agreed to adhere to international legal standards when it comes to border inviolability. Ukraine insisted they wanted to see the phrase "state borders", while Russia has only agreed to the word "border", however, in the end this has not really influenced the true meaning of the document. Ukrainian territorial integrity as well as the Russian-Ukrainian border has been

RUSSIAN POLITICAL ELITE, INCLUDING THE FORMER DISSIDENTS SUCH AS ALEKSANDR SOLZHENITSYN, HAVE ALWAYS ASSURED THAT ONE WAY OR ANOTHER UKRAINE HAS TO BE BROUGHT BACK AND ABSORBED BY RUSSIA

embodied in the international treaty.

In October 1997 Russian State Duma's delegation, headed by Svetlana Goryacheva, arrived to Kyiv to discuss the ratification of the treaty. During the talks, Russians have several times touched upon potential common currency, military and political union, and unification of (already split) Black Sea fleet. Ukrainian delegation, led by Oleksandr Moroz, left to Moscow in December 1997. Both of these trips turned out to be fruitless.

## RATIFICATION DIFFICULTIES

In March 1998 Gennadiy Seleznev, Speaker of Russian State Duma, invited Ukraine parliamentary delegation to participate in hearings organised in Moscow – "Treaty of Friendship, Cooperation and Partnership between Russian Federation and Ukraine. The road to the new international relations". Those hearings, however have not made any progress with regards to ratification – neither did Seleznev's visit to Kyiv, where he met Leonid Kuchma, Valeriy Pustovoytenko and Borys Tarasyuk. In December speaker of Ukrainian parliament, Verkhovna Rada, Oleksandr Tkachenko, left for Moscow in order to demand ratification of the treaty, as promised by Seleznev. During his meetings with heads of Russian parliament, Yegor Stroyev and Gennadiy Seleznev, as well as then prime-minister, Yevgeniy Primakov and minister of foreign affairs, Igor Ivanov, Tkachenko claimed that he is in abso-



lute control of Ukrainian Parliament (which was not entirely true, because until 2000 Verkhovna Rada was controlled by the leftists). Tkachenko noted that it is the parliament, that defines Ukraine's foreign and domestic policy and only the parliament will decide on how close Ukraine will cooperate with NATO. This argument, not entirely sincere, happened to seem rather convincing for Russians.

There were different contrasting reactions of Russian MPs when it came to the treaty. Head of the Committee for the Commonwealth of Independent States, Georgiy Tihonov noted that "if this treaty has been backed by the Rukh ("The Movement"), who have been fighting against us during the Second World War, we cannot possibly ratify it". Scandalous Russian politician, Zhirinovskiy went as far as to claim that the treaty has been drafted and approved by American spies. Such remarks were rare, nevertheless. On the 25 December 1998 Russian parliament passed a legislation titled "To ratify the Treaty of Friendship, Cooperation and Partnership between the Russian federation and Ukraine". On 17 February 1999 Assembly of Federation ratified the treaty.

On 1 April 1999 Boris Yeltsin signed ratification. This meant that the nearly

century-long process of separating Ukraine from Russia, which was first initiated by Central Council of Ukraine delegation headed by Volodymyr Vynnychenko in Petrograd in 1917, was finally over. There was an 82 years difference between those events – this is precisely how much Russian politicians needed to bitterly acknowledge Ukraine as an independent state.

### DECLARED MAXIMUM CAPACITY

Soon after the delegations exchanged with each other official copies of the treaty, National institute of Ukrainian-Russian relations along with the Congress of Ukrainian Intellectuals have organised a round table to discuss the treaty. Participants of this treaty have tried to understand what was this agreement – a painful historical compromise, or a chance for the real partnership? Conversations at this round table were later published and we have an opportunity to compare their predictions with the nowadays reality.

Ivan Dziuba has said that, "it seems to me that in the treaty, Ukraine has achieved its maximum capacity, at least of what could have been done as of today – only in declarations though". He claimed that most of the articles of the treaty will not be adhered to, and some

of them are not even possible to implement. He spoke of the article 12, which allowed protection of ethnic minorities, their culture and language, as well as prevention of ethnic assimilation in both countries. "How could we possibly even compare the scale of Russia's cultural, language and information expansion in Ukraine to Ukraine's presence in Russia?! We have to understand that this article will never be implemented on practice. We need another mechanism, which will protect Ukrainian interests in practice, rather than on a paper."

Yaroslav Yatskiv shared his impression of the treaty, based on his own experience. "Nothing has really changed in Russia neither since 1917, nor 1991... we are witnessing a desperate effort to revive an empire. Let me tell you about my experience – I have long worked with various Russian scientists and academics. When it comes to real life, in 1960s I was gently mocked as "banderite", and now in 1990s Russians are asking me with astonishment, if I really believe that Ukraine will be independent?"

During his speech Mykola Zhulynskiy cited some excerpts from "Ukrainian separatism in Russia", collection of articles published in Moscow. Namely, he cited several paragraphs from an article of some Mikhail Smolin, named "Ukrainian fog must vanish and then the Russian sun will rise". In the article, Smolin writes that "Russians' biggest domestic problem as a nation is Ukrainian issue. If we fail to solve this issue, it will lead to a tragedy, a scale of which we are not even able to imagine. Anything is possible, even the war as it happened in Yugoslavia. If Russian society and the Russian state will be passive and let the project of "Ukraine" establish itself on the soil of the Little Russia, as well as allow various Russophobic fairy tales and myths spread within Ukrainian society as well as among Little Russians living in Russia, very soon our [Russian] Motherland will face a fatal problem on its borders – the "State of Ukraine".

Mykola Zhulynskiy was pessimistic in his conclusions: "We are trying to convince ourselves that Russia has some democratic intellectual circles, which will prevent imperialist, revenge seeking forces from taking over the power in Russia. We are desperately trying to make ourselves believe in the ability of progressive Russian intellectuals to dismiss the idea of a potential restoration of "united Russia". Well, I guess we can only hope that this is the case." ■



**"Invisible" expansion.** 20 years of soft Russian expansion in Crimea laid fertile grounds for the subsequent occupation

# Ukrainian art: Home at last

What “unofficial” Ukrainian art was like during the era of socialist realism

Oksana Barshynova

Soviet art is mostly associated with socialist realism or *sotsrealizm*, but this term hardly covers all the movements that took place in the early soviet decades. Although the soviet powers—that be definitely tried to subordinate art and artists to support exclusively propagandist goals, creativity can rarely be completely forced into a straitjacket. And so there was always an alternative to *sotsrealizm* — a slew of works that were given a variety of different names: underground, non-conformism, other art, dissident art, and just plain unofficial art. The most widespread of these movements were underground and non-conformist art, which make clear the nature of this art — beyond the pale of official exhibitions and the broad circle of viewers, and ultimately in opposition to the official definition of art and the soviet system itself.

Indeed, this all took place, not somewhere beyond Ukraine’s territory, but was actually part of the country’s history and the development of Ukrainian painting. The very name “underground” is not something that specifically applies to art in the soviet system: this name has always referred to practices that do not fit the mainstream of mass culture or are a protest against it.

## SILENT PAINTING AND STRICT STYLE

In Ukraine, unofficial art is associated with the post-WWII period in the Soviet Union. It emerged as an alternative to the officially enshrined “sole method” of *sotsrealizm* and arose because of the specific conditions under which art survived in the USSR. Unofficial art is hard to define strictly according to artistic criteria and stylistic features, because it included both the figurative and the abstract, both narrative and emotional forms. Its main feature was the free search for form and an analytical, sometimes even expressed as theorizing, approach to art. The most radical form was the abstraction that decisively rejected official soviet art as “anti-soviet.” But other, more thoughtful approaches to reflecting, including those that linked themselves to surrealism or photoreal-



Without leaders or parties. Roman Selskiy, *Mykulychyn*, 1951

ism, were criticized for being “formalist.” In Ukraine, however, there was yet another stigmatized movement, the worst of all: “bourgeois nationalism.” This phrase could be used about any image whatsoever on Ukrainian themes or any reference to traditions of baroque, the monumental synthesis of boichukism, or national variations of Art Nouveau.

In 1932, Moscow issued a Central Committee Resolution on the “rebuilding” of literature and arts organizations and for the entire decade leading up to World War II, entire layers of Ukrainian culture, both innovative and traditional, were destroyed or taken out of circulation. The establishment of a special museum fund over 1937–39, the destruction of churches, the crackdown on boichukists and their monumental works, the displacement of innovators of the 1910s and 1920s such as Vasyl Yermilov and Anatoliy Petrytskiy to the margins of artistic life were the means used to crush the very idea of creative discovery.

The situation hardened with the official announcement of socialist realism, which was supposed to systematically

take the best from all traditions and cultures, but in fact was the restoration of an academic system with its hierarchy of views and genres of art. The ideological correctness of the subject became paramount, while the language of art was supposed to be “understandable to the masses,” meaning simplified to be a masterful conveyance of illusion. Tossing aside the need to develop form, *sotsrealizm* literally tried to stop time.

However, even at the height of Stalin’s Terror, art managed to find ways to be free. Over the 1930s and 1940s, there was something called “silent painting,” which was very much removed from the noisy, maudlin paintings on historical and revolutionary subjects or pompous industrial landscapes and ceremonial portraits of leaders. Painters like Illya Shtilman, Volodymyr Kostetskiy, Karpo Trokhymenko, Vasyl Krychevskiy, and Mykola Sheliuto were making small-scale intimate portraits, lyrical landscapes and modest still lifes. This silent protest against the total depersonalization of art and its transformation into an instrument for propaganda gave many artists the opportunity



to feel the joy of joining the community of authentic art and high culture.

*Sotsrealizm* represented yet another trial for artists: the need to survive completely cut off from broader world trends. The “filtration” of information from the West, or even its absence altogether, and the inability to participate in international exhibitions left its imprint on artists. For many of them, one way out was to either dive deeply into “realism,” that is, increase the meaning of their works within the range of permissible lifelike forms – which led to the emergence in the 1970s of the phenomenon called “metaphysical realism” – or using the acceptable traditions with the purpose of “enriching the language of *sotsrealizm*” – which was popular in the 1960s and 1970s – such as impressionism and post-impressionism, secession, the work of Rembrandt, the figurative modernism of artists like Pablo Picasso, Henri Matisse, Fernand Leger, and Giorgio Morandi.

However, *sotsrealizm* never developed a timeless language of its own but was forced to mutate in response to the political climate. How official art changed in the post-WWII period is clearly illustrated by one of its phenomena, the “strict style.” Young artists of the 1960s nearly all went through this phase, regardless of what direction their creative work later went through: Viktor Ryzhykh, Oleksandr Dubovyk, Viktor Zaretskyi, Ihor Hryhoriyev, and others. Without moving even one step away from the ideological basis for official soviet art, the “strict style” hearkened back to practice of artists in the 1920s, meaning to the “romantic” period of the soviet state. While remaining within the constraints of genres established by *sotsrealizm*, artists proposed other interpretations: unresolved actions, generalized forms, and monumental images. Celebrations and triumphs were replaced as subjects by mundane daily life and the difficult challenges that fell on the backs of ordinary “builders of socialism.”

Even if it was possible in the practice of art to find a tiny island of freedom within the constraints of official art, for an artist to survive within the actual infrastructure of soviet art was much harder. Already at the end of the 1920s, after the New Economic Plan (NEP) was dropped, and industrialization and collectivization were launched, the state became the only commissioner and buyer for works of art. After the soviet Union of Artists was formed – the Ukrainian branch only started operating in 1939 – artists found themselves under the watchful eye of party apparatchiks. Studios, commissions, exhibitions and publications all



**Quiet painting.** Mykola Sheliuto, *Crimean Study*, 1955.

became possible only with the approval of the Union.

In 1940, the Art Fund of the Ukrainian SSR was launched as the intermediary between artists and companies. It handled all commissions for design work, which made it possible for artists to earn decent money sculpting numberless statues of top soviet officials and painting kilometers of canvases depicting the progress of the working and military classes. This peculiarity of the way the soviets organized artistic life led to those engaged in unofficial art to very often existed between two dimensions: their official art activities such as monumental works, book designs and so on, while their underground art took place at home and in their studio, where only a select circle of viewers was involved. Most often, these two parallel worlds never intersected, but when they sometimes did, the result was unusually interesting: the artist's reflections would result in abstract compositions that were treated like decorative elements to a monumental ensemble. Two artists who worked this way were Fedir (Feodosiy) Tetianych and Valeriy Lamakh.

### POINTS ON A MAP

The earliest stage of the development of unofficial art in Ukraine is roughly 1945-1955. This was an important time, when Ukraine began to realize itself as a separate republic of the USSR within its modern-day territory. Although Halychyna, Volyn and Bukovyna had been joined to it back in 1939-40, their real integration began only after the war. In 1945, the Ukrainian SSR saw Zakarpattia join and, in 1954, Crimea. From then on, polycentrism

became typical for Ukraine, recognizing the individuality of artistic life and the nature of the development of both official and unofficial art in different centers, the most notable of which were Kyiv, Lviv, Odesa, Kharkiv, and Uzhhorod.

At this point, individual relations began to develop among different artists, along with the worldviews underlying their creativity, and artistic quests picked up pace. Obviously, one condition for unofficial art to emerge in Kyiv, Odesa and Kharkiv was the massive crossing of boundaries between East and West during WWII, which led to a rediscovery of the world by artists. For Lviv – and Uzhhorod – things were very different: few working artists remained who had not emigrated with the invasion of the soviets and, thanks to them, the modernist line was not disrupted. This was the point when Uzhhorod artists began their search in abstractionism. From the early 1950s on, salons began to take place in the Lviv residence of Roman and Margit Selskiy.

In 1946, the Lviv State Institute for Applied and Decorative Art was established, where reputable local art teachers like Yosyp Bokshai from Uzhhorod, Ivan Sver, Roman Selskiy and others were invited to work alongside “reliable soviet cadres.” Unfortunately, over 1958-1959, the Institute's department of monumental decorative painting and sculpture was shut down. It had been extremely important for providing contact between the artist and the viewer in the public arena. Still, the applied decorative areas that remained continued to offer plenty of opportunity for formal creative quests.



## A NEW ARTISTIC RENAISSANCE

The second stage, from 1956 to 1968 was the brightest and most productive period in the development of unofficial art. Carried by a wave of a political thaw, this art became public for a time. After the 20<sup>th</sup> Congress of the Communist party of the Soviet Union and Nikita Khrushchev's exposure of the cult of Stalin, the USSR entered a period of exceptional cultural openness and rapprochement with the West. This turnaround was marked by the World Festival of Youth and Students, which took place in Moscow in 1957. For the first time, abstractionism was shown and large shows opened the eyes and sensibilities of soviet viewer to the newest art in the West: French Art of the 15<sup>th</sup> – 20<sup>th</sup> centuries in 1955, a Picasso show also in 1955, the US National Art Expo in 1959, Painting in Great Britain over 1700-1960 in 1960, and more.

At this point, artistic life blossomed in Kyiv. During the second half of the 1950s and early 1960s, artists like Anatoliy Sumar, Florian Yuriev and Valery Lamakh produced their own, original versions of abstract art. A monumental section opened up at the Ukrainian SSR Union of Artists at the Kyiv State Art Institute. Over 1960-1962, the Club of Creative Youth, an initiative of Les Taniuk run by the Lenin Communist Union of Youth of Ukraine (LCUYU), was active. Its members included Alla Horska, Viktor Zaretskiy and Opanas Zalyvakha. In 1962, the Prolisok Club of Creative Youth was established in Lviv. Among its active members were artists like Sofia Karaffa-Korbut, Emmanuil Mysko and Lubomyr Medvid. At this time, as well, informal contacts between Kyiv and Lviv grew stronger: artists like Ivan Dziuba, Mykola Vinhranovskiy, Ivan Drach, Halyna Sevruck, Alla Horska, and Valery Shevchuk visited from the capital.

During this same period, a number of important public arts events also took place that were first in the USSR: in 1965, a one-day show took place in a Kharkiv courtyard on vul. Symyska, called "Under Arches," while in 1967 a famous "fence" show called Sychyk + Khrushchuk [Owl+June Bug] was organized in Odesa by local artists Valentyn Khrushch and Stanislav Sychov.

## BOURGEOIS NATIONALISM

Together with the unprecedented public visibility of free art the first worrisome signals came that the soviet system was no going to allow these developments to continue. After the ill-fated "Manezh Show" in 1962 came the announcement of a new "Struggle Against Formalism" and with it a wave of criticism against



**The return of color.** Florian Yuriev, *Abraham – the Father of three faiths*

abstract art that swept both Anatoliy Sumar and Florian Yuriev away.

Interest in national traditions inspires by the partial rehabilitation of masters of the Shot Renaissance and the integration of the western oblasts, especially Zakarpattia with its synthesis of modernism and folk art, set the trend for decades. Both the "folklorism" of Tetiana Yablonska and Yevhen Volobuyev, and the "strict style" of Zaretskiy and Horska were imbued with a distinctly expressed national feeling. The peak and even a kind of manifesto of Ukraine's 1960s was Sergei Parajanov's 1964 landmark film, *Shadows of Forgotten Ancestors*, whose artistic director was Georgiy Yakutovych.

The art world sobered up quickly. Over 1963-64, a group of authors consisting of Opanas Zalyvakha, Alla Horska, Liudmyla Semykina, Halyna Zubenko, and Halyna Severuk put together a stained glass window at Taras Shevchenko State University in Kyiv, that represented the Kobzar as a passionate defender of the Ukrainian people and language. The composition was immediately destroyed because of its "nationalism." In the mid-60s, Zalyvakha was arrested. The decade ended with the soviet military invading Czechoslovakia, after which any hope for the free development of creativity died once and for all. The Central Committee passed a secret resolution to strengthen ideological and propaganda work, thereby expanding the powers of the KGB to counter dissent.

For Ukraine, the breaking point was the famed Kyiv Letter, signed by 139 writers, artists, academics and journalists, in which concern was expressed over the persecution of Ukrainian cultural actors and politicized court cases. The signatories included such luminaries as Sergei Parajanov, writers Viktor Nekrasov, Vasyl Stus, Lina Kostenko, Ivan Dziuba, and

Yevhen Severstiuik, and artists Alla Horsk, Viktor Zaretskiy, Oleksa Zakharchuk, and Borys Dovhan. The letter caused a real stir, which was evident primarily in Moscow's aggressive response: people were fired from their jobs, dismissed from post-secondary institutions, and their artistic and scientific work was hampered.

## FINDING A PLACE AT LAST

The outcome was the start of the third phase with a series of tragic events: the murder of Alla Horska in 1970 and massive arrests among the Ukrainian intelligentsia. From then on, unofficial art was relegated to the underground. At the same time, it was an extremely fruitful period, when artists set about creating their "individual mythologies" that they only shared with a narrow circle of like-minded individuals, when the intensity of the unofficial artistic life was measured in apartment "shows," and meetings with their own kind.

At this time, information about new trends in western art was only available in bits and pieces, and this was interpreted in a very original manner. Meanwhile, artists were analyzing the meaning of world and Ukrainian cultural heritage, and all these ideas marked the artistic practices of the period. Many of those who went through this process would later write about the striking contrast that could be seen between social and private lives. Hopelessness and despair were widespread during the period of socialist stagnation, while work "for oneself" became a kind of escapism and search for individual liberty.

At the beginning of the 1980s, the underground saw yet another new phenomenon emerge: conceptualism, which was strongest in Odesa and Kharkiv. A new generation of unofficial artists not only established an alternative form of "non-representational" art that was unacceptable to the official system, but also distanced itself from the older generation of non-conformists.

The underground began to gain recognition only after *perestroika*, in the late 1980s. Numberless shows take place, among which the most significant was "Ukrainske MalARTstvo 1960-1980" held in 1989. Not only did it identify representatives of several generations from different centers in Ukraine, but for the first time, very significantly, the development of art over three decades was shown as a continuum. At this point, unofficial art finally took its proper place in museum expositions, academics begin to study it, and a wider audience begins to pay more attention to it. ■

September 13, 19:00—September 20, 20:00—September 21, 19:00—

**Futurism****Platforma Art Factory  
(vul. Bilomorska 1, Kyiv)**

In this unusual space, the viewer becomes part of the event. The combination of show, theater and game becomes an amazing performance. Imaginary stories turn into reality. Where is the line between viewer and actor, imaginary and real? All the barriers come down in Futurism, in which people are divided into three groups: capitalists, scientists and anti-globalists. Which of the three groups manages to grab the levers of power and gain complete control? This game has an open ending. After all, you never know which step or action comes next.

**Evanescence****Stereo Plaza  
(prospekt Lobanovskoho 119, Kyiv)**

Here is a unique opportunity for those who really love rock to see their favorites in action. This cult rock band will present a Ukrainian audience with its latest compositions from the album *Synthesis*. Fans of the band and its charismatic soloist Amy Lee can discover new aspects of these creative musicians. This album is a fantastic synthesis of orchestral, electronic and rock music, legendary hits in new arrangements and absolutely new songs that the world has never heard before. And of course, all of it involves Amy Lee's wonderful vocals.

**Vakhtang Kikabidze****State Opera and Ballet Theater  
(prospekt Dmytra Yavornytskoho 72a, Dnipro)**

As the sun dips into the Autumn Equinox, well-known Georgian actor and performer Vakhtang "Buba" Kikabidze will perform his jubilee concert. The maestro's many Ukrainian fans guarantee a full house, nor is this appreciation anything less than mutual. Every performance by this legendary artist has proved that. Singing his heart out, with spirit and true Georgian color are what distinguish Vakhtang Kikabidze from other singers. At 80, he continues to bring joy to his fans and to win new hearts with his utter genuineness, mastery, lively execution and charm.



September 30, 19:00—September 26 —October 8, 20:00—

**Peter Bence****Opera and Ballet Theater  
(prospekt Svobody 28, Lviv)**

When the piano sounds like a completely new instrument, you know you're at a Peter Bence concert. One of the most famous modern pianists discovered his passion for music at the age of four. From that time on, he has continued to amaze the music world with his talent. But Bence is also a talented composer and music producer, writing for television, movies and theater productions, as well as performing in concerts all over the world. The next stop is Lviv, then sunny Odesa. The artist's program includes his own works as well as covers of Michael Jackson, SIA, the Beatles, Queen and other legendary hits.

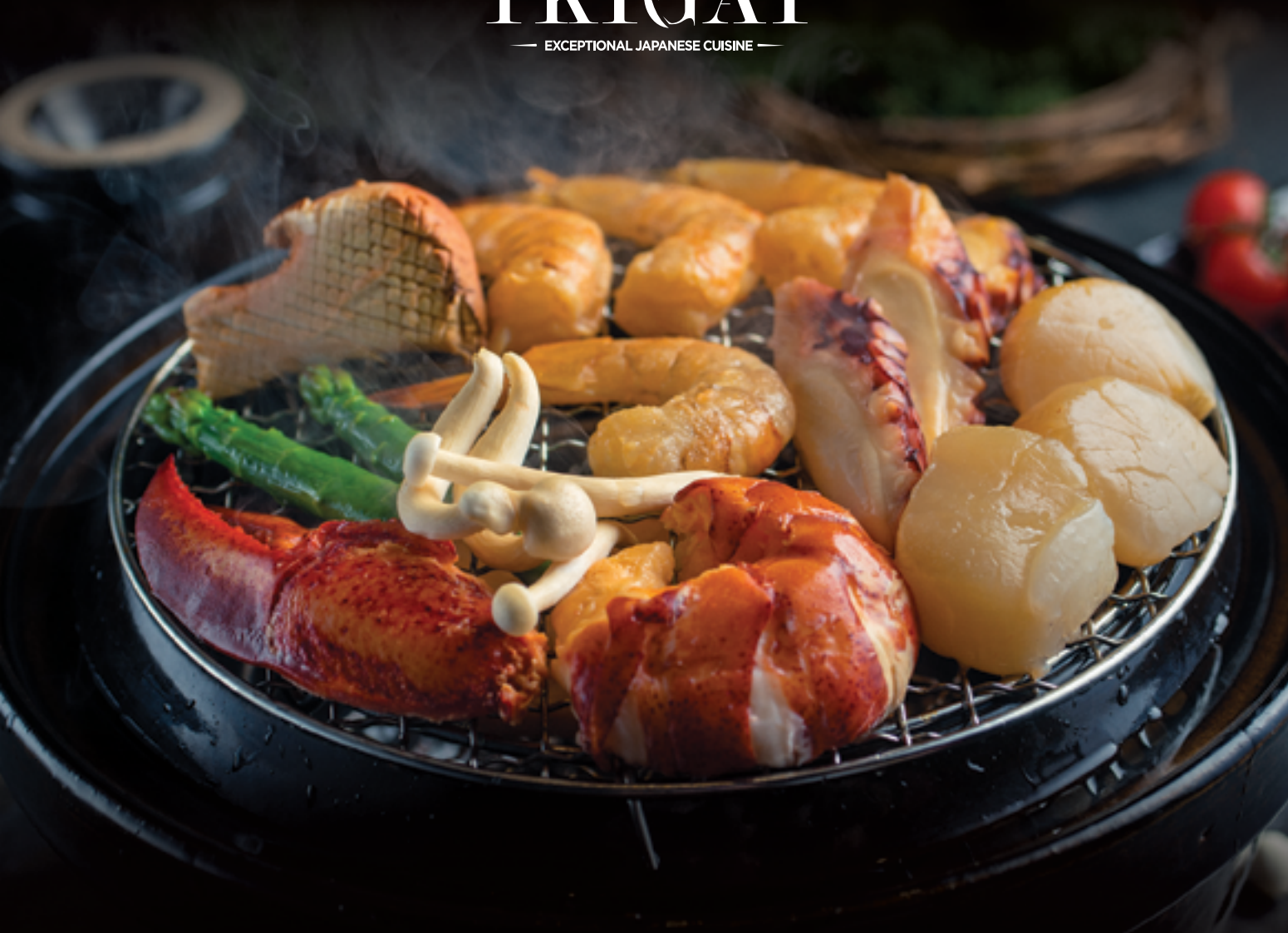
**2019 Manhattan Festival  
of Short Films****Movie Houses across Ukraine**

The latest selection of finalists in short film will start showing for film lovers across Ukraine at the end of September. One of the best-known international short-film festivals comes to the country for 10 days, so that an international audience can assess the participants and decide on the winners. Ten films, 10 stories, 10 ways of grabbing the viewer. Who will make it to the winner's stand? Who will be the viewers' favorite? A moving story about the struggle for a dream in "Malou" or perhaps the vision of an apocalyptic future in "At the end of the world"? Come and see for yourself!

**Eros Ramazzotti****Palats Sportu  
(ploshcha Sportyvna 1, Kyiv)**

The world favorite singer comes to Kyiv on a breeze of Italian romance and all his best-known hits, plus a new album called *Vita Ce N'è*. Ukrainian fans can look forward to more emotions, more contact and more visual impact. With the presentation of his new album Eros Ramazzotti has already managed to visit all the continents, as this tour started in February with a performance in Munich. There's no doubt that this album will also become a major hit with music lovers. Ramazzotti has more than 11 albums and 40 singles to his name.





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