

# The Ukrainian Week

International edition

#11 (141) November 2019

Interview with Pavlo Klimkin,  
former Minister of Foreign Affairs of Ukraine

Tug of war: MPs and new  
Presidential administration

Unknown details about Ukrainian  
genius Mykola Bazhan

## THE POLITICAL MERRY-GO-ROUND



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## The Ukrainian Week

**The Ukrainian Week #11 (141) November 2019**  
**Founder** ECEM Media GmbH. **Publisher** ECEM Media GmbH  
**Address** Austria, Am Gestade, 1, 1010 Vienna  
 State registration certificate KB № 19823-9623ПП 19.03.2013  
**Chief Editor** Dmytro Krapyvenko  
**Editors** Max Nestelieiev, Lidia Wolanskyj

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www.ukrainianweek.com

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

Print run 15 000. Free distribution

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ТИЖДЕНЬ









## BRIEFING

# Before it's too late

Roman Malko

It was clear from day one that the promises and principles with which Volodymyr Zelenskiy stormed Ukraine's political landscape are unviable. But the grade of hatred and manipulations heated up to an absurd point and spiced up generously with cynicism and jokes worked.

People believed in a new messiah. The worst thing is that the messiah came to believe in himself. In his ability to change the world, the country and the rules. But winning an election is half of the cause done. Time proves that reality is much more complex. “Just stopping to shoot” does not mean stopping the war. “Doing them all together” is not a step into a bright future. Even speaking to Trump and Putin on the phone is not an extraordinary accomplishment.

The victory of chances has opened wide the door to revanche. The country has plunged into a chaos and is slowly getting out of control. All things gained with sweat and blood in the past years is being minimized and crossed out. A number of processes has been launched that can undermine Ukraine’s statehood, and destroy it as well. “Let’s change the flow of history”, the Servants’ slogan, sounds threatening already in this context.

I would hate to believe that Zelenskiy is an average Trojan horse with the respective mission. So far, however, things have not played out well for him. He has managed to fulfill nothing of what he pledged; quite on the contrary, everything is going into a dead end. The party in power is tormented by scandals. The Parliament continues to dismay people even without its turbo gear. The government fails in the international arena. The IMF is not going to issue any money. The promised wild GDP growth is postponed, while the government of technocrats turns out to be the government of amateurs. The grade of excitement with the President is falling slowly among his electorate as everything moves in some unclear direction and people feel it.

IT IS TOO EARLY TO SCREAM THAT ALL IS LOST. FIRSTLY, THIS WILL NOT HELP. SECONDLY, THE “SERVANTS” HAVE NOT YET MANAGED TO BREAK APART STATE INSTITUTIONS, AND THEY CONTINUE TO WORK BY INERTIA WHICH IS STILL ENCOURAGING. **THIRDLY, THERE ARE SOUND FORCES IN UKRAINE’S SOCIETY WHO ARE READY TO PROTECT THE COUNTRY WITH ARMS**

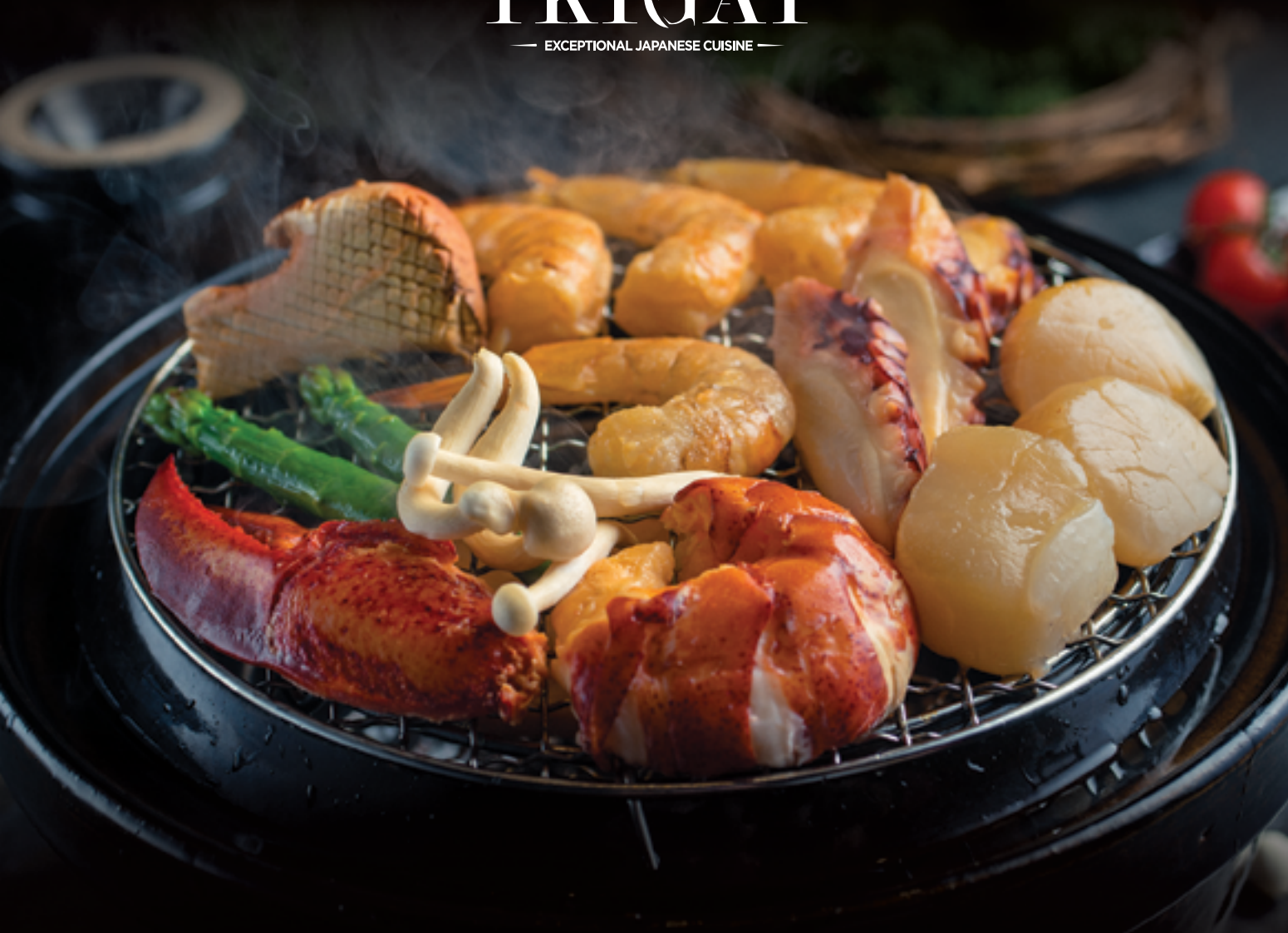
The war goes on, there is no peace, and a Russian Duma MP freely comes to the grey zone (will more follow? Zhyrinovsky, for example?). Zelenskiy’s wish to get Putin’s goodwill with humiliating gestures, such as the withdrawal of troops (de facto surrendering territory), fits into the rationale of someone without a clear statehood position, someone who just wants peace but delivers no results. Sitting at the table of negotiations with Putin is an unlikely prospect. The Kremlin’s leader puts forward new demands all the time. Now, the meeting in the Normandy Format depends on Kyiv’s consent to the Kremlin’s gas conditions, not so much on the Steinmeier formula. What will come next? Russian as the second official language, federalization? Moscow has a program for taking Ukraine under control and it is naive to think that it will suddenly wrap it.

The fact that the “servants” include some curious figures, such as Ihor Kolomoisky, Valeriy Khoroshkovskiy or Viktor Pinchuk as shareholders, points to an upsetting circumstance for the fans of Ze: the rules of game have not changed. The return of people like Portnov from forced emigration and their attempts (unresisted by anyone in power) to restore the positions they once had confirms that. Finally, the urge to purge appointees of the previous government from the bureaucratic apparatus and replace them with strange alternatives makes one think that Zelenskiy’s staff policy is his weak spot.

“You’ve never been in politics... And it’s the most important thing so far. I’m going. Come with me,” Zelenskiy appealed to the mass in an attempt to be liked. The new messiah probably did not think that he was thus driving himself into a trap. Nor did he probably think about the fact that all kinds of fraudsters could use this window of opportunities. Someone whispered in his ears that this was the right thing; that he could do it all; that he is very talented and he would get help as long as he trusts people and opens the way to all things new. It was hard not to believe this: after going through the miraculous personal transformation “of someone from the people”, Zelenskiy obviously believes that appointing people like Serhiy Syvokho, incidental companions and career-oriented people to important offices is perfectly normal and necessary. Some say that a shortage of candidates for these offices forces the President to take such steps, but this is nonsense. After getting strategically important sectors under control, these newly-appointed officials with no experience of work in previous administrations can act as they see fit, based on their preferences and insecurities. The impression is that this absurdity has gone massive with Zelenskiy. Is it hard to project what accomplishments the newly-appointed head of Ternopil Oblast State Administration Ihor Sopel have there after his membership in the Party of Regions? Someone from the Party of Regions in Ternopil is a verdict in itself. Or Pavlo Kyrylenko, the new head of the Donetsk Oblast Administration whose brother is currently working at the “DNR MGB” and the President is perfectly aware of this (he admitted that when he presented Kyrylenko in Kramatorsk). Why stage these experiments? Who advises these absurd moves to the President? Is the shortage of professionals so bad that he can’t find someone more neutral for such serious offices?

It is too early to scream that all is lost. Firstly, this will not help. Secondly, the “servants” have not yet managed to break apart state institutions, and they continue to work by inertia which is still encouraging. Thirdly, there are sound forces in Ukraine’s society who are ready to protect the country with arms. More and more people realize that matches should be taken away from the kids so that they don’t burn the house, or at least that they should not be left with matches unattended. The strategic council of the Resistance to Capitulation Movement has recently presented the Ukrainian Doctrine of Security and Peace with an alternative plan for the peaceful resolution and strategic vectors for ensuring sustainable security for Ukraine. This profound document written by Ukrainian diplomats, politicians and academics could serve as a good assistant for the President who seems to not know how to get out of the situation he has entered. The doctrine offers a detailed roadmap of what the problems are and how they should be solved. It would be great if the President found time to take a look at it (provided that Andriy Bohdan allows him to do so). This could help him avoid poorly thought-through moves. For this, he should at least quit his regime of confidence and stop perceiving every dissenting and critical voice as an enemy. He should remember his own words spoken on the day he pledged allegiance — that everyone is president in this country. These are very profound words. But is the servant of the people capable of delivering this? For now, his ability to understand alternatives has not been too visible. In fact, it is hard to call the plan for saving the country and avoiding capitulation an alternative — it’s the only positive scenario for Ukraine. ■





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# Pavlo Klimkin:

“We are losing respect of the key players”

Interviewed  
by Alla Lazareva, Paris



**The Ukrainian Week** speaks to former Minister of Foreign Affairs about the reasons for Russia's pullout from the Geneva Conventions, the recognition of the Holodomor in Germany and the quality of Ukraine's diplomatic communication with the world.

**Russia has announced its intention to pull out from an additional protocol to the Geneva Conventions on the protection of victims of war crimes. What do you think its motivation is?**

— Russia has violated the basic principles of international law before. Geneva Conventions reflect the rationale of international humanitarian law. The protocol is related to the protection of civilians. In my view, one of the key factors for the revocation is reluctance to be held accountable for the crimes committed — in Ukraine, in Syria. And Russian units may have committed crimes in other countries as well. But responsibility will catch up with them sooner or later. Another thing that has to be taken into account — Ukrainian media miss this point for some reason — is that this means, in my opinion, that Russia is preparing new military operations. They are perfectly aware of the fact that what is committed during such operations falls under the rationale of international humanitarian law. Geneva Conventions are the basis of humanism for all of us. This is

not about states and interaction; this is about people, protection and humanism.

**You served as Ukraine's Ambassador to Germany. The German MFA does not recommend recognizing the Holodomor as genocide of the Ukrainian nation today. Do you see this is a standalone phenomenon or an element in the chain of the Russian-German friendship?**

— I believe that we should do systemic work, not whine. Firstly, we see that there are different opinions in the Bundestag. We have had interesting discussions there. Of course, some politicians take Russia's position into account, and we should recognize that. But the debate goes on — in public institutions, among other places. We should communicate a very emotional history of our sufferings through personal stories to the Germans. We should organize exhibitions, speak on TV and radio, and show that this means something to us. Why did the Stalin regime commit genocide? Why was it a goal for Stalin? Unless we explain this, the only thing that will take place will be a political discussion. And you will always have pressure from pro-Russian politicians, a share of caution in a political discussion. Therefore, we should conduct this emotional campaign very consistently and aggressively in a positive sense. It will surely deliver results. But

these are not things that deliver results today or tomorrow morning. They take patience. Let me give you an example. How long did we campaign in the US? Quite a few states recognized the Holodomor just a year or two years ago, but that was the result of many years of work. If we think that we can get everything easily and we shouldn't work to get it, it won't happen, I assure you. Let's unite! It's not just the state that should be doing this following a plan of several points. This is a task for our political nation, our civil society, all of us. Let's join efforts. I don't know when we will have the result — in a year or in three years. But it will come. Some cases are special. You have the United Kingdom with some insecurity around what happened in Ireland. You have historical background there. When it comes to Germany, we should just work and show what we feel and how it happened.

**Overall, how good is Ukraine at communication in other important countries? How much do people understand and hear us there? What do we lack for successful communication with foreign partners?**

— We lack a lot — not just when it comes to the Holodomor, but to communications generally. Let me give you an example. When the impeachment process started in the US, it was up to the Congress to decide whether it was formal or not. What mattered for us? It was an extraordinary challenge and a megaproblem for Ukraine — both now, and in the future. Many average Americans see Ukraine as a source of all problems, a source of shadow politics and economy. Many politicians see us as a hot potato: you'd like to touch it, but it can burn. I understand the silence and the lack of a message from Ukraine in the first days. The situation was very complex indeed; it had to be understood well in order to stay neutral. But now, if we simply say that nothing happened and everything is great against the backdrop of this entire negative wave, including the latest testimony from William Taylor, it will work against us. Therefore, we need political and communication strategies, a crisis team, people to implement the strategy, we need to engage journalists... This is about Ukraine's future. The same should be done in Europe. But here, accents are different. We should show what is going on in the occupied Donbas and Crimea. There should always be a system in communications — both for the state and for society. Another thing is that we have to understand who we want to reach and what message we want to communicate because different countries have different mentality. What we say in Beijing and what we say in Paris may seem the same, but it's said in different words, with different examples and different ideas. There is no systematic communication now. And it really hurts us. But for now, and for the future. The longer we lack it, the more confidently the Kremlin acts. The longer we say nothing, the more they become the ones informing the world about Ukraine. It's like physics. Any vacuum will surely be filled with something. In case of a media vacuum, we should remember that bad news sell better. And it's easy and cheap to create yet another negative wave in the context of negative news about Ukraine. So, nothing will work without systematic efforts, unfortunately. The state should act as a headliner and create a proactive position.

**Let's expand on this: Ukraine began to gain subjectivity in international relations in the past five years. Is it right to say that it is gradually losing it? If so, what should be done to return to the upward trend?**

— We gained respect in the recent years. There was no talking about us without us. And we always had a proactive position in negotiations. We offered ideas and tried to stay in contact

**Pvalo Klimkin** is a Ukrainian politician, diplomat and Minister of Foreign Affairs from 2014 to 2019. Born in 1967 in Kursk, Russia, he graduated from the Moscow Institute of Physics and Technology in 1991 majoring in Applied Mathematics and Physics at the Aerophysics and Space Research Department. He worked at the Department for Military Control and Disarmament and headed economic and sectoral cooperation with the EU section of the European Integration Department and the EU Department at Ukraine's MFA. Deputy Minister of Foreign Affairs from 2010 and Ambassador of Ukraine to Germany from 2012.

with our partners. I speak without exaggeration when I say that not a single day passed without such contacts. When we lose the dynamics, the rule of the vacuum will work against us. There is a real threat now that Russia will exert further pressure, as it understands the current dynamics around the election campaign in the US, the change of the European Commission, and the possible challenges around local elections in France. It will try to reach a deal with the administrations of Trump and Macron. The point is not that Macron started treating Putin better. For him, this must be some philosophical, political realization that it will be more difficult to solve some fundamental issues for France in security — around the Middle East, for example, — without interaction with Russia. Plus, he has dynamics at home. So, of course, we will come out as losers from this game unless we try to take over the initiative. And I will not say that we are losing subjectivity. But we are losing the respect of the key players. In principle, you can succeed in negotiations only when you are respected and taken into account. When it's impossible to cast you out of the process, from talks, from the dynamics. But you start losing immediately if you say ok and start limiting yourself to a certain timeframe or some other things. I really hope the situation will normalize. What is Putin doing? He is constantly bullying and trying to dictate his conditions, including for the Normandy Format meeting, in order to show off and avail of the situation because he thinks that time works against him. If we want to take over the initiative, we should say that time works for us. Both time, and sense. For now, the Russian line aimed at polarizing society, fueling emotions, preventing us from building a common agenda and consensus on priorities delivers results, unfortunately.

**The Normandy Format talks are postponed. Is this good or bad for us?**

— Putin delays the Normandy Format in order to pressurize Ukraine with his demands stemming from his rationale. Because the Steinmeier formula that jumps out of context and makes no sense here. It's neither positive, nor negative — it only really fits the Russian plans to make the occupied Donbas the basis for federalization. The same thing with the withdrawal of troops: it's not the problem in itself; the problem is when and under what conditions it is done, how further military and diversion activities can be ruled out, and why it's being done as the key question. Of course, Putin is delaying the summit as a way to wait out for whom and how will implement the part of the promises from the American side. There are some nuances on Europe, as well. Therefore, he is waiting out and raising stakes — not just for the Donbas. He does so on gas too, it's part of the overall pressure.

**Can Ukraine pull out of this formula or not?**

— Ukraine has not accepted it yet. Again, this is nothing without a plan and guarantees of implementation. As they say, nothing is agreed until everything is agreed. ■

# The President's franchise

Who runs Ukraine on behalf of Volodymyr Zelenskiy, and why

Oleksandr Kramar



**The double bottom.** Given this background and connections, Andriy Bohdan may obviously be more than a lobbyist for Ihor Kolomoisky's financial interests — he may as well be a driver of the Kremlin's geopolitical course for Ukraine

Petro Poroshenko was often criticized for his tendency towards micromanagement and inability to delegate. Volodymyr Zelenskiy is the opposite. He increasingly shows that he is just a franchise for players with different interests in a conglomerate that can hardly be called a team.

When Chief of Staff Andriy Bohdan responded to criticism of the new government's appointments, he said the following: "You have to take off your pink glasses and realize that we are at war, so we take the people we find." In some segments and areas, these people essentially play their own game that often makes one wonder about the side they do it for and the side they play against. This is especially important in the context of threats to national security and the prospects of Ukraine's development that emerge in this situation.

## ANCIENT INFLUENCES

The influence of two of Ukraine's top oligarchs from Dnipro, Ihor Kolomoisky and Viktor Pinchuk, has long been visible in Zelenskiy's circle. Their weight and relations with Zelenskiy's circle are comparable to the influence of Rinat Akhme-

tov and Dmytro Firtash in the power conglomerate under the presidency of Viktor Yanukovich. It looks like Kolomoisky has far greater influence than Pinchuk now. Andriy Bohdan, also known as a lawyer for Ihor Kolomoisky, is Chief of Staff in Zelenskiy's Presidential Office; Dmytro Dubilet and Andriy Zahorodniuk, both sons of managers from Kolomoisky's companies, are Minister of the Cabinet of Ministers and Minister of Defense respectively. Given Kolomoisky's comments, he sees Prime Minister Oleksiy Honcharuk as someone linked to Dubilet, even though Honcharuk chaired the grant-funded BRDO center established by Aivaras Abromavičius prior to his current job; as well as some key ministers in Government who are close to Honcharuk, including ministers of energy, justice and education. Dmytro Razumkov, the leader of the Servant of the People in the elections and current Speaker of Verkhovna Rada, closely worked with Serhiy Tihipko for many years.

Another powerful group is comprised of the people linked to Zelenskiy directly. They are his numerous friends, mates from school and university, and partners from show business. These include SBU Chief Ivan Ba-



kanov, Zelenskiy's long-time friend and neighbor; and Borys and Serhiy Shefir, the co-founders of Kvartal 95 — Serhiy Shefir is assisting Zelenskiy at the Presidential Office. The Presidential Office has a few people from Kvartal 95. Other appointments to various offices include the husband of Zelenskiy's classmate in school, personal friends of Zelenskiy and the godparents of his children, the children of Zelenskiy's teachers in university, and sons-in-law of his show business partners. Some, such as Vladyslav Bukharev, former MP with *Batkiivshchyna* (Fatherland) appointed Chief of the Foreign Intelligence Service and Deputy Chief of the SBU later, are just his neighbors — although Bukharev's wife works as a scriptwriter for Kvartal 95.

While many people appointed to key offices in the current government are publicly associated with certain groups of influence, they may well have a double bottom. For example, Chief of Staff Andriy Bohdan has a record of close interaction with Andriy Portnov, a notorious lawyer for Yanukovich, since 2007. They worked fruitfully in the Cabinet of Mykola Azarov and Yanukovich's Presidential Administration. This work included fulfillment of tasks related to a major change of the Constitution in the spring of 2010 that allowed Viktor Yanukovich to fragment the Verkhovna Rada as fit him and expand his powers. Bohdan was part of Azarov's delegation to Moscow in November 2013 followed by the decisions to not sign the Association Agreement with the EU.

When working together with Portnov at Yanukovich's Presidential Administration during the Revolution of Dignity, Bohdan was apparently involved in the drafting of the regime's punitive mechanisms against the protesters. These include the draconian laws passed on January 16, 2014. He received the certificate of honor from Mykola Azarov at the peak of the Maidan. Given this background and connections, Bohdan may obviously be more than a lobbyist for Ihor Kolomoisky's financial interests — he may as well be a driver of the Kremlin's geopolitical course for Ukraine, contributing to the undermining of Ukraine's national security or surrender of its national interests, or even part of its sovereignty to Moscow. Ultimately, he has close connections with other figures of the former Yanukovich regime. One proof is his notorious visit to the Saint-Tropez wedding of Andriy Dovbenko, known as a lawyer in Serhiy Kurchenko's entities, on the Day of Independence in Ukraine.

### WHOSE MAN IS ANDRIY YERMAK?

Andriy Yermak is responsible for international relations in Zelenskiy's team. Officially, he is a lawyer with no diplomatic experience. He remains in the shadow and seems to have no ambition for official top jobs. At the same time, he almost fully controls the establishment of international relations for Volodymyr Zelenskiy — both with Russia, and with the West, including the US. Yermak's publicly available biography says that he was advisor for Elbrus Tadeyev, former MP with the Party of Regions born in North Ossetia, a republic in Russia.

Tadeyev has been known in Ukraine since the early 1990s when he was invited to come to Ukraine by Boris Savlokhov, a mafia boss of Ossetian origin and the organizer of one of the then-most powerful organized crime groups in Kyiv (he died in prison in 2004). Elbrus was one of the representatives of the Ossetian diaspora in Kyiv close to Savlokhov. In September 2009, the then-Minister of the Interior accused him of involvement in the conflict

of criminals from the Caucasus in Kyiv. His cousin from Ossetia was involved too. Tadeyev and the athletic men linked to him were also visible during the EuroMaidan. According to media reports, Elbrus was together with Oleksandr Popov, Head of the Kyiv City State Administration, and Party of Regions MP Nestor Shufrych on the night of November 30, 2013, when the Berkut was beating protesting students at the Maidan; according to these reports, he also managed the *titushky* who attacked barricades of the protesters at Liuteranska Street.

A recent investigation by the *Skhemy* project revealed that Andriy Yermak co-owns a business with representatives of the Caucasus diaspora in Moscow who are linked to the Russian leadership and Vladimir Putin personally. The official record of legal entities in Ukraine lists that Andriy Yermak co-owns two Ukrainian companies, ZAT InterPromFinance Ukraine and TOV M.Ye.P., with Rakhman Emanuilov, a Russian citizen. Emanuilov is part of an influential Moscow community of the Mountain Jews or Caucasus Jews. One suggested explanation for its influence is that Putin's classmate Ilham Rahimov is a member. Yermak has commented on this, saying that these are his father's friends. It is more likely, however, that these are

THE INFLUENCE OF TWO OF UKRAINE'S TOP OLIGARCHS FROM DNIPO, IHOR KOLOMOISKIY AND VIKTOR PINCHUK, HAS LONG BEEN VISIBLE IN ZELENSKIY'S CIRCLE. THEIR WEIGHT AND RELATIONS WITH ZELENSKIY'S CIRCLE ARE COMPARABLE TO THE INFLUENCE OF RINAT AKHMETOV AND DMYTRO FIRTASH IN THE POWER CONGLOMERATE UNDER THE PRESIDENCY OF VIKTOR YANUKOVYCH

the contacts he established thanks to close cooperation with Tadeyev and other representatives of the Ossetian and the Caucasus diaspora in Kyiv. The key role after the murder of his brother Boris has been played in it by his younger brother Rustam (Ruslan) Savlokhov — he was chief trainer of Ukraine's team for free style wrestling until 2018 and was a stakeholder at InterPromBank. It is worth mentioning in this context that Ruslan Savlokhov publicly supports Volodymyr Zelenskiy.

Interestingly, another investigation by *Skhemy* and The Insider attracted the attention to the fact that someone by the name of Sam (Semyon) Kislin, the owner of an American company Trans Commodities, was a key figure whose help Yermak sought to secure arrangements between Zelenskiy and Trump's circle during his visit to the US. Originally from Odesa, Kislin is considered to be closely linked to Ukrainian and Russian organized crime by the FBI, including to the late mafia boss Yaponchik and the Chorny brothers of the Izmailovskaya OPG — the latter is the Russian abbreviation for the organized crime group.

If we assume that Zelenskiy's foreign policy is in the hands of Savlokhov with hopes that rest on their informal ties in the Russian, as well as American and Western establishment, this can hardly bode well for Ukraine. The interests of the people involved in these chains are far from the interests of Ukraine, from its security, territorial integrity and sovereignty. For example, mass media have reported on Savlokhov's alleged dealings with Aleksandr Khodakovskiy, the commander of the "DNR" terrorists from the Vostok battalion — he organized arms trade for Transnistria and Armenia with Khodakovskiy. Other reports speak about his interests in the smuggling of goods across the contact line in the Donbas.

**WHO IS DANILOV?**

Another dark horse appointed to a key position is Oleksiy Danilov from Luhansk Oblast and with professional background in Luhansk and the region. He has replaced Oleksandr Danylyuk as Secretary of the National Security and Defense Council. It looks like his appointment also happened thanks to the figures forgotten in Ukraine's public politics but not marginalized in terms of their real influence on Ukraine's economy and politics — and he might respectively represent their interests in the top echelons of power. Known as mayor of Luhansk in the 1990s, representative of Viktor Yushchenko in the 2004 election campaign and Head of the Luhansk Oblast State Administration in 2005, he is apparently far from being Yushchenko's man.

According to media reports, he was brought to Yushchenko's headquarters by Mykhailo Brodsky, a link that ensured Danilov's promotion in the team of Yushchenko and Tymoshenko in 2004-2007 — initially as Head of the Luhansk Oblast State Administration, then as MP from *Batkiivshchyna*. That is why Danilov did not stay in *Batkiivshchyna* much longer after Brodsky broke up with it with a scandal in the late 2006: Danilov no longer featured as MP from this party after the Verkhovna Rada dissolution in 2007, nor did he hold any top positions in it.

BY CONTRAST TO PUBLIC PLEDGES OF QUALITY CHANGES IN HIS HR POLICY, IT HAS ACTUALLY DEVELOPED MORE FAVORITISM AND DEPENDENCE ON OLIGARCHS UNDER ZELENSKIY. AT LEAST ITS CARCASS IS MADE UP OF THE PEOPLE WHO HAVE NO STATESMAN APPROACH, FOCUSING ON PERSONAL DEMANDS AND ELECTORAL REACTIONS OF THE VOTERS INSTEAD

Mykhailo Brodsky can hardly be seen as the ultimate beneficiary of Danilov's appointment to the National Security and Defense Council. It is well known that Brodsky has a long record of relations with Ihor Kolomoisky, the key sponsor of Zelenskiy. Apart from that, media have lately been reporting about joint business between Brodsky and Nestor Shufrych who are both involved in managing the Kyiv River Station and construction on Rybalsky Island in Kyiv. The fact that Shufrych is equal to Medvedchuk and Putin is not news. Also, Brodsky and Medvedchuk have long-standing relations with the Surkis brothers who own many assets in different spheres, including energy. As a result, it is important to note that Oleksiy Danilov was not only mayor of Luhansk in the 1990s, but a member of the SDPU(o), a party where Medvedchuk and the Surkis brothers played the key roles.

More open source research reveals information about cooperation between Brodsky and Surkis brothers with Volodymyr Kysil in the tumultuous 1990s. A well-known athlete and trainer since the soviet time, officially known as businessman and head of the Greco-Roman Wrestling Federation in Ukraine, Kysil is also referred to as a mafia boss in Kyiv in journalist investigations on the criminal world based on sources in law enforcement agencies. These sources link him to Kysil's organized crime group, one of the biggest groups in Kyiv.

Volodymyr Kysil died in a car crash in Vinnytsia Oblast in 2009. His son Vadym, born in 1972, inherited his business and his office as head of the Greco-Roman Wrestling Federation. According to media reports, he had been actively helping his father since the early 1990s. The question not highlighted in that article is what relations

remain between Brodsky, Kysil Jr. and Surkis brothers today. Interestingly, Danilov is not the only representative of these groups in Zelenskiy's team. Another possible protege of Vadym Kysil, — at least via the Greco-Roman Wrestling Federation — is Zhan Beleniuk, the first black MP in Ukraine and champion in Greco-Roman wrestling. Oboz TV features a video from March 2018 on the results of the XXII Kyiv International Greco-Roman Wrestling Tournament where Beleniuk was together with Vadym Kysil in the studio.

**WHAT ARE THEY BUILDING?**

Talks about disagreements between different representatives of Zelenskiy's circle started in the early summer when news surfaced about the conflict between Ivan Bakanov as curator of the SBU newly appointed by the President and Chief of Staff Andriy Bohdan. More recently, a conflict has broken out between Bohdan and Oleksandr Danylyuk, the National Security and Defense Council Secretary who has since resigned.

For now, however, there are no signs that this is the way for different representatives of Zelenskiy's team to balance the new system in power or ensure mutual checks and balances as it often happens in countries with mature institutions and democratic mechanisms of checks and balances between different government agencies. In Ukraine's context, the situation looks more like a feudal epoch where different people are given different spheres to feed on or like a distribution of spheres in the criminal world. Every "manager" fights to take control of as many processes as possible. This, however, does not mean that they are building a streamlined system to support Zelenskiy's authority, let alone the needs of the state.

Instead, this means maximizing the influence of specific people within the power conglomerate in order to capitalize on its opportunities as soon as possible for personal interests. From this perspective, Zelenskiy's hierarchy increasingly resembles that of Yanukovich. The only difference is that the key resources mostly concentrated in the hands of the Family under Yanukovich, while Zelenskiy has things in a more decentralized fashion so far. However, this does not diminish the risks of the country being pulled apart by different groups of influence in the coming years with no strategic vision of what Ukraine should be in 5, 10 or 20 years.

By contrast to public pledges of quality changes in his HR policy, it has actually developed more favoritism and dependence on oligarchs under Zelenskiy. At least its carcass is made up of the people who have no statesman approach, focusing on personal demands and electoral reactions of the voters instead. Closely intertwined with Russia via business interests, they have no idea about national identity or key issues for the development and preservation of the state. And they see return to unhindered business with Russia as their key priority.

"We hope that the Russian market will open for us after all in two years," Kvartal 95 co-owned and leader Borys Shefir said in a notorious interview this summer. "If we were allowed to produce things in Russian in Ukraine, we could trade these products with Russia." While representatives of Zelenskiy's team officially distances themselves from that statement, saying that Borys Shefir holds no official positions in government, their policy confirms this: Shefir then expressed the true sentiments and intentions, even if he spoke too openly about them. ■

# The state of turbulence in the Middle East

As American hegemony wanes, America's regional alliances unravel

Mark Voyager, visiting scholar at the Penn Biden Center for Diplomacy and Global Engagement

## FROM COLD WAR VOLATILITY TO 21st CENTURY TURBULENCE – THE DRAMATIC RISE OF COMPLEX UNPREDICTABLE INSTABILITY IN THE MIDDLE EAST

The ongoing security situation in the Middle East has reached a level of complexity that far exceeds anything seen during the Cold War era, or even during the wars in Afghanistan and Iraq in the early 2000s. Historically, the region had been constantly on the precipice of major regional conflagration with the festering Arab-Israeli conflict since 1948, compounded by strategic volatility to the region inevitably by the Cold War, as the Arab-Israeli confrontation became a reflection of the broader Soviet-US competition worldwide. Still, despite the constant threats it posed, that period also witnessed relatively predictable confrontations that largely fit within the binary logic of the East-West divide and the attempts of the US to isolate the Soviet Union and prevent the spread of its influence across the Global South as a whole. This was part of the global American strategy of the age, and the USSR responded to it by adopting under Khrushchev a counter-strategy of “leap-frogging” aimed at overcoming the effects of America's regional alliances by means of: 1) knocking pivotal states (Iraq, Egypt) out of those alliances; 2) reaching out deep across those geographical barriers into traditional Western areas of influence such as Southern Yemen and Libya, and 3) leveraging any new Soviet ally by having it support pro-Soviet regime-changes and movements all across the region. As part of this strategy, Nasser's Egypt was spreading Arab socialism as far as southern Yemen; and Libya and Syria supported terrorist movements such as the PLO and others all across the region. This concerted Soviet effort in the Middle East led to an ill-conceived response by the conservative powers in the region, primarily Saudi Arabia, also endorsed by the United States, to try to counter the spread of Communism, Arab socialism and Baathism by supporting groups and movements – both Sunni and Shi'a – that purported to espouse a conservative Islamic ideology. Without exception, all the status-quo powers in the region, together with the US, mistook the nascent Islamist radical movements of the 1970s for conservative, status-quo ones, and the results of this major ideological miscalculation still reverberate across not only the Middle East, but the entire world almost half a century later with the global metastatic spread of radical Islamist ideologies of the Sunni and Shi'a denominations. The latter, of course, received a potent boost by the Iranian Revolution of 1979 that took down the Shah of Iran as the most important US ally in the region outside of NATO's Turkey. Fortunately for the US and the stability of the region, the years of skillful diplomacy led by Henry Kissinger resulted in Egypt moderating and falling back into the US camp as a critical ally against not only the Soviet Union and its clients in the region, but also against the rising Sunni radicalism, within Egypt and across the region.

Four decades after the breakthrough of Egypt-Israeli peace at Camp David in 1978 this world of relatively stable confrontations and alliances bound by predictable rational choices in the

Middle East is no more. It was destroyed by the combined effects of a number of geopolitical cataclysms and conflicts in the region, among which: a series of regime-changes after 2003 that did not result on increased regional stability; the effects of the Arab Spring after 2010 that did not produce the expected democratization of the region; the constant multilateral diplomatic stalemates over a number of broken ceasefires in Syria; the unsuccessful US attempts to contain Iran through a tough sanctions regime. All of those were compounded by a number of humanitarian crisis of cataclysmic proportions generated by the civil and sectarian wars in Syria and Yemen and the near collapse of those states and societies, and the ongoing conflicts in Iraq and Afghanistan trying to defeat a global Jihadist movement that successfully jumps across borders in search for new safe havens for its terrorist activities, and constantly shifts its identities and ideological rationale in order to adopt and survive the changing realities on the group.

Thus, the predictability, however volatile, of the Cold War security equation in the Middle East has been replaced nowadays by a rising level of complexity of the state and non-state actors' interplay and the driving forces behind their moves, which has reached the level of unpredictability described in international relations theory as “turbulence”. Its latest manifestation was the sudden, unexpected and unjustified decision by the US President Donald Trump to withdraw US support for the Kurds in Syria who had been fighting alongside US troops against DAESH, and we instrumental in defeating that radical group in Syria. The current crisis involving the Kurds, the largest nation in the Middle East without its own independent state, has its roots decades back to the years of realpolitik played by the US that was trying to navigate among its regional allies and clients by providing support for some at the expense of others. However, the current sudden unraveling of the US-Kurdish strategic bonds of the last couple of decades, could deal precipitate the collapse of the already fading US alliances across the region and dip the Middle East as a whole in a pool of strategic, long-term turbulence, which will effectively prevent the US from having any meaningful positive impact on the region, and will usher in an era of a joint Russian-Iranian hegemony over the region.

## THE PLIGHT OF THE SYRIAN KURDS AND ITS GLOBAL IMPLICATIONS FOR AMERICA'S STRATEGIC CREDIBILITY

On Sunday, 13 October 2019, barely hours after the US President Donald Trump ordered the evacuation of all US forces in Syria, mostly US advisors and special forces working with the Kurdish forces there, the leadership of the Kurdish Syrian Democratic Forces issued a statement that it had reached an agreement with the Syrian Army to enter the territory currently controlled by the Kurdish forces, and begin deploying along the Syrian-Turkish border. The declared rationale for such a dramatic change of course was “to liberate the areas entered by the Turkish army, and protect the territorial integrity of Syria”, as the Assad re-



gime-controlled media hasten to claim that the Syrian army already headed for the Kurdish-controlled cities of Manbij and Kobani. This decision by the Kurdish leadership is however tragically, the only logical option for survival currently left to that nation in Syria that has been divided by geography and history and partitioned among its powerful neighbors for centuries. The Kurds have been effectively betrayed by Donald Trump, the President of the nation that had protected their compatriots in Iraq for the last three decades, and that had liberated them from the regime of Saddam Hussein. Trump justified his completely unexpected move by the moronic statement that “The Kurds didn’t help us with Normandy” – which happens to be true about most of the countries and nations considered US allies in the Middle East – without the President singling them out as he did the Kurds. Despite their presumptive “no show” at Normandy, as Trump mistakenly sees it, the Kurds had actually repaid their liberation from the brutal regimes of both Saddam and Assad many times over by fighting against DAESH since 2014, first virtually alone, then serving as the main ground forces of the global coalition supported primarily by US airstrikes. The Kurds ultimately played a central role in the defeat of the radical Islamist group in Syria and Iraq, while the US provided training and support that were considered an axiomatic US gesture toward a nation that until last-week had been a staunch even the pivotal US ally in the war against DAESH in Syria and Iraq. Now this nation has been abandoned, yet again, to the forces of regional powers, after having paid with its blood for the liberation of the entire region from a terrorist quasi-state with previously unmatched global lethal outreach and ambitions.

RUSSIA HAS POSITIONED ITSELF AS THE NEW KINGMAKER IN THE MIDDLE EAST – EVERYONE WANTS TO TALK TO THEM FOLLOWING THEIR SUCCESS IN PREVENTING THE COLLAPSE OF THE ASSAD REGIME.

THEY ARE THE ONLY POWER THAT SUCCESSFULLY SIMULTANEOUSLY ENGAGES WITH ALL ACTORS IN THE MIDDLE EAST

Unfortunately, this is not the first time that a US administration has supported the Kurdish aspirations for a short period, only to abandon them in a game of regional “realpolitik”. In 1972, the then director of CIA, Richard Helms, met with Kurdish representatives to inform them that the US has decided to finally support their armed struggle against Saddam Hussein in Iraq. Soon thereafter, however, those US efforts were abandoned as Henry Kissinger struck a secret deal with the Shah of Iran, who was concerned that the rise of the Kurdish independence movement in Iraq could also spill over into the Kurdish areas of his own realm. Thus, what we are seeing nowadays with the Kurds in Syria had already happened almost half a century ago to their brethren in Iraq. It is only that back in that period the US foreign policy personified by Henry Kissinger was driven by a rationale, which albeit heartless, was based on the hard cold facts of Cold War politics that demanded that the US heeded to the needs and requests of the Shah’s Iran as its most important strategic ally in the Middle East in that age. The current move by President Trump has nothing to do with the cold pragmatism of the Kissinger-style realpolitik of old, as the US is in effect not gaining anything with that act of betrayal. On the contrary, this dramatic reversal by the administration of the US policy course toward a critical trusted local ally such as the Kurds, will undoubtedly have major negative implications not only for the security of the entire region, but for the strategic credibility of the US as a global superpower for generations to come. It is true that the Trump Administration inherited an already highly complicated security situation in the Middle East, but it also has done little to nothing

to solve any of the above complex problems, either diplomatically or militarily. Instead, its actions and inactions have effectively only exacerbated them, thus emboldening hostile powers such as Russia and Iran to fill in the void left from the absent US hegemony with their own hegemonic ambitions for the region.

To put in a historical perspective covering the past two decades, the US policy toward the entire region has gradually moved from a direct, massive and overly engaged “hands on” military involvement under Bush; to the verbally committed, but inconsistent and hesitant policy under Obama who declared and then failed to act upon multiple “redlines” for the Syrian regime, and finally to the current chaotic and erratic decision-making under Trump. An action such as withdrawing the US support for the Kurds really has no underlying rationale, even a cynical one that could benefit the US long-term strategic one. It only responds to the news cycle in the US by serving to trigger yet another political and humanitarian crisis in the Middle East that is meant to be a distractor for the US public from the impending impeachment procedures against an embattled President. This is also a great gift for America’s strategic competitors in the Middle East, Iran and Russia, but one that could turn also into a costly trap for Turkey, a NATO ally, that has rushed in the Kurdish areas emboldened by Trump’s withdrawal, driven by its own strategic calculus whereby any prospect of an independent Kurdish state along Turkey’s borders is viewed as an existential threat for the future security of Turkey.

### **THE US ALLIES IN THE MIDDLE EAST ARE MOVING FROM BALANCING WITH THE US AGAINST IRAN TO BANDWAGONING WITH RUSSIA**

Unfortunately for the current and future US foreign policy prospects, the current misguided decision to abandon a critical ally without prior warning or a just cause is likely to deal yet another severe blow to America’s reputation as the hegemon not only within the region, but also on a global scale. While the issue has multiple complex dimensions, to include a humanitarian one, it also follows the inexorable logic of the breaking of alliances and their realignment that stems from two fundamental types of allies’ behavior – “balancing” and “bandwagoning”. The first is better known and understood as it stems from the rational choices of smaller, weaker nations (for example the Gulf States) that try to balance against an aspiring regional hegemon (Iraq in the 1980s, Iran nowadays) by pulling together their efforts and also seeking the protection and support of a distant hegemonic power, such as the United States. This formula worked perfectly well during the Cold War and into the first decade of the 21st century. The political and social crises described above, the gradual disengagements of the US from the Middle East during the Obama and currently the Trump administration, has resulted in a loss of a number of pivotal US allies (Egypt), and the gradual reorientation of others toward Russia, as the least of both evils in trying to curb the rise of Iranian influence across the entire arc of instability in the Middle East. Thus, as American hegemony in the Middle East wanes, America’s alliances unravel leaving the region wide open to the hybrid expansionism of Iran and Russia.

Bandwagoning in international relations occurs when a state aligns with a stronger, adversarial power, therefore it is a strategy employed by states that find themselves in a weak position. The logic behind this is that a weaker state should align itself with a stronger adversary. The Sunni Arab states in the Middle East consider Iran to be an existential enemy, and seek to counter its hybrid expansionism across the region by any means possible. With their traditional US hegemon seems largely distracted by domestic issues or even disinterested in pursuing a tougher course on Iran based on the constant failure of President Trump to follow through on his multiple verbal threats against Iran fol-



PHOTO: REUTERS

**Dead end.** The Syrian crisis was particularly the result of the controversial US foreign policy

lowing Iran's bold perpetrations against the freedom of navigation of tankers in the Gulf and the ongoing Iranian hybrid war against Saudi Arabia and the Gulf coalition in Yemen; the US Arab allies are also seeking other vectors in trying to guarantee their security. One such important vector for countries like Egypt or Saudi Arabia, the two staunchest traditional Sunni Arab allies, has become approaching Russia which is in a tactical alliance with Iran in Syria and elsewhere, in order to try to earn its favor – through oil, nuclear and arms deals and other enticements – in the hope that it will also influence Iran and reduce the pressure on those countries. Russia has positioned itself as the new kingmaker in the Middle East – everyone wants to talk to them following their success in preventing the collapse of the Assad regime. They are the only power that successfully simultaneously engages with all actors in the Middle East – the Arabs and Iran; the Sunni and the Shi'a, the Israelis and the Arabs; the Turks and the Kurds – without those actors objecting to Russia's approaching all those seemingly incompatible interlocutors.

This type of behavior can therefore be interpreted as a form of “bandwagoning” with the lesser of the two threats in the Russia-Iran alliance, or as outright attempt to balance and compensate for the loss of the United States as a regional hegemon by ceding this role to Russia. Both of those behaviors will have negative consequences for the future role of the United States in the region, as America's traditional allies across the Middle East move try to their survival in the face of America's disengagement from the region. With the examples of the Kurds now betrayed and abandoned by the US, and turning toward Russia and potentially Iran, more and more of America's allies in the region would be forced to make that tough but realistic choice.

#### ARE THERE ANY GOOD OPTIONS LEFT FOR THE US STILL?

The US must begin addressing the above alarming process of the loss of its alliances in the Middle East even if it means accepting the fact that the current level of complexity and turbulence in the region has exceeded the ability of any individual US administra-

tion (and least of all the current one) to handle all those multiple issues and crisis simultaneously, let alone solve them in one stroke. Instead, it must identify the most pressing ones in order to prevent what is still a gradual collapse from becoming precipitous, with more and more allies rushing out of America's orbit and into Russia's. It must reassure its Sunni Arab allies in the Gulf of its unwavering commitment to their survival as independent states in the face of Iran's attempts to leverage their Shi'a minorities to destabilize their societies. It must restore its support for the Kurds in Syria in the name of preventing another rise of DAESH, and in order to deny Assad's forces the total control over the entire territory of Syria, which would be tantamount to a strategic victory not only of that regime, but for Russia and Iran, too. It must find a way to reassure Turkey regarding its legitimate security concerns by leveraging all options that are left through the NATO membership of that country, in order to strengthen the trans-Atlantic bond and not allow Turkey to be seduced by Russia away from NATO. That would have heavy consequences for both NATO's security along its Southern and Eastern flanks, and for Turkey itself down the road, as it discovers that the “gifts” Russia brings in terms of military technology or security guarantees all come at the price of heavy dependence in multiple other spheres – from energy to politics and diplomacy.

All of those actions will require strategic vision, diplomatic acumen, institutional continuity and personal backbone, which the current US administration is apparently woefully lacking. Still, America's strategic interests in a region as critical as the Middle East must transcend any temporary setbacks brought about by the personal failures and lack of vision of one President or another. If not, the region will be plunged into many more decades of turbulence with the sudden loss of America's hegemony, with the other viable alternative left to the few remaining stable states being to accept the terms of the Great Game imposed by “Pax Russica”, lest they are forced to accept the terms of surrender or even total collapse under the ongoing hybrid onslaught of “Pax Iranica”. ■

# Reboot, relaunch, repeat

How might the “servants of the people” take a chance and reboot governments in the regions?

Roman Malko

Rumors of possible pre-term local elections were winging their way around Volodymyr Zelenskyy's inner circle even before the snap Verkhovna Rada election took place. The president's then VR representative Ruslan Stefanchuk announced that the Administration was considering this option. On Election Day, July 21, this idea was confirmed in passing by the president himself, when he advised voters not to take it too easy. Just two days later Dmytro Razumkov, then leader of the party, announced that local elections would take place as scheduled, in 2020, after all, but the country had taken the bait.

The press began a lively debate of the issue, complete with enigmatic, half-empty comments by pro-government politicians and skeptical opposition members. The former kept emphasizing that the issue had not been settled and that internal discussions were ongoing. Their opposite numbers kept pointing out that there was no legal basis for such a move and that anyway decentralization had to be brought to a conclusion first. Finally, Chief-of-Staff Andriy Bohdan announced during a talk show that local elections would be taking place “very soon.” This was suddenly confirmed by an unexpected dissolution of the Central Electoral Commission. The rumors that accompanied this process and came directly from the presidential party included the argument that it was necessary to prepare for a reboot of local governments, which was planned for April 2020.

Against this background, the rapid emergence of plans to divide power in the nation's capital, initiated by Bohdan and MP Oleksandr Tkachenko, only fed the fire that much more. Information began to appear in the press citing unknown sources at the Office of the President, that elections were likely to be scheduled for December, but only in the four biggest cities: Kyiv, Dnipro, Kharkiv and Odesa – Donetsk having lost a big chunk of its population since 2014 and being under proxy Russian occupation. The submission of a bill to this effect in the legislature partly confirmed this. But the bill was eventually replaced by another one, this time without a specified date, and the topic remained under discussion. Nor has it been removed from the agenda to date.

From the side, SN MPs seem to be operating chaotically and illogically. In fact, they are testing the waters in this fashion. Opinion polls are as regular as testing coffee at SN headquarters and the public mood is more important than the weather. A given idea is raised up the flagpole as a provocation, no matter who does it or how, and then they watch who salutes. They are especially interested in the opinions of their opponents – those 25-30% of Ukrainians who are not prepared to eat what's cooked up in the Kvartal 95 kitchen. It is here that any future unpleasantness is likely to come from, and SN folks know it.

The story with the parade on Independence Day was an excellent lesson for them. Then, the Ze! team, based only their own view of the situation, figured they could throw the ball wherever they felt like. So, a parade was unnecessary, a waste of money. But the minute some Ukrainians went up in arms over this kind of “economizing” and began to plan their own march, Zelenskyy's team went into reverse. The parade went on after all, albeit in a quasi form and, more importantly, the “opposition” parade was allowed to go ahead without interference.

The situation appears to be repeating itself with the law on land. The minute the idea of foreigners being allowed to be the ultimate beneficiaries in the purchase of farmland raised a squall, the Ze! team took another step back. Now they say they will postpone the controversial option for five years. In fact, there are quite a few such stories: the new lustration, elections in occupied Donbas, the withdrawal of troops, and, of course, local elections. All these throwaway moves are testing the waters so as not to make a mistake.

The intention to gain the full range of power by taking advantage of popular affection before ratings start sliding completely suits the plans of the winners of both the presidential and legislative races. Nor are there any evident obstacles to accomplishing what they want – even if some of it doesn't quite adhere to the letter of the law. So what's the hold-up? SN really needs a reboot at the local level and ASAP, for that matter. The more this is delayed, the more risks of not being able to keep up the hype of their 73% win – or of losing altogether.

But there are other risks and difficulties that the Ze! team is also very aware of and that's what's holding them back for now. First of all, the law is not on their side. According to the Constitution and the Laws “On local elections” and “On local self-government,” local elections should take place at the end of October 2020. And a snap election can only be called in the case where the local council of a specific locale is dissolved by decision of the Rada. The grounds for doing so are ample, but they cannot be pulled out of thin air. Moreover, a separate decision would have to be made about every single local council: first to dissolve it and then to set the date for an election. And Ukraine has more than 9,000 local communities, so such a procedure would take up an enormous amount of the Rada's time. Moreover, holding snap local elections does not change the fact that the regular ones still have to be held, and that means double the expenditures. Of course, the issue could be regulated in a revolutionary fashion: changing the provisions of the Constitution and the relevant laws. But that also takes time.

Secondly, a decentralization process is underway in Ukraine. Because it involves changing the structure of administrative territories, it makes little sense to hold elections before this process is completed, and Zelenskyy's people understand this. Running elections in united and not-yet-united communities at the same time is not an option, as it will only lead to chaos and will conserve the current transitional practice of having different models of communities functioning simultaneously, with different kinds of funding and different kinds of relationships. What's more, the new model of administration requires that other entities, such as the State Voter Registry, also adapt themselves. It's a complex process and the new semi-professional CEC is quite unlikely to manage its end of things quickly. For instance, the SVR currently works on the basis of County State Administrations and the executive councils of towns that are subordinated to their oblasts. If this structure is changing, and administrations are either eliminated or merged, it means that the SVR also needs to be reformatting so that the changes go through without disruption, such as losing or forgetting data. This alone is a daunting task.





**The smartphone party.** In local elections, the high-profile, successful “*Sluha Narodu*” brand may not work and the party has few real candidates to run at the local level

PHOTO: UNIAN

Thirdly, there’s the question of which law to hold elections under. Perhaps the current one will do. But there’s also some sense in revising legislation and that means making the necessary amendments in the Electoral Code that Zelenskiy vetoed. By the end of this year, the VR CEC selection committee should have prepared a list of candidates for the new commission and submitted it to the Rada for review. Supposedly, orders are out for the Rada to vote on this before the New Year’s break, but it’s hard to believe things will go so smoothly.

And then there’s the fourth challenge: the ghost of an election in occupied Donbas. Today, the Office of the President is looking at a number of possible scenarios for holding it. The first option is only in ORDİLO in spring or summer 2020. But this means amending the Constitution and the probability that it will raise a very negative reaction among Ukrainians. The second option is simultaneously with the next scheduled local elections across Ukraine in late October 2020. But that means waiting a year while Zelenskiy is itching to resolve the Donbas situation as quickly as possible. Third is a compromise option: simultaneous snap elections. But this first of all means, again, amending the Constitution. In short, this issue cannot be resolved right now because everything depends, ultimately, on what agreements can be made in the Normandy format.

Ultimately, the most worrisome problem for the Ze! team is a shortage of human resources and the challenges that SN risks in getting strangers off the street involved in the process. It’s an open secret that, despite the enormous support *Sluha Narodu* attracted and continues to enjoy, Zelenskiy doesn’t really have a party and there are almost no local branches of SN. All there is is a brand that allowed them to win in the VR election. This is not

likely to be repeated at the local level because there the logic of choice is very different. Moreover, MPs and local councilors have different functions. For SN to promote unknown quantities in the regions means to sink their own ratings. All that’s left to do is to come to terms with local elites and bet on existing regional parties or to establish some mix of local bandits and activists, which sets up a clash from the very start.

*Sluha Narodu* is simply not ready for local elections. They don’t have the people, as the head of their VR faction, David Arakhamia, openly admitted recently in a comment on the possibility of early local elections in the spring. To join the race, SN would need to have nearly 150,000 people working with it, and it barely scraped together enough people to fill a list of 300 for the VR election. Arakhamia is clear that it makes no sense to get into a snap election if SN has no chance of winning because it’s not prepared institutionally or personnel-wise – and he’s right. Moreover, if the party is already under attack internally, and one of its sponsors, Ihor Kolomoisky, has begun shaking things up to such a degree, the entire house of cards of this “monomajority” could come tumbling down any day. In short, it makes no sense to rush anywhere, all the more that both Zelenskiy and Kolomoisky have long been saying that if the SN faction proves unviable, the entire Rada will probably be dissolved. That this possibility grows with every passing day suggests that the country could well be in for an election marathon: two for the price of one, a snap parliamentary election together with regular local elections in the fall of 2020. Launching a new serial called “*Sluha Narodu 2.0*” will, if nothing else, save the producers the need to answer awkward questions, while still giving them the full advantage of a successful brand, killing two birds with one stone. ■

# No feedback

The new administration appears to be risking turning its critics into enemies and losing public support

Maksym Vikhrov

How a government responds to critics says a lot, not only about its diplomatic skills but also its ability to manage. Criticism is not only and far from always “rocking the boat” for your political opponents but also a form of feedback between a country’s leadership and its people. Sources of criticism, for one, vary widely. It can come from opposition politicians, the expert community, various civil society actors, and the general public, whose attitudes we generally find out through elections or opinion polls.

Dictatorships deliberately tend to break the feedback loop, forcing their citizens to keep quiet in order to preserve the appearance of peace and order. But everything has its price: sooner or later, such a regime’s leadership stops understanding what is really going on in their country and begin heading for a crash. A democratic government, on the contrary, suffers the “slings and arrows” of harsh criticism endlessly, but because of this, it’s able to respond to threats in a timely manner and avoid history’s sharper edges.

However, this is all highly theoretical. In practice, a lot depends on the personal qualities of officials and their internal state. For instance, the regime of Viktor Yanukovich, who, incidentally, promised to “listen to everyone,” stubbornly ignored all

the signals coming from Ukrainian society, choosing to interpret them as the machinations of “fascists” and marginal elements under the sway of the West. The tendency to perceive criticism as informational diversion also tripped up Petro Poroshenko. The very realistic argument about the threat from Russia turned into a sarcastic meme about “or else Putin will attack,” at least in part thanks to the presidential administration itself. Volodymyr Zelenskiy and *Sluha Narodu* came to power promising to “listen to the people,” that is to establish an ideal feedback mechanism with Ukrainian society at large. But as recent events have shown, the Ze! team is also at risk of falling into the same traps.

## LISTENING BUT NOT HEARING

Even during their election campaign, the current leadership showed that it was prepared to listen to Ukrainians very selectively. One of the first groups that tried to send them some signals were journalists. Just before the second round of the presidential election, they called on Zelenskiy to properly communicate with the public. In response, they were trolled, and this grew into an actual conflict that has had a number of highly visible episodes. Nor was the press marathon an exception, with substance sacrificed to entertainment.



**Trial by marathon.** During a record 14-hour press briefing, President Volodymyr Zelenskiy was more focused on entertainment than on content, but the timing of the event was enough to put even the most attentive listener to sleep



Instead of engaging in serious debate of current issues, the government organized a pompous “show” for journalists, whom it treated as its special audience. The reason for this kind of attitude in the Ze! team is no secret. “Classical journalists have gotten used to thinking like the public,” said Presidential Chief-of-Staff Andriy Bohdan at one point. “But our campaign showed that we communicate with the public directly, without intermediaries and that means without journalists.” In this way, the new leadership is not rejecting the notion of keeping in touch with voters, but it’s decided to ignore the press, one of the main institutions whose role is to provide this feedback mechanism.

It’s possible that this enmity is simply the reflection of Zelenskyy’s confidence in his own media savvy. But if he is inspired by the example of Donald Trump, who responds to media criticism by criticizing the media itself, the outcome could be sad indeed. Following on the heels of “lying journalists” will be “lying sociologists” as the president’s ratings begin to slide, and then the rest of the expert community with its disappointing analyses.

### UNTIL THE RUCKUS ON THE STREET

So far, pretty much the only instance when the new administration treated criticism seriously was when it saw public reaction to the Steinmeier formula that Zelenskyy had announced he was agreeing to. Experts, media and civic activists have warned about this formula for ages now, but this time the criticism came from the streets and not from the newspapers. The “No capitulation!” street campaign and protests against unilateral withdrawal of troops turned out to be a very fruitful form of criticism. When the press challenged it, the Ze! team responded with rudeness and trolling, but this was clearly no laughing matter.

Zelenskyy immediately began to explain, “Betrayal is being cancelled” and that the government would not cross the red line. Soon after, he met with veterans of the Anti-Terrorist Operation/Joint Forces Operation (ATO/JTO), who were rightly seen as the driving force behind the protests, while Premier Honcharuk suddenly showed up at an evening for veterans. Suddenly the Zelenskyy administration was taking a leaf out of Petro Poroshenko’s book. As someone from the national democratic camp, the minute he became president he adopted nationalistic, military, and patriotic attributes in an attempt to become, if not one of theirs to the actively patriotic element in Ukraine, at least not an outsider.

At the same time, however, the Ze! team took a step in the direction of Viktor Yanukovych as well. Bohdan posted in Facebook that the October 1 rally was paid for and hinted strongly that it was Poroshenko who had paid. *Shuha Narodu* faction leader David Arakhamia also announced that 5% of the attendees being paid, and that either the Russians or Poroshenko or someone else were behind them. Zelenskyy himself said something along those lines during his meeting with veterans. “99% of you are normal people,” the president was quoted as saying by someone at the meeting. “But that 1%... I know who made a deal with whom and how much they paid whom.” This style of expression is pretty recognizable. It’s acme remains Liudmyla Yanukovych’s famous speech about “spiked oranges.”

It’s quite understandable that people who gained an overwhelming victory at the ballot box and hit the ground running at marathon speed aren’t going to be thrilled that they have to take an active patriotic minority into account. However relatively small this part of the population is, to ignore its criticisms completely is to court disaster. As both Maidans have shown, a vocal minority can quickly draw a huge protest movement around it. It’s another question altogether, how well the new administration has absorbed this lesson. In the worst case, the Ze! team will try to declare this patriotic voice one that

claims, like journalists, to speak for the people, but is actually only speaking for itself and its sponsors. This, in effect would cut off one more feedback mechanism with Ukrainians and could lead to open conflict.

### WE ARE THE CHAMPIONS... OR WERE

Judging by the rhetoric coming from the Ze! team, they are still certain of their nationwide support. This should give it the political will to undertake unpopular reforms, but could also blind it, given that “73%” is a myth based on a result that was somewhat happenstance. For instance, today, only 66% of Ukrainians wholeheartedly support the new president, based on a poll taken in October by the Democratic Initiatives Fund (DIF). It’s still very high, but the trend is pretty clear after only five months.

At this rate, references to the will “of the masses” could turn into a ritualistic, empty phrase not backed by political reality. Moreover, this is an entirely realistic scenario. The institution of a land market is an excellent case in point. It’s no secret that this reform is extremely unpopular, with the share of Ukrainians against it in the same ballpark as the symbolic “73%,” according to a Rating group poll in 2019. What’s more the new administration has only itself to blame for such a state of affairs: although it was quite aware of public opinion, it did absolutely nothing to change it. The Ze! team decided to simply ignore the storm of criticism, both well argued and populist, responding only with wimpy statements that reassured neither ordinary Ukrainians nor the expert community.

IT TURNS OUT THAT ZELENSKIY’S PERSONAL CHARISMA AND THE REPUTATION OF HIS MINISTERS ARE NOT ENOUGH TO AUTOMATICALLY NEUTRALIZE ANY CRITICISM OR TO LEGITIMIZE ANY AND ALL INITIATIVES IN THE EYES OF UKRAINIAN VOTERS. IF HIS ADMINISTRATION FAILS TO DRAW THE NECESSARY CONCLUSIONS, ITS RATINGS WILL COLLAPSE AS QUICKLY AS THEY EMERGED

The net result was that the ball ended up smack in the hands of experienced populists who have already put together a broad front of resistance. To prevent a head-on collision, the administration tried to maneuver at the last minute by rushing an alternative bill through the VR committee. This reaction was obviously better than none, but that’s not a feedback mechanism, but eliminating evidence of the absence of one.

During the election campaign, the Ze! team really did display exceptional communication skills, which is how it ensured its exceptional outcome. However, being good at criticizing your opponent and persuasive in tossing promises about is not the same as responding to criticism aimed at you for your own actions. And so the new leadership fell into the trap of its own populism. By dismissing journalists for the sake of “direct communication” with the public, the new administration has demonstrated neither the desire nor the ability to actually communicate directly as they claimed. The land reform fiasco made that pretty clear.

It turns out that Zelenskyy’s personal charisma and the reputation of his ministers are not enough to automatically neutralize any criticism or to legitimize any and all initiatives in the eyes of Ukrainian voters. If his administration fails to draw the necessary conclusions, its ratings will collapse as quickly as they emerged. It’s also possible that illusory expectations of nationwide support will lead to a break with civil society as well, especially as the majority of them are already extremely skeptical of Zelenskyy and his team. In short, by turning all its critics into fierce enemies, the Ze! team could find itself without any support at all. ■



# Whither goest thou, Ukraine?

How attitudes towards the country's course and the war in the Donbas have changed among Ukrainians in the last five years

Hanna Chabara

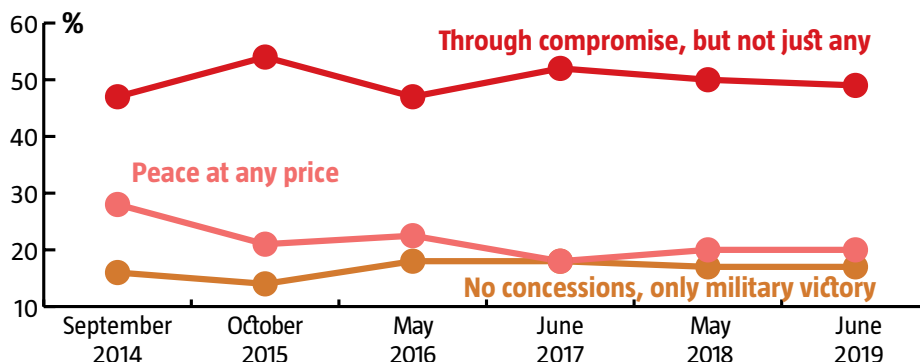
Volodymyr Zelenskiy started his term as president with far more trust among Ukrainians than any of his predecessors, including Petro Poroshenko. Such a strong wave of support allows him to undertake many reforms, including unpopular ones – which the new Verkhovna Rada has taken to at a remarkable pace the minute it hit the ground. However, it's early to say that he has complete carte-blanc: the minute rumors appeared that Ukraine might sign on to the Steinmeier formula regarding elections in occupied Donbas on Moscow's terms, a huge protest rally showed up in downtown Kyiv.

In general, Ukrainians' attitudes towards the war in the Donbas have shifted over the years, but they haven't changed fundamentally. Where in September 2014, after the tragic rout at Ilovaik, 28% wanted peace at any price, a year later this figure fell by 7% to 21%, exactly the amount that the proportion of those who favored compromise rose – from 47% to 54%. One factor that may have affected public opinion was the signing of the Minsk accords, which may not have been carried out but, according to Poroshenko, had no alternative. Support for a military victory has remained fairly stable over the entire period, fluctuating between 14% and 18%.

The share of those who see the occupied Donbas returning to Ukraine the way it was before has grown more than 10% in five years, going from 45.5% to 56.0%. Support for greater autonomy within Ukraine fell steadily until after the VR election, when it saw a bump in support. A very small proportion of Ukrainians – 3% for each position – still think that Donbas should become independent or join the Russian Federation.

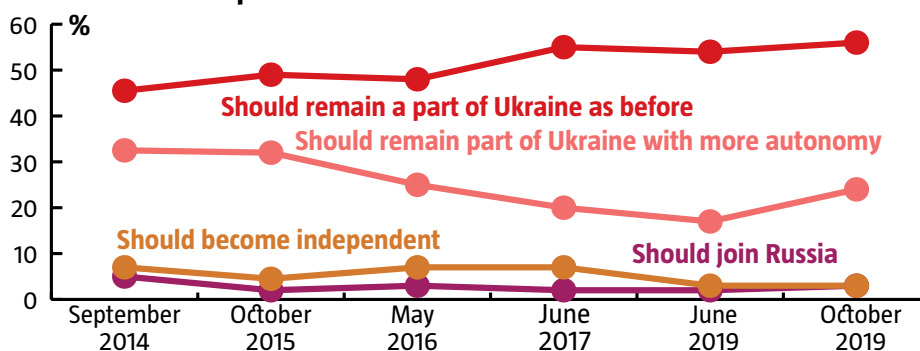
Under Poroshenko, optimism about the country's course fell year by year, until it took off again with the election of a new president. However, it already fell 12% between September and October 2019. On the wave of enthusiasm, an unprecedented share of Ukrainians, 19%, were also prepared to suffer materially for the sake of reforms. Another 40% were prepared to tighten their belts for no more than a year, but this is also the highest percentage in the last five years. What's more, confidence in reforms grew dramatically after Zelenskiy's election, up to 60% who were positive, compared to 35% a year earlier. At the same time, the share of Ukrainians who aren't sure whether the country is going in the right direction or not in the last two months is very high at 26%. They seem to be observing the new administration with some trepidation, not sure what to think of it.

## How to end the war



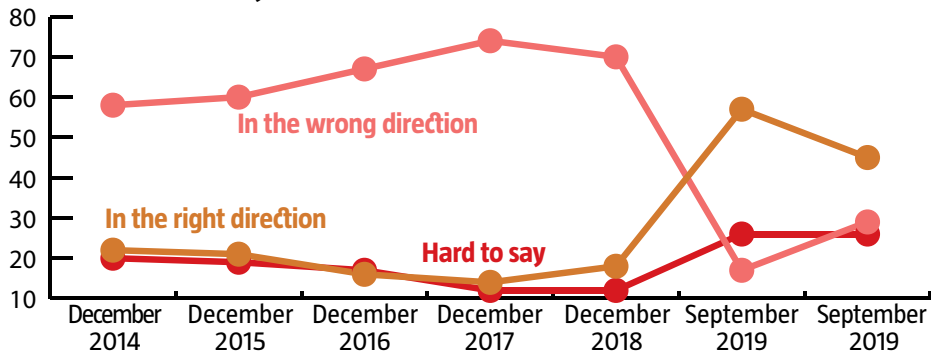
Source: Joint survey by the Democratic Initiatives Fund (DIF), the Kyiv International Institute of Sociology (KIIS) and the Razumkov Center Sociological Service

## The future of occupied Donbas



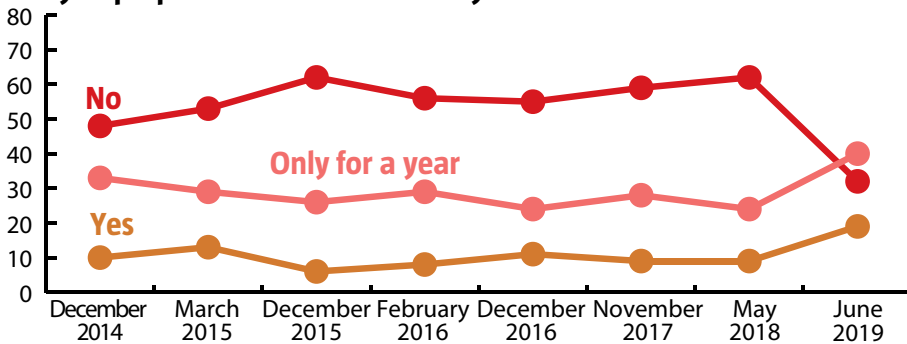
Source: Joint survey by the Democratic Initiatives Fund (DIF), the Kyiv International Institute of Sociology (KIIS) and the Razumkov Center Sociological Service

### Where is the country headed?



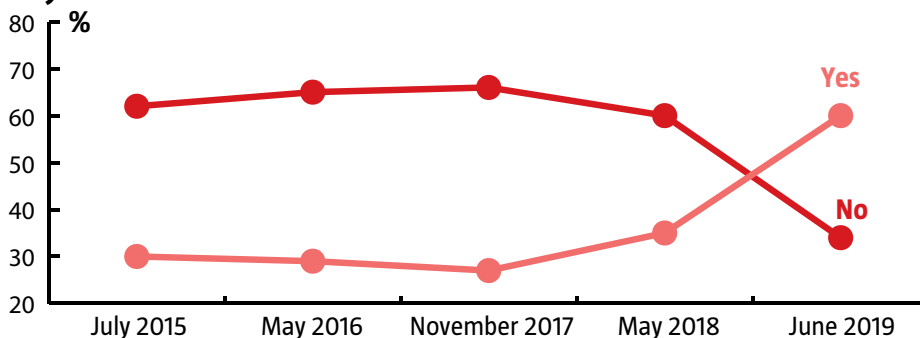
Source: Joint survey by the Democratic Initiatives Fund (DIF), the Razumkov Center Sociological Service

### Are you prepared to suffer materially for the sake of reforms?



Source: Joint survey by the Democratic Initiatives Fund (DIF), the Razumkov Center Sociological Service

### Do you believe in reforms?



Source: Joint survey by the Democratic Initiatives Fund (DIF), the Razumkov Center Sociological Service

### The President's first 100 days



**Trust**  
**Distrust**  
**Balance**



Source: Joint survey by the National Academy of Science's Institute of Sociology, the Democratic Initiatives Fund (DIF), and the Kyiv International Institute of Sociology (KIIS)

**34%** **35%** **-1**

**70%** **17%** **+53**

# The taming of the Rada

Why did Volodymyr Zelenskiy need to lift immunity for MPs and how does this threaten Ukraine's democracy?

Maksym Vikhrov

One of the most resonant acts the first week of the new convocation of the Verkhovna Rada was removing immunity for MPs from the Constitution. As of 2020, any MP can be detained or arrested and charged with a crime without the approval of the legislature. This bill had been submitted by President Petro Poroshenko back in 2017, but never moved beyond the revision stage. This time, the Verkhovna Rada passed it with 373 votes in favor, nearly 70% of which was supplied by the new president's solid majority.

But this was not the end of "gifts" for MPs. The Constitutional Court is currently reviewing a bill submitted by President Volodymyr Zelenskiy that is intended to remove the mandate to not vote personally – a corrupt practice called "piano voting," in which one MP presses the vote buttons on several MP panels – and for absenteeism. The Rada will undoubtedly pass this bill as well, because the "servants of the people" are still keen to demonstrate their perfect discipline while the rest, other than the ex-Regionals, simply won't dare to counter this. After all, it would mean supporting piano players and shirkers – and that would be very bad form, indeed.

For instance, a survey by the Razumkov Center in March 2019 showed that the distrust rating of the Verkhovna Rada was **–69%**; only Russian media did worse, at **72%**

It's another issue altogether, why the new powers-that-be, despite its monopolist majority, has begun to tighten the screws on the Rada even more. Is Zelenskiy planning to turn the Verkhovna Rada from a lawmaking body to one that submissively rubber-stamps documents coming from on high?

The new government's rush is understandable: voter expectations are so extremely high that to delay their satisfaction is risky. Where mere political will cannot "end the war" or "end the era of poverty," there are many other ways to please the electorate. One of them is "bringing order" to the Rada, which has historically enjoyed very little support among Ukrainians. For instance, a survey by the Razumkov Center in March 2019 showed that the distrust rating of the Verkhovna Rada was 69%; only Russian media did worse, at 72%. At best, ordinary Ukrainians saw their legislature as a chaotic body and, at worst, as a club for privileged backroom deals and corruption – anything but a pillar of representative democracy. So demand for tightening the screws is very strong.

Proposals to reduce the number of seats, covered in another bill submitted by Zelenskiy, remove immunity, and do something about piano-playing and absenteeism are all initiatives that the public will be very happy approve. This is especially so for immunity, which entire generations of Ukrainian politicians have promised to do, starting with Viktor Yushchenko in 2005. It was common to hear Ukrainians talk about immunity as a kind of

caste privilege, a license to engage in lawlessness that those in power gave to each other. And so, having fulfilled this promise, the new administration immediately added a few more points to its ratings, which remain very high for now.

Of course, the real impact for the country itself is far more modest. The only thing that raises questions is the challenge to absentees, concerning which there is a proposal to include any MPs who miss more than a third of sittings during any given session without good reason. If MPs don't feel a need to carry out their main duties, they obviously don't need a seat in the legislature. As to having others vote for them, the situation is more complicated. On one hand, "piano-playing" is a shameful, illegitimate phenomenon that has to be rooted out as quickly as possible. But it's also not so easy to prove this kind of voting today. The old button panels installed in the early 2000s don't actually identify who it was that pressed on them, which means that, in court, witnesses, photos or video clips have to be presented as evidence. Yet, whatever such evidence was shown in spring 2019, it became clear that certain judges were happy to adapt to the new political circumstances. And the "not-quite-reformed" judiciary branch only fosters this. This gives rise to worries that the rule prohibiting MPs to pushing the vote buttons for others will be used against "inconvenient" MPs and generally to keep the legislature on edge. The best solution is to introduce sensor buttons that will eliminate the possibility of voting in place of another MP. Talk about the need for such panels has been going on for nearly 10 years now, but has never led to action. Speaker Andriy Parubiy said that such sensor buttons were supposed to be tested in August this year, but this never happened because of interference from the State Bureau of Investigation (SBI) and the Security Bureau of Ukraine (SBU). It's not clear whether the new administration will introduce them.

But these are minor issues. Far more – and more serious – questions were raised by the cancelation of immunity. "MPs continue to enjoy indemnity, meaning that they can't be held liable for policy decisions, for voting or for any other political or public statements," says President Zelenskiy. "We're talking about the right to charge them with criminal liability."

In fact, immunity was never an obstacle to punishing an MP for criminal activity. When necessary, the Rada lifted immunity from Yurii Zakharenko, owner of the country's most accident-prone mine, and Pavlo Lazarenko, owner of the first major gas corporation, and another 20-odd politicians. Of course, not all of them were commensurately punished. For instance, despite an enormous outcry and the seriousness of the charges against them, both Ihor Mosiychuk and Nadia Savchenko were able to return to the legislature without hindrance. Similarly, Viktor Lozinskiy, who was sentenced to 15 years in prison for his involvement in the murder of an individual, ended up serving only four years. This, of course, is more a reflection on the work of the Prosecutor's Office, investigative agencies, courts, and ordinary corruption and loopholes in legislation, not the current rules on immunity.





PHOTO: UNIAN

**Immunity is no barrier.** Accused of corruption, “radical” MP Ihor Mosiychuk lost his immunity but successfully appealed the decision through the courts and avoided going to prison

Theoretically, MPs could close ranks every time and refuse to give up their “immune” colleague to law enforcement agencies, but so far this has actually never happened in the history of independent Ukraine. When time came to lift immunity, the Verkhovna Rada has generally agreed. Perhaps the only exception was in the fall of 2018, when it refused to vote for this, and did not lift immunity from Opposition Bloc MPs Dmytro Koliesnikov, Serhiy Dunayev and Oleksandr Vilkul. But today, the Rada has a completely different configuration: to lift immunity from an elected MP, the votes of Sluha Narodu MPs would be enough.

It looks like the Zelenskiy Administration is covering all bases by establishing informal instruments for maintaining discipline, especially within the ranks of its own monopolistic majority. The synchronicity with which SN MPs press on the green button could prove to be a temporary phenomenon. The more newly-elected MPs get used to their new circumstances, the better they see the new opportunities afforded and the more susceptible they become to new temptations, the looser the presidential majority will be. As voter support slips, as it inevitably has for every single Ukrainian president so far, never mind support for their party, party discipline will also tend to suffer. And so MPs need to be made as dependent on their party bosses as possible. Removing someone from their seat for voting for other MPs or for being absent seems minor, because catching MPs on piano-playing is time-consuming and proving non-existent absences is equally difficult. However, criminal investigations are a far more serious threat. What’s more, inconvenient MPs needn’t even be jailed: it’s enough for every MP to feel that they could be taken out of the legislature in handcuffs at any time. Given the fairly “friendly” relations between Bankova and the Prosecutor’s Office and law

enforcement agencies, such performances can be arranged even on a monthly basis and the necessary psychological impact on MPs is guaranteed. Coupled with the under-reformed judiciary, the opportunities for those in power are endless.

This is equally true for the opposition, especially those who were in high office until not so long ago. With the removal of immunity, it will be far easier to arrange a day in court for predecessors. Theoretically, removing immunity brings Ukraine a lot closer to the western model of parliamentary democracy. Indemnity of one kind or another exists in all democratic countries, but immunity applied more rarely and in very specific circumstances. Still, the problem is that Ukraine’s democracy is still in the process of being formed and that means that the country needs additional preventions against an authoritarian outcome – and immunity is one of them. Back in 2015, the Venice Commission warned about this when a similar bill was submitted for vetting. And it was not empty theorizing. For instance, not long after immunity was withdrawn in Turkey in 2016, the arrest of opposition MPs began in force.

Of course, it’s a bit soon to draw parallels between Zelenskiy and Erdogan. And so far, Ukrainians don’t seem to be bothered by the effective transformation of Ukraine from a parliamentary-presidential republic to a presidential one. Some are still wallowing in post-election euphoria, others don’t see the Rada as an important institution at all, and yet others hope that the government will use its decisiveness for the general good. How far Zelenskiy’s team is prepared to go and in what direction is not clear just now – perhaps not even to the team itself. Still, it’s obvious that institutional checks and balances are growing fewer and fewer. ■

# Break out of the vicious circle

How international trade relates to economic lag and poverty in Ukraine

Oleksandr Kramar

"If we do not change direction, we risk getting where we are going" – this simple wisdom is supposed to exist as a Chinese saying. However, for Ukraine today it is also a warning against the policy that has kept our country in the downward spiral of economic development over the last decades. When despite the intermittent periods of growth and crises in the end of each such period we find ourselves in a worse situation than before. Although our economy has exceeded the pre-crisis indicators of 2013, it is still far from the levels of 2007-2008 and 1990.

The political evolution of recent decades has been a testimony to the degeneration of the political class and state elites rather than their approach to understanding the ways and the willingness to break the vicious circle of degradation. The first months of the new government team's activities have confirmed the fears of the Week that the pigs in pokes, which as a result of an unprecedented in the history of Ukraine advertising campaign have been sold this year to a record share of the electorate, have also no systematic vision for solving this problem. Their purpose is only to hold key positions in the current model of rapid transition of the country into a typical "banana republic" in both political and economic sense.

Adding to this the weakness of the ruling political and business elites, their lack of national identity sense and awareness of a larger historical mission, the use of their opportunities to appropriate and often siphon as much of the national wealth as possible off from the country, and the picture is almost complete. It is very difficult for such a country not to become a prey for others, not only states but also financial and economic structures. It becomes naturally helpless in the foreign policy arena and can only be the object the fate of which is entirely dependent (not affected, as in the case of other countries) on the position of those states that have a conscious national concern, a sense of own identity and understanding of long-term priorities.

Getting out of the "banana republic" trap is impossible through the gradual evolution. A young "banana republic" can only grow to a mature "banana republic", and a mature to an old one. Breaking the vicious circle is only possible due to volitional actions, a purposeful policy of changing the development paradigm. The evolution, or rather the degradation, of a "banana republic" and the increase in contrast with successful states can only be an impetus for the emergence of such a will and an increase in the number of people interested in it. The transition of such countries to another model of development requires a radical, revolutionary change in public policy and elites. And the core principal of the breaking out of the "banana republic" vicious circle on the path of the "welfare state" development is always the change of economic policy. Otherwise, any revolutions or changes in the political elites will be interpreted simply as temporary links, inherent by the definition to "banana republics", of political instability and power change as a result of the coup.

The vicious circle of the "banana republic" is always based on the country's economic weakness and underdevelopment. It is poverty that creates and reproduces industrial backwardness, corruption and political degradation. And these phenomena, in turn, tend to further conserve, and even deepen poverty and economic backwardness. Under the experimental conditions of "closed space", this situation sooner or later could probably lead to the evolutionary development of the "banana republic" economy due to the emergence and growth of higher value-added industries and the creation of conditions for improving living standards.

This is how the first capitalist and industrialized countries, which today are considered the benchmark, developed. However, if there are no experimental conditions of "closed space", the economy of any country develops in relation to the economies of others. And economies that began to develop on equal footing prior to those that came later subordinate them. The structure of weaker economies is always selected for the needs of the stronger ones. And it is quite natural that the most attractive, most profitable and dynamic sectors are concentrated in stronger economies, and the worse ones remain in their weaker counterparts. Furthermore, "degrading" political and social set of "banana republics" is the condition and consequence of such economic subordination. It is simply impossible to get rid of it

IF YOU GO TO IMPACT INVESTMENT TO MAKE MONEY, THEN IT IS WRONG. THIS IS NOT A PLACE WHERE YOU WILL HAVE BIG PROFITS.

ONE OF THE IMPACT INVESTORS FROM ITALY SAID THAT WE ARE HERE FOR SOCIAL IMPACT, NOT FOR AN EASY LIFE

As a result, with each turn of the political and economic cycles, Ukraine not only retains existing ones, but also acquires more and more new features that fall within the definition of a "banana republic". More than a century ago, it was first applied to the most problematic in both economic and political sense of Latin American countries, and then to the post-colonial states of Africa and Asia.

Let's take a look at the most important of these criteria. "Politically unstable country with economies dependent on export of scarce resources", "large scale plantation agriculture", "oligarchy controls the primary sector of economy through exploitation of low-cost labor", "exploitation of the country's wealth is ensured by collusion between the state and prevailing economic monopolies, when the profits received from the private exploitation of public lands are a private property and the debts are the financial responsibility of the state treasury", "low domestic investments and dependence on the foreign ones", "chronic budget deficit, soft national currency and high debts in foreign currency", "society with extraordinary social stratification", "large impoverished class of employed people and plutocracy of the ruling class", "total officials' corruption", "political turbulence, power changes often as a result of upheavals", "other states or organizations have significant political influence". It is more difficult to find significant differences than similarities with modern Ukraine.

and increase the “banana republics” economic and political development and the living standards of most of their inhabitants without creating mechanisms to protect and stimulate an economy which are capable to level out the artificial advantages (not natural ones, but predetermined by earlier development) of the countries with advanced economies or their high-yield sectors. Without economic nationalism policy, states that are poor and underdeveloped in political and social sense will never be able to become wealthy and developed. And their economy will always be just a subordinate supplement with industries selected outside.

The Ukrainian economy of recent decades is a vivid illustration of subordination to the economic interests of other countries. And our degradation spiral is the direct consequence of the fact that instead of fostering and protecting our production in high-yielding and highly dynamic sectors that could provide rapid economic growth instead of decline, Ukraine has, over the decades, allowed other countries to earn money here for the development of their economies and industrial sectors. Instead, in exchange for a virtually insecure economy and an open domestic market, we have received nothing in the markets of more aggressive countries, especially those that have been actively pursuing the policies of economic nationalism all these years.

Despite the stereotypes that the Ukrainian economy is suffering from a reorientation of trade with the West, trade with the East, or more specifically, the Asia-Pacific region or a group of so-called *Far Eastern Tigers*, has caused us much more damage. The Ukrainian Week has already drawn attention to the virtually colonial model of our trade with China, the largest economy (in purchasing power parity) and the world factory of the 21st century (see “**Colonial Imbalance**”, № 9/2019 and “**Starting with China**”, № 11/2018).

Ukrainian manufacturers of finished commodities have virtually no access to the Chinese domestic market. Instead, from the Middle Kingdom only since the crisis of 2008–2009, from which our economy, and especially industry, still cannot recover, \$60.8 billion of goods have been imported to Ukraine. Since then, we have been exporting mainly \$22.5 billion of raw materials there and the total trade deficit with China in 2009 – the first half of 2019 reached \$38.3 billion.


The situation is similar, albeit on a smaller scale, with other APRs (Japan, Korea, Taiwan, Vietnam, Philippines, and Thailand). Until recently (and some others still have), they have pursued a policy of rigid economic nationalism and restricted access to their domestic markets for finished goods from other countries in order to support and protect their own producers. Meanwhile, Ukraine has remained virtually defenseless against the influx of finished goods from the high-yielding and dynamic industries of these countries while supplying them mainly raw materials, and what is more in much less quantities. As a result, it has a chronic multiple trade deficit with these countries, which among other things limits the concentration of domestic financial resources for the development of the Ukrainian economy. For example, imports of goods from Japan in 2018 (\$737.4 million) exceeded our exports (\$231.9 million) by more than three times. The same ratio is observed in trade with Vietnam (\$414.6 million in imports versus \$132 million in sales of Ukrainian goods to this country) or Taiwan (\$252 million versus \$68.8 million). Imports of goods from Korea (\$436.6 million) also exceeded shipments of our goods to it (\$327.4 million) by more than \$100 million.



However, it is not only the deficit but also the trade structure that gives Ukraine the role of a country specializing in sectors with lower added value and growth dynamics. Consequently, it preserves poverty and economic backwardness.



»

У К Р А Ї Н С Ь К И Й

# Тиждень





For example, imports to Ukraine from China, Japan, Korea, the Philippines, or Taiwan in 2018 by 98-100% consisted of manufactured goods. At the same time, 55% of Ukrainian exports to China are ore and grain; another 26% are sunflower oil and oilseed meal (a by-product of sunflower oil production). Machine building products accounted for only 10.2% (according to the latest data, almost twice less since the beginning of 2019). In the Ukrainian deliveries to the Philippines, the share of grain reaches 96%, while the import from this country to Ukraine by 98.5% consists of industrial products, including almost 90% from the field of mechanical engineering. Ukraine mainly supplied to Korea grain (53.6%), ore (23.2%) and raw wood (5.6%). Machine-building products accounted for only 2.6% of total deliveries, and metallurgical semi-finished products – 8%.

The structure of Ukrainian deliveries to Japan is not much better: 57% make up ore and grain; another 30.7% are tobacco, machine-building products account for less than 1% of our exports. 90% of Vietnamese deliveries to Ukraine consisted of manufacturing products, while Ukrainian deliveries to Vietnam were mainly ore (28%), oilseed meal (18.4%) and meat and its by-products (16.7%). The share of ferrous metallurgy products was only 7.8%, mechanical engineering made up 6.3%.

At the same time, Ukraine every year is increasingly flooded with Asian engineering products, electrical engineering and a large number of other consumer goods. According to the 2018 data, Chinese imports to Ukraine are 53.4% of machine-building products. The situation is similar with other countries in the Asia-Pacific region (APR). For example, the share of mechanical engineering products in imports of Ukraine from Thailand makes up 50%, Malaysia – 52%, Korea – 59.7%, Vietnam – 65.1%, Taiwan – 70%, Japan – 81.1%, the Philippines – 89.6%. As a result, total imports of machine-building products from only these countries in 2018 amounted to \$5.66 billion. At the average annual rate of the NBU, this is UAH 153.9 billion, which is half as much as all Ukrainian manufacturers sold their products in the domestic market (UAH 102.9 billion). The situation is similar and even worse in the light, furniture, and glass industries, in the segment of products from ceramics and stone, gypsum and cement, which could be a springboard for the development of Ukrainian small and medium-sized businesses and generator of jobs in regions with high unemployment.

According to our analysis of the commodity structure of Ukraine's foreign trade in the cross section of different countries (see map), there are four types of partners in general. Of the first type are the countries that supply finished goods to Ukraine and buy our raw materials and in much smaller volumes semi-finished products. Such trade causes the greatest damage to the domestic economy. And the leading role here is played by the countries of the Asia-Pacific region. The second group consists of countries that supply both raw materials and finished goods to Ukraine, but instead buy mostly manufactured goods. The third group consists of countries that supply mainly finished goods to Ukraine, and buy both raw materials and manufactured goods. And the fourth type is the countries with which Ukraine exchanges mainly raw materials and to lesser extent industrial semi-finished products.

And next thing you know that, despite the widespread notions, trade with developed countries of the EU and North America is less disproportionate for Ukraine than with the countries of the Asia-Pacific region. The access of our goods to the western markets is easier, and the level of their aggressiveness in the production sphere and the competitiveness of their manufacturing industry are much lower, thus the dangers for Ukrainian production are much smaller than those of the Asia-Pacific countries.



Instead, the share of mechanical engineering in Ukrainian exports to the EU is 15.2%, which is significantly higher than in the structure of Ukrainian exports as a whole or even more than our sales to the countries of the Asia-Pacific region. At the same time, both the volume of export of engineering products to the EU and its share in our exports to the EU are growing quite dynamically. This is evidenced by the dynamics since 2013. From \$2.16 billion, then, the volume of exports of Ukrainian mechanical engineering products increased to \$3.06 billion in 2018, and the share of all Ukrainian exports to the EU increased from 10.6% to 15.2% during this time, which is almost half as much. It continues to grow. Moreover, the volume of Ukrainian exports of mechanical engineering products to the EU (\$3.06 billion) and imports of such goods from the EU (\$4.3 billion) are broadly comparable. Other manufactured goods in our EU supplies make up another 51.2%. Instead, only a third of Ukrainian exports to the EU account for industrial (ores, stones) and agricultural (grain, oilseeds, etc.).

It's a different matter that the product structure is rather uneven across the EU. Co-operative relations developed mainly with Germany and the Visegrad Four countries. Exports of domestic engineering products increased to a lesser extent to Romania and the Baltic States. The export geography of other Ukrainian industrial products follows these directions. At the same time, far-flung EU countries such as France, Belgium, Spain, and especially Portugal and Ireland, almost do not buy Ukrainian finished goods, limited to small amounts of metallurgical semi-finished products or crude sunflower oil.

At the same time, Russia, along with most Asian CIS countries, belongs to the group of our trading partners whose supplies to Ukraine are dominated by raw materials (mainly due to fossil fuels, but not only them). However, the volume of Ukrainian exports to the market of the Russian Federation and other Asian CIS countries, on the contrary, has fallen sharply over the



Unlocking of economic development in Ukraine demands a new look at trade and economic relations with the outside world. The approach to trading cooperation with different partners needs to be changed considering self-interest in the first place. The focus should be on developing our own production and domestic market. If we still need the currency for a long time to cover the critical imports of certain types of raw materials and investment goods needed to modernize the economy, then we can sell for some time traditional export goods, albeit mostly raw materials. But you need to take care of the domestic market, restrict access of other countries to it. Make it dependent on opportunities for similar access to attractive segments of their market or other advantages for Ukraine. Hindering access to the domestic market for Far Eastern importers of finished industrial goods, which are today virtually blocking the development of a number of manufacturing industries in Ukraine, we have a considerable chance of substantially increasing domestic production at least for our own needs. ■■

# Ewa Konczal:

“Social change takes time and there are no quick fixes”

Interviewed by  
Yuriy Lapayev

During the 29<sup>th</sup> Economic Forum in Krynica-Zdrój (Poland) *The Ukrainian Week* talked with Ewa Konczal, Central and Eastern Europe Manager in the European Venture Philanthropy Association about impact investment and government role in that process.

## Why nowadays there is a need of the combination of philanthropy and business?

— Everyone realize now, that the magnitude of social problems is so big, that neither government, nor the social organizations or private sector can solve them on its own. So to address those environmental, social or economic challenges there is a need for cooperation of different stakeholders. The other thing is that the business community and entrepreneurs have more experience in scaling solutions and reaching new markets. While social organizations often face problems to grow their impact and scale – for different reasons, like access to funding or lack of business competence in the teams. Hence, this cross-sector partnership is needed. And when it comes to introducing solutions at the state level and making them a part of legal system, we need all the parties to cooperate, including the government.

## How to make such type of business, with impact, really effective in solving the social problems?

— A lot needs to be done with impact measurement. It starts with the theory of change for a particular business – what is the problem we want to address, what are the roots of this problem, how we want to address it, with what means (finance, skills), what is our ultimate objective that we want to achieve. And then how we want to measure whether the solutions, that we are applying, are effective. So I think the impact measurement is really important. It can help us to understand, that we are actually reaching our goals by spending our money, time and competencies in a best possible way.

## How to fight with trend of creating various NGOs or funds, which are only wasting grants money without real impact?

— First of all, it needs a bit more time to explore whether the NGO indeed is not having real impact. One would need to explore the conditions in which given organization is operating and also understand the social problems and the ways to tackle it. Social change takes time and there are no quick fixes. Therefore, the grants are important financial instrument and should be used to test different approaches, to prototype and take risk. It should not be the case, where grant is used only for creation and functioning of an organization. Grant cannot be the only source of revenue for organization. Obviously it creates dependency. From a social investment perspective the donor, grant maker has negative return, but it should be positive on the impact side and the results should be transparent and satisfactory for the donor. Hence, the issue is not the grant in itself, but its al-



PHOTO: YURIY LAPAYEV

location: was it effective? Was it helpful to sustain the organizations' work long term or they will struggle to fund those activities in a month or two, again? Same time, grants could be part of the bigger spectrum of capital deployed. For example, there is a social enterprise, which wants to test their service on the market for free to some vulnerable groups of society. And maybe at some point it can start to charge little fee for that service to build in their own revenue, to be less dependent on grants that may come or not. In this case grants could help them to kick-start, but later they cannot rely only on them to sustain its work. The other risk of using grants might be is negligence about competition and not paying enough attention to quality of activities or services. Because with free, even though restricted funding, there is less pressure on the quality of your services or activities.

## What are the main challenges for impact investment?

— First of all it is the understanding of the concept. Social investment is about building of sustainable organization or company that can deliver social impact on the large scale and long term. Second is the knowledge of how to do it, the tools to implement this approach in a right way. In the future the impact investment should become a norm. Some years ago, with the rise of the concept of corporate social responsibility, there was a buzz about companies, which need to be responsible for their employees, supply chain, communities. Today social impact should be embedded in the business model of every company. In ideal world, every person, who starts its business, should think about social impact from the beginning and how to incorporate it in their activities, no matter if you are a founder or an investor. In an ideal world, we should be eradicating those businesses that are creating damage. However, we



need companies in gas and oil, meat industry or textile and there are ways to mitigate environmental and economic risks, which they are causing. Impact investing is one of the ways to do that, as we see companies developing inclusive business models or engaging with their suppliers to improve the conditions of work but also source of their raw materials (i.e. organic cotton and recycling in textile industry).

In Central Europe we face other challenges. Dependency on grants decreased the level of entrepreneurship in the social sector, ability to scale some of the good solutions and to convince investors to invest in such projects. In Visegrad countries, most of the EU member states in CEE, we observe the first generation of people, who are inheriting and managing family business from their parents. In Ukraine you can see this process too. There is a second generation of people with wealth coming and also engaging in different philanthropic and social activities. They are more aware and more eager to engage in social investment possibilities. Other countries in CEE are still catching up economically and they are still building their businesses in national markets, already contributing to charities. So we need more awareness for them, that they can allocate their money in a more efficient way, often to the same causes or organizations. Of course there are problems with the sector infrastructure – we have lot of incubators or acceleration programs where different social projects can obtain funding to start, but then there is this financing gap, the so-called “Valley of Death”, where those social start-ups cannot find funding to stabilize and grow their businesses – often at the range of €50 000 – 250 000. So the challenge is to fill in this funding gap, and move from this early stage and help them to grow.

#### How to make impact investment more profitable?

– If you go to impact investment to make money, then it is wrong. This is not a place where you will have big profits. One of the impact investors from Italy said that we are here for social impact, not for an easy life. So if you want to make a change and create sustainable company or organization, that can deliver solutions for long term, this is your place. And maybe you can have some small return of your investment, up to 4% or 8%, but at least you will know, that your company is really changing things for better for people, for environment, eventually for you. Impact investors strive for sustainability and increasing social impact of their investment. And in most of the cases the companies they invest in need to have sound business model, with revenues coming in, just like other regular businesses. But impact investors are ready to compromise small financial return over social impact, it will be more important for them.

#### Could you share some examples of successful social investment?

– Auticon, it is a company set up to employ people with Asperger syndrome. Currently they have 8 offices in 8 countries, they employ 270 people, two third of them are with Asperger syndrome. They hire them as specialists. And it's a very successful business with social mission. Because those people are unable to find job on the market, they need some kind of pension or social benefit. In Auticon they are delivering quality IT services. There other examples, like elderly houses. There are models of elderly care, where these people stay in special houses 24/7. And the revenue model is usually a combination of private money,

**Ewa Konczal.** She has Master degree in Marketing and Management. Worked in India with Global March Against Child Labor, and in Egypt with AIESEC and Egyptian-Polish Businessman Association. Ewa has over 15 years of experience in social entrepreneurship as Representative of Ashoka in Poland and as Ashoka Director for Central and Eastern Europe. Since May 2014 – Central and Eastern Europe Manager in the European Venture Philanthropy Association (<https://evpa.eu.com>).

because these people have some retirement, public subsidy or contract, and sometimes investment in property development and purchase of the land. One of the investors, who have other businesses, started such elderly house as social business. He bought a land plot, which was not in a very attractive place, so not very expensive, he invested in facility for 120 pensioners, developed it. According to his calculations, after 8 years it is going to be paid back and he will invest in a next facility. So the money is working, but at the same time it is an impact investment. Maybe he even got some additional positive publicity around that engagement, which is entirely fine in my opinion.

#### Government involvement – is it a necessary tool or just another obstacle?

– I think it's a necessary help, especially when it comes to supporting companies and organizations at early stage, and then scaling. Government can also address the gaps in

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the ecosystem – i.e. the “Valley of death” mentioned earlier. If we really want to scale some solutions, incorporate them into legal frameworks, to make provision of welfare services better – then we need the state to involve. The most important here is to provide regulation to encourage and to support, but not to overregulate, because in some countries there are so many barriers. In Belarus there are plans to make some legislation regarding social entrepreneurship and social organizations and businesses are concerned that it might be a problem, rather than encouragement.

The other thing is that the government could provide incentive frameworks for the investors. For example in UK, where the social investment market is quite advanced, there is a lot of social enterprises in communal services like providing homecare, basic healthcare or transportation – that would be normally contracted by governmental agencies or traditional commercial entities. There is tax relief for investors, if one invests financially in a social business, one can deduct up to certain amount from its tax base. In France they have 90/10 funds, those are saving schemes for employees in large companies. Employees are putting aside their money for retirement, like saving accounts and 10% of those savings is actually going to a state fund, which is distributing money to support social investment. There is also a role for government to take risks on early stage of the project, with subsidies or grant money. ■

# A reality check

What is the state of Ukraine's economy?

Lyubomyr Shavalyuk

What's going on? The answer to this on Ukraine's politics, as well as economy interests many — especially as information about the economic situation in the country has lately been quite controversial. On one hand, the GDP grew the fastest in Q2'2019 over the period since the 2014-2015 crisis, the average wage has been growing in double digits for several years now, portfolio investors believe in Ukraine and bring in billions of dollars while global rating agencies improve Ukraine's credit rating. On the other hand, some voices speak of the looming global economic crisis. Meanwhile, Ukraine's industrial output has been falling for months, the budget is chronically underfunded, inflation stays above the targets set by the National Bank, and the dollar started rising sharply in early October, even if from a low level. So where is Ukraine?

## THE FOUNDATION OF STABILITY

After the 2014-2015 crisis, one could often hear that Ukraine had reached macroeconomic stability. What does this mean? Stability in the currency market means that there are no sharp fluctuations in the exchange rate, such as the ones Ukraine saw in 2008 or 2014. Stability in public finance reflects moderate state budget deficit that is under control and the government's capacity to borrow to fund it further. Stability in the financial sector means that there is no panic among bank depositors, the inflow of deposits is stable and there is some bank lending. These are macroeconomic signals and factors of stability. They create a foundation that helps the economy grow. The rest is up to economic agents, i.e. enterprises and companies. They should invest, decrease costs and increase revenues in such favorable conditions. In other words, they should increase productivity as the key fundamental and long-lasting factor of economic growth.

Have economic agents been performing their part all this time? Generally yes, but their success is uneven. The analysis of official statistics on the dynamics of the real GDP and em-

ployment leads to that conclusion. If the State Statistics Bureau compiles data before and after the loss of Ukraine's territory correctly, its statistics help to trace the change in productivity by industries. This helps to figure out the fundamental resilience of Ukraine's economy by contrast to the superficial factors of the current market situation.

The State Statistics Bureau's data for Q2'2019 shows that Ukraine's real GDP has declined 7.2% since the same period in 2013. Added value has grown in nine sectors out of seventeen, IT and telecommunications leading the growth, and fallen in the rest. Employment has fallen the total of 15.1% in all sectors. This means that the actual labor productivity across the economy — the amount of the physical product produced per one person employed — has increased 9.2% (see **We're paid for what we do?**). This fairly good result signals that the latest crisis has actually benefitted the economy. While being very shallow, this crisis forced enterprises and industries to learn from their mistakes and become stronger. As a result, the productivity of Ukraine's economy today is better than it was six years ago. This is good.

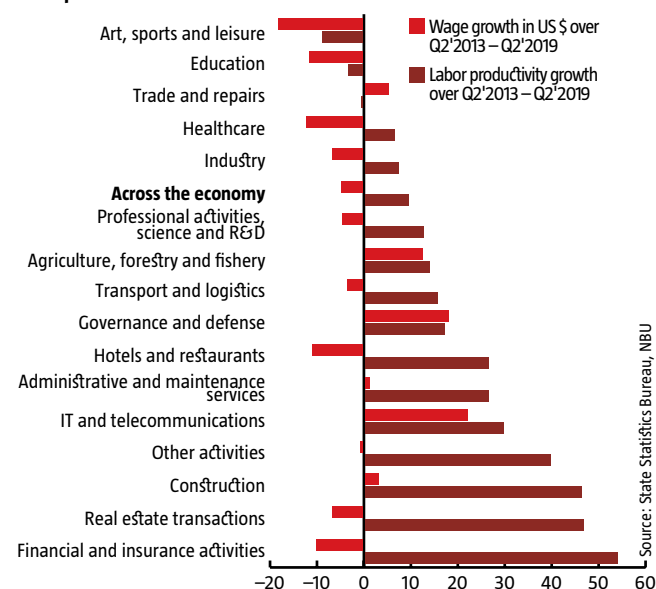
## WAGES VERSUS PRODUCTIVITY

Average wages are another side of the coin. Economic theory says that the wage should reflect labor productivity. In Ukraine, wages have been growing for several years in hryvnia. Sometimes, this leaves one with an impression that this growth is unjustifiably fast. Statistics show that this impression is not ungrounded. According to the State Statistics Bureau, real wage was 21% in December 2018 than it had been six years earlier — there is no quarterly data for this, so the comparisons for wages move from Q2 to December. Overall, this is more than the growth in real labor productivity. This means that the economy is under some pressure of high wages. This is not very good as some companies will downscale if the pressure gets too high and they lose their profit. All this can result in an economic downturn.

But this situation is not homogenous. Some exporters easily increase wages for their employees threefold thanks to the devaluation of the hryvnia, even if their nominal wages grew 213% over six years until December 2018. They fare relatively well. The companies operating on the domestic market see far lower revenues — high wages hit them more painfully. Therefore, it makes sense to analyze wages in dollar equivalent. The wage of Q2'2019 was 4.6% below that of six years ago (see **We're paid for what we do?**). Given that labor productivity has grown 9.2% over that period, Ukraine's economy retains some resilience in terms of export competitiveness. It can be summarized as follows: if the wage in the dollar equivalent increases another 14.5% in Ukraine, the economy will return to the Q2'2013 balance between wages and productivity.

Resilience is good. But it comes with two problems. One is that the dollar was worth UAH 26.56 in Q2'2019. If changed down towards UAH 24 per US dollar, the rate that persisted on the market just several weeks ago, the resilience will fade to 3.4%. The other problem is that Q2'2013 is not the best basis for comparison: it was then that the economy entered a visible pre-crisis period and reasonable economists were begging for a 15-25% devaluation of the hryvnia. Should this be used in a comparison? Probably not. Then the claims about resilience no

### We're paid for what we do?



longer seem so credible. This leads to the following conclusion: Ukraine's economy was very close to the state of 2013 when the hryvnia went up to UAH 24 per US dollar several weeks ago. If that lasted a few months, it would launch ruinous crisis processes. For now, Ukraine has managed to avert it.

## THE GAME OF INDUSTRIES

That is not all. The growth of real productivity by industries gives a lot of food for thought. The financial sector leads in terms of productivity dynamics with 54%. This is thanks to the banking reform, one of the most successful transformations after the EuroMaidan that drove unprecedented optimization in banks. As a side effect, nearly 100,000 employees were laid off — mostly in liquidated banks, but in others too as they closed down inefficient units. This led to higher competition for jobs and pushed wages in the sector 18% down in the dollar equivalent over six years. A huge positive implication, however, is the growth in productivity that may have made the financial sector one of the most efficient industries in Ukraine's economy. The results are easy to see: banks make record-breaking profits and have built up huge resilience if anything happens to go wrong.

Construction comes third in terms of productivity growth. Residential construction for IDPs, massive repairs of roads and a spike in completed commercial real estate in the past months have all led to a 16% increase in the industry's added value. It now takes 20% less staff to create this added value. This is the result of higher efficiency — especially as developers switch to civilized working rules (this is another successful reform, even if less comprehensive compared to the financial sector) — the inflow of dynamic public tenders for construction and the arrival of strong international players that have brought in the standards of high-quality work. As a result, construction has become one of the six industries where wages have grown in the dollar equivalent. This result is a happy surprise, especially as construction used to be a sector in Ukraine that employed people who could not find jobs anywhere else.

Agriculture, forestry and fishery have shown surprisingly poor results, adding a mere 0.9% in added value over six years until the end of Q2'2019. The widely praised driver of Ukraine's economy is running out of steam. Its 14% productivity growth is purely thanks to lower employment as more agricompanies switch to new technology with minimum number of staff involved. The growth of wages in the agriculture sector has almost eaten up the growth in labor productivity. This means that agriculture is among the most vulnerable industries when faced with negative scenarios, such as further revaluation of the hryvnia, decline of global prices for agriproducts, poor harvest, sharp increase in salaries, etc. If that materializes, the driver may well turn into a break for Ukraine's economy.

The industry, too, has some of the poorest results. It has added 7.2% in labor productivity over six years while losing 20% of added value. There are some exceptions to this: oil and wood processing sectors have increased their revenues by over 20%, while the production of details for cars has grown over 30% thanks to the newly-opened export-oriented factories. Overall, however, the industry holds Ukraine back: it accounted for over 21% in added value of Ukraine's economy in 2018. The war in the Donbas pushed it further down and it has yet to recover from that blow. The outburst of protectionism in the world leads to a decrease in industrial output in most advanced economies. The only way to survive in such poor environment is by introducing new technology and modernizing as radically as possible. That is highly unlikely given that industrial companies in Ukraine are mostly in the hands of oligarchs. The *nouveau riche* are incapable of regularly improv-

ing efficiency; their mindset is different. Therefore, Ukraine's industry is losing to the pace of wage growth dictated by the more successful sectors. For years now, news has been coming from different regions that employees quit factories and go to work abroad, while the owners fail to find a replacement for them due to low salaries.

## THE CURRENT TRENDS

Based on the perspective, Ukraine's economy either still has some resilience thanks to the beneficial balance between wages and labor productivity, or it has completely exhausted it. Different sectors have come to this stage in different shapes: some have huge resilience thanks to a leap in efficiency over the past six years; others have barely made any progress. How do current economic processes and trends layer over this foundation?

An analysis of the record-breaking GDP growth in Q2'2019 (see **Sectoral race**) points to a number of interesting conclusions. The construction sector was the champion of growth with 20%, primarily driven by non-residential development — mostly commercial real estate — and objects, such as roads and communications. Construction is likely to expand further as mechanisms of funding function well by now, the funding is included in the budget, and the new Government's program pledges to repair 24,000km of roads in the next five years. Commercial property construction depends on the situation on the market, development of the economy and the growth of purchasing power in Ukraine. Therefore, the prospect of this segment is an open question.

UNSURPRISINGLY, THE INDUSTRY LAGS BEHIND. GLOBAL TRENDS ARE LIKELY TO FURTHER AGGRAVATE THIS. A PROPERLY CONSTRUCTED GOVERNMENT POLICY MIGHT CHANGE THE SITUATION SOMEWHAT, BUT IT SHOULD THEN FOCUS ON THE REAL ENTREPRENEURS WILLING TO PLUNGE INTO THE WORLD OF NEW TECHNOLOGY AND PRODUCTION, NOT ON OLIGARCHS

The financial sector came second in terms of growth. The reasons are obvious: it has huge fundamental resilience described above; the purchasing power of the population grows steadily and drives the dynamics of lending; lavish revenues allow banks to quickly expand their operations. It is difficult to predict how long this growth will last. Neither individuals, nor businesses have received sufficient lending in the past years. This led to a financial vacuum, a sort of stifled demand. In theory, therefore, lending can develop for many more quarters, driving the entire financial sector forward — even in a crisis situation. Especially if interest rates go down in the economy. Still, the reality of the banking system in Ukraine says that the earliest signs of a crisis will push banks to automatically accumulate reserves. This could stifle their appetite for lending. Further growth of wages in banks seems dubious given that the economy is exhausting the room for it. It is therefore difficult to say now which factor will prevail, or how intense and lasting the development of the financial sector will be in the near future.

Agriculture also saw considerable growth of added value in Q2. According to the sector professionals, however, this is mostly because the harvesting began two weeks before the usual. In Q3, they already felt less confident. The cheap dollar led to smaller revenues, especially for small and mid-sized enterprises. Some export-oriented primary processing companies were forced to stop as exporting their produce was no longer profitable under the then-exchange rate. The drought in Southern Ukraine means that the harvest will be at the level of



2018 or below that. Therefore, the pace of added value growth in agriculture is likely to go down by the end of the year.

In a sign of optimism, many sectors have increased their added value by 3-5%. This is sound development based on the increase of purchasing power in the population. If the dynamics of labor productivity in the economy stays as it is now, it will create conditions for an increase in wages and synchronized economic growth will continue. The only problem is that the normal pace of productivity increase is usually far below the growth of wages in Ukraine. In this context, the economy will reach the point of saturation sooner or later, leaving no room for wage growth and wiping out the foundation of the demand that feeds economic development across many sectors. It is difficult to predict when this will happen, but the moment will probably come soon enough.

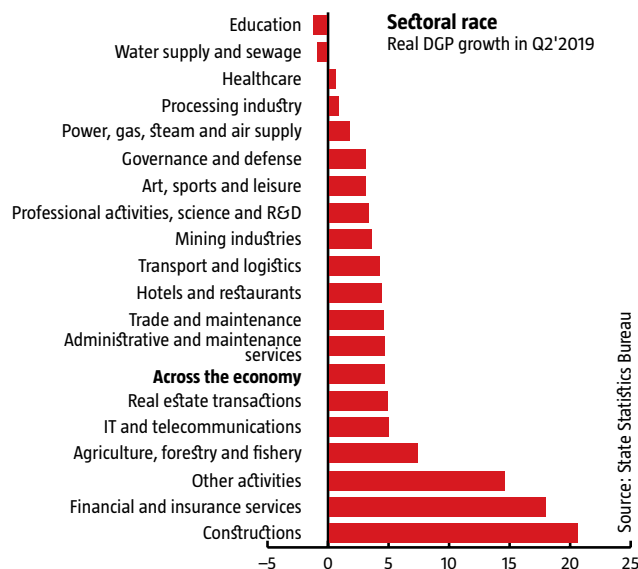
Unsurprisingly, the industry lags behind. Global trends are likely to further aggravate this. A properly constructed government policy might change the situation somewhat, but it should then focus on the real entrepreneurs willing to plunge into the world of new technology and production, not on oligarchs. Any other approach is doomed to fail in the era of 3D printing and the Internet of things. As long as Ukraine's government has no such policy, and it shows no signs of having one anytime soon. As soon as the economy faces any crisis, this burden of inefficiency will hit painfully. It can even overtake the development of other sectors and push Ukraine into an abyss of a new recession.

## THE ESSENTIAL ELEMENTS

In a nutshell, Ukraine's economy can be described in three groups of factors with varying levels of depth. The first group is comprised of fundamental factors that drive efficiency growth in some sectors and across the system. This is a perpetual motion machine of economic progress that pushes the economy forward regardless of whether it is in crisis or thriving. The analysis above proves that some of the reforms conducted after the Revolution of Dignity was the accelerator that sped up the machine. Even if the new government fails to intensify reforms, this group of factors will work for some time to boost the economy by inertia. If reforms speed up, the dynamics of labor productivity in some sectors can be faster, creating the conditions for an economic leap.

The second group is comprised of the factors of demand. They are based on the growth of wages that has approached the cap defined by labor productivity. The situation varies by sectors, but the room for increase is limited, if any. It's for this reason that discussions on stimulating lending are taking place now. In theory, this can sustain demand longer than wage growth. This can also boost investment activities that are now slowing down – gross fixed capital formation grew 7.9% in Q2 compared to the far more impressive 14.3% in 2018. This will help to win some time to prepare a new stage of reforms. But this will not be an alternative to potential effect of such reforms. The government should realize that it has little time as the economic system might lose the inertia it now has. In a situation where everyone is preparing for a recession, any reform will hardly have its maximum effect.

The third group is the factors of the market. They have been very favorable in the past few months, leaving an impression that Ukraine's economy is doing great. But this is misleading for a number of reasons. Firstly, the inflow of capital to Ukraine, primarily via government bonds, do not affect the fundamental resilience of the economy and have limited influence on domestic demand, – even if the latest government borrowings via bonds partly offset the missing IMF loans and other external borrowings, and partly ended up as dead weight



on the Treasury's accounts that are currently superfluous with liquidity. This money will not serve to build new factories, but it has had some impact on the foreign exchange market.

Secondly, Ukraine's government bonds are far less attractive today than they were several months ago. The hryvnia has revaluated to a maximum, especially given the devaluation of most other currencies in the meantime. According to the NBU, the real effective exchange rate (REER) of the hryvnia was higher in August than it was in December 2013 at 0.98 versus 0.94. This means that the hryvnia had some room for revaluation under domestic criteria, even if fairly virtual, while having clearly exhausted it in international markets. Given the decline in the profitability of government bonds by 3-4 percentage points, foreign buyers of one-year government bonds had to pay 14.3% more in foreign currency for one hryvnia of the future money flow in the late September than in early April, shortly after the first round of the presidential election. In fact, hryvnia revaluation and the decline of interest rates almost ate up the yearly profitability of government bonds. After that, they lost attractiveness in the eyes of non-residents. This makes continued inflow of foreign capital into government bonds unlikely. Finally, the political factor matters as well. The new government has made promising statements on domestic reforms and controversial actions in foreign policy. In addition to that, the leaks about talks with the IMF and the resignation of Oleksandr Danylyuk, a champion of the development of the whole country rather than of certain groups of interests, leaves one doubtful about the ambitious reforms pledged by the government, and about the fact that they would be conducted in the interests of the country and the people. The euphoria many in Ukraine felt after the change of government and shared by investors at some point may evaporate quite soon. It is then that Ukraine's economy will face a test of reality, and not everyone will be happy about the results.

In any case, the war Petro Poroshenko waged against Russia allowed for far more certainty and predictability than the peace Volodymyr Zelenskiy aspires to. For investors, uncertainty is a red flag and an Exit sign above the door through which investment comes into Ukraine. As soon as the flag goes up, investors realize that the season of favorable conditions is over and it is time to prepare to leave. While 73% of Ukrainians are bewitched with Ze! President series, investors will be looking for some more interesting shows, and their money will follow them. ■



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# Ze voters

The government can hardly count on support from the streets despite its high ratings

Andriy Holub



PHOTO: UNIAN

**President from the screens.** Most of Volodymyr Zelenskyy's supporters would prefer to watch him on TV, not live from a Maidan stage

Like any actor, Volodymyr Zelenskyy seeks fame and admiration from the audience. Over the years of his performances, he has managed to gain both. Volodymyr Zelenskyy as politician is certainly not a leader of the street. In his new career, Zelenskyy and his team have not managed to gather a single rally. When the conflict between the newly elected President and the previous Verkhovna Rada erupted over the date of his inauguration, calls emerged on social media on behalf of Zelenskyy to come to a rally in front of the Parliament. Zelenskyy's team brushed off the initiative and branded the upcoming rally as "unplanned" even though Ukraine's Constitution guarantees freedom of assembly.

Zelenskyy's reluctance to be associated with street politics is understandable. He is a "president of comfort" and of the people who appreciate Friday and Saturday nights in a warm house with hot tea or something stronger and a favorite comedy show playing in the background. Street actions are not comfortable. Firstly, they keep reminding politicians about unresolved problems which spoils their sense of positivity. Secondly, any rally is essentially a call on the people to sacrifice their comfort. The sacrifice is often for abstract goals which will not result in immediate personal benefits. Thirdly, quite a few people see any street activity negatively after the bloodshed in the Maidan and war even if they don't take efforts to understand the nature and demands of these processes. After all, a rally always points to a conflict between differ-

ent groups of people. Political or not, conflicts have nothing to do with a comfortable everyday life.

Zelenskyy managed to avoid taking a clear side in conflicts in his time in the media business. "I can understand the position of the people when they took it to the Maidan. Other people were beaten then. I was ready to be with people for that position. If the people are insulted and beaten further, I will go to the Maidan too. And I went there, of course. Not on December 1 when the Berkut beat up the students, I popped by the following day. Overall, violence is not natural in our mentality. When I watch coups and looting in Arab countries, I see it with horror. That's when I felt happy to have been born in Ukraine. But our country has not been lucky with politics and the establishment," Volodymyr Zelenskyy told the press before 2014 New Year. The idea about "bad politicians and good people" was a long-time unchanging cliché in Zelenskyy's rhetorics leader, whenever he had to comment on any landmark developments.

He is trying to use this cliché in his political activity, too. He essentially ignored events marking the fifth anniversary of the Revolution of Dignity in February 2019, just a month before the presidential election. Once elected, he has not spoken much about punishing those culpable in the Maidan violence against protesters. Still, Zelenskyy is hardly a sympathizer of the other side of that clash. All his efforts focus on distancing himself from the topic.



This public image is the key safeguard against him taking over his predecessor's practices and arranging "anti-Maidans" if the current rallies against the "Steinmeier formula" continue and escalate. Any rallies or tent towns for Zelenskiy or against him will show that the President has failed to build an utopian country of comfort without conflicts. Bussing people employed in the public sphere to Kyiv – he enjoys high support among them – will hardly have a positive impact on the President's image. Zelenskiy's supporters want things calm and quiet. Stirring this would probably be slow political suicide for Zelenskiy.

How capable is part of the President's supporters to take initiative and rally in support of their leader and his ideas on the resolution in the Donbas is a different issue. Iryna Bekeshkina, sociologist and head of the Democratic Initiatives foundation, believes that much will depend on the nature of the ongoing protests. "If it's just a peaceful protest like now, Zelenskiy's supporters could take it to the streets, but they are unlikely to do so. What is there to rally for? He remains President, nothing threatens him," she says.

Bekeshkina assumes, however, that other political forces could arrange rallies in support of arrangements on the Donbas. "If we speak about the Steinmeier formula, there could be some rallies, but they will not be organized by his (Zelenskiy's – **Ed.**) supporters. For example, the Opposition Platform – For Life could take people to the streets in the East arguing that they want peace and all that. The closer you are to the frontline, the more people are willing to have peace under any terms," she comments.

The voters of Zelenskiy and the Servant of the People are probably the most passive cohort in Ukraine. The electorate of Sviatoslav Vakarchuk's *Holos* (Voice) and Petro Poroshenko's European Solidarity has the most people with a proactive civic position. Yuriy Boyko's Opposition Platform – For Life and Yulia Tymoshenko's *Batkivshchyna* (Fatherland) have the fewest proactive supporters. The Servant of the People is somewhere in the middle between these two extremes, the nationwide exit poll from the latest parliamentary election shows. "The indicators for the Servant of the People generally match those across the country. Their electorate generally reflects the population across the country in various issues," Bekeshkina says.

On October 8, Oleksandr Reznik, Acting Director of the Department for Socio-Political Processes at the National Academy of Sciences' Institute of Sociology, presented measurements of civic activity at the public discussion on civil society and citizens (Civil Society and Citizens: Old Problems, New Challenges and Prospects – **Ed.**). According to the poll conducted in August 2019, 40% responded that they had participated in some civic political actions in the past 12 months. That figure can create a misleading impression that almost half of Ukraine's citizens are willing to seriously stand up for their convictions. This is not exactly so. Sociologists listed things, such as discussions with family and friends or discussions about civic life or politics on social media as civic practices. In fact, these two activities top the list with 22.8% and 12.5% respectively.

"It is no surprise that discussions are the most popular practices. Participation in them does not require any organizational or mental efforts. Two election campaigns had a huge impact, too, when the amount of discussions seriously increased compared to the previous years. We saw a similar trend in 2006 as 22% of the citizens said that they actively participated in discussions. Parliamentary election took place then," Reznik commented on the findings.

The more efforts and time organization and participation in civic practices takes, the fewer people are involved. For example, the number of people willing to get involved in economic practices of protest is two- or threefold lower. 11.2% will boycott certain goods for specific reasons; 7.9% will donate money to volunteers, the army or charity organizations, and 7.8% will donate to charity campaigns.

Fewer people still join civic organizations, movements and parties (3.9%); housing cooperatives (3.8%); collection of signatures for causes (3.7%); contacts with civic activists and representatives of political forces (3.3%); complaints to authorities (3.2%); civic hearings and consultations with the authorities (2.7%); volunteer work, treatment of the wounded soldiers, and help to IDPs (2.6%).

The smallest cohort of activists are the citizens who join protest rallies. According to the Institute of Sociology, they are just 2% across Ukraine. If the Servant of the People's audience is similar to the population across Ukraine, the number of those willing to take it to the streets reflects the share of the proactive accordingly. 2% seems like very little. Out of the millions of supporters of the party in power, it could expect to have several dozen people rallying for it in the streets. But elementary mathematics does not work here.

"The views of problems amongst those involved in civic practices differ from the views of passive citizens in a number of issues. Somewhat more people from among the activists voted for Petro Poroshenko in the latest elections. This is especially noticeable among those involved in the latest protests. 51% voted for Zelenskiy and 33% for Poroshenko," Reznik said. Those protesting in the streets have a specific attitude towards Ukraine's foreign policy choices and paths towards peace in the Donbas. This factor becomes key as these are the reasons for the ongoing protests.

The smallest cohort of activists are the citizens who join protest rallies. According to the Institute of Sociology, they are just 2% across Ukraine

People involved in the protests "assess the political situation as tense more often, are more pro-Western when it comes to the EU and NATO, and are more negative about integrating neutral and non-aligned status into the Constitution. In addition to that, civic activists are more supportive of ways to return the Donbas that avoid threats to sovereignty and integrity of Ukraine than the passive population. Therefore, the current government should pay attention to the views of civic activists," Reznik adds.

The key problem of those in power for now is not the solutions (with obscure goals), but communication and explanation of their actions. High support in elections has its negative consequences. One is overconfidence. Chief of Staff Andriy Bohdan has recently posted screenshots from a group on social media where people were invited to join the anti-government rally for money. He thus essentially labeled all as paid protesters. This position speaks of arrogance, which raises a lot of concern. The President's team should remember that civic activism has not risen in Ukraine in the past five years. This is one of the wasted opportunities of that period. It looks like the core cohort of the Revolution of Dignity is still at 2%. These people are far fewer than the supporters of the party in power, but they are certainly more determined. Citizen Bohdan should keep that in mind. ■

# Guarantor, referee and coach

Why is the role of the nation-state in the development of the economy only increasing nowadays?

Oleksandr Kramar

Despite the fact that at the turn of the XX-XXI centuries globalist and ultra-liberal illusions reached the peak of their popularity in the world and widespread in Ukraine, the magnitude of the challenges they posed to the economy of the world and the vast majority of countries forced them to return to common sense. The fictitious “benefits” of unlimited free markets and globalization under ideal, laboratory conditions turned out to be devastating in the world of inequality and restrictions. The gap between prosperous and poor countries is widening, providing competitive advantages not to those who have relied on transparency and hope for “the invisible hand of the market” but to those who have pursued a purposeful policy of protecting and developing the national economy. In other words, the real experience of the last few decades has inflicted a crushing defeat on those who decided to call into question the strong nation-state range of tools in economic success.

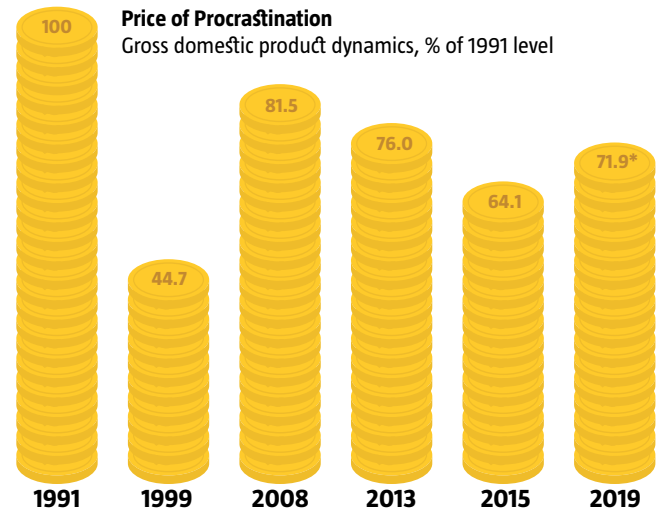
Even in the most liberal societies with long-standing traditions of limited intervention of the state in their lives, there is growing discontent nowadays with its weak role in regulating socio-economic processes. The state as a “night watchman” no longer satisfies anyone. Because performing this role it does not allow to effectively meet the challenges of today. It is recognized that the nation-state, along with the national elite, is a key factor and a necessary element of success and safety in today's world. It protects national interests in foreign markets, balances the socio-economic interests of different social strata and limits the appetite of those performers who try to put their interests above the national ones within the country.

Balanced state regulation of key industries in the modern world is a prerequisite for protecting national businesses and developing the economy, creating favorable conditions for carrying out private business initiative while preventing abuse by individual performers when their actions conflict with the interests of the country.

Against the backdrop of the world plunging into trade wars, the growing trend toward boosting protectionism and other increasingly vivid manifestations of economic nationalism policy, the key question arises before the Ukrainian political elites: how soon will they realize that the paradigm of minimizing the role of the state in the economic development of the country has completely run its course?

How much longer does the country have to spend in the spiral of degradation and the vulnerability of the Ukrainian economy to the outside world to realize the need for a change in state economic policy? When will the realization that no one is going to give a place under the sun to Ukraine come? You need to take active action at the state level to win it. Or to put up with the inevitable decline of the country and its loss of both economic and demographic perspective. It will then become a donor for the selective use of its natural and human resources by other countries, depending on their needs.

Ukraine in recent decades has been a vivid illustration of the subordination of the national economy to the interests of other countries. Instead of nurturing and protecting our production in high-yielding and highly dynamic sectors that could deliver rapid economic growth, we have allowed others to make money here



\*Estimation. Taking into account the National Bank's expected growth by 3.5% in 2019 (actual dynamics in the first half of the year amounted to 3.6%). At the same time, the State Statistics Service does not take into account the need to adjust the comparison base to 2013 in view of the further occupation of the territory of the ORDiLO. Given this factor, GDP in 2019 can be estimated at 79.2% of the 1991 level.

Source: author calculations based on State Statistics

over the decades. And political evolution has so far been evidence of moving away rather than of the approaching of national political elites to the understanding of the ways and the willingness to break the circle of degradation.

And the first six months of the new government's activities confirmed the fears of *The Ukrainian Week* that “pigs in a poke”, which as a result of an unprecedented in the history of Ukraine advertising campaign were sold this year to a record share of Ukrainian voters, have also no systematic vision of solving the problems facing the country. Their purpose is only to hold key positions in the existing proprietary oligarchic model of economic development, aimed at parasitizing existing national wealth, its gradual exhaustion and consumption of goods produced abroad or located there.

The old approach of non-critical, non-systematic and fragmentary transfer of external clichés to the Ukrainian lay of the land should be replaced with the policy of economic sovereignty: preserving full freedom of action in determining economic policy, taking into account exclusively national interests.

The history of both the XX century and the previous centuries of capitalist development testifies that without a policy of economic nationalism, poor and underdeveloped states have never become developed and prosperous. It is simply impossible to improve their economic and political level and quality of life without creating mechanisms to protect and stimulate the economy, which would undermine the artificial advantages of countries with more advanced economies or some of its high-yielding sec-

tors. Otherwise, the economy will always be just a subordinate application with outside selected industries.

The nation-state has always played a key role in implementing the policy of economic nationalism, creating a competitive national business, channeling the entrepreneurial energy of as many citizens as possible for society to prosper via increasing the overall national wealth.

Under specific Ukrainian post-colonial conditions, the state must also play a leading role in ending economic decolonization and preventing the country from entering new forms of colonial dependence. After all, if a nation-state is weak, then the main centers of gravity are external centers of influence, which begin to be targeted as referee of different entrepreneurial groups, entire social classes or other individual social groups.

A key function of a nation-state is to protect the interests of national business, both domestically and globally. Its task is to prevent the domination of foreign economic agents in the domestic market, to regulate the level and scope of their access and presence in certain segments in accordance with national interests. So that it does not harm, but complements and promotes development of the national business.

Most countries in the world import today either what they cannot manufacture or produce on their own (critical imports), or what they produce much more expensively than traditional suppliers. Instead, in Ukraine, a significant proportion of imported goods are those that it could well produce on its own with quality and prices comparable to foreign counterparts. If in 2005 imported products from other countries accounted for 29.5% of all sales in the Ukrainian trading network (non-food 42.4%), in 2018, their share has already reached 58% (non-food 64.7%).

At the same time, there is an interesting tendency to reduce the so-called critical imports – energy and raw materials – and the costs of importing machines and equipment that we cannot currently produce but that are needed to modernize the economy. Instead, simple consumer goods manufactured abroad, the production of which could easily be mastered by the domestic production not only of large, but also small and medium-sized businesses, are steadily strengthening their position in the domestic market. Therefore, the approach to trade cooperation with different partners should be revised and first and foremost the national interest should be taken into consideration. Access of foreign suppliers to our national domestic market should be accompanied by mutual access to their own markets for Ukrainian finished goods and at the same time not pose a threat to the existence of a particular Ukrainian branch of the economy. The focus should be placed on developing our own production and domestic market.

At the same time, the policy of fostering national business should not be transformed to prevent it from competition, to create overprotection for it. It should only become an incubator designed to grow a large and powerful national business in the face of the most severe domestic competition among as many players as possible. From the outset, all participants in this process should focus on entering global markets and aggressive foreign economic expansion.

Similarly, the function of the nation-state is to ensure the economic subjectivity of Ukraine in the world economy, to support the expansion of national champions – powerful domestic companies, representing both private and public sectors. The task of the nation-state in this direction is to prevent the reservation of unpromising specialization for Ukraine as a result of the global distribution of labor and added-value chains. In particular, due to the determination of growth points and the proper development of infrastructure for dynamic growth, where exclusively within the “invisible hand of the market” it would not develop due to the long payback or the need to concentrate large resources.

In the conditions of weakness of the national economy and business, it is the nation state that should provide the modernization trend and innovative programming in economic development. As it is more difficult to press other countries in those segments where the market has long been divided and leaders have already established themselves, it is more important in innovative high-value manufacturing to sustain national businesses, to navigate and grow with the emerging market niches.

A key role in the economic policy of a nation-state is played by the proper use of the banking and financial sector as a tool to stimulate national business, dynamically increase its production and export of goods and services. The banking system must, above all, motivate citizens and businesses to increase their national wealth, to use it for development, not for consumption. Only in such circumstances can one expect the rapid economic progress of the country. Not only the prospect of economic development but also the ability to pursue an independent economic policy in the national interest depends on having a strong national banking system capable of performing such tasks.

Another task of the nation-state is not to allow the foreign credit resources to be channeled mainly to the consumption of imported goods or services. Except when it comes to raw materials or up-to-date technologies and equipment that are not available in the country but needed for modernization. In the case of foreign control of the banking system or debt dependence on foreign creditors, such opportunities are nullified.

A very important area of state regulation is the creation of conditions for reformatting the country's transport system from post-colonial to the nationally oriented one. The situation is unacceptable when the country's transport communications system is developing in a colonial type, with the priority of several powerful cross-border, transit corridors with the synchronous decline of the weak enough national network of transport communication. We should definitely avoid situations when it is easier and more convenient to travel from different parts of an allegedly single country abroad and export or import goods than to do the same from its particular districts to centers or transport hubs.

The nation-state must also act as an effective and authoritative referee among different social classes in the interest of maintaining social stability and increasing the overall national wealth. After all, sustainable development and social stability require that the wealth and the prosperity of society members be perceived in it as just consequence of realizing one's potential, and therefore be respected. And poverty would prove solely to be a result of laziness or person's conscious reluctance to work and develop. Therefore, it is necessary to prevent the preservation of the restricted economy in general or in some of its spheres when one or another “privileged circle” has the opportunity to take possession of corruption or natural rent, thus slowing down the development of the country.

The establishment of a cult of productive labor and entrepreneurship must be accompanied by the assurance of real supremacy of law, the guarantee of property rights, the suppression of pressure from security forces, and the provision of quality public services. And the increase in public expenditures for this requires a dramatic increase in the responsibility for non-payment of taxes and fees, the impossibility of long running a formally unprofitable business, and the simplification of bankruptcy proceedings.

It is also important to prevent individual markets from monopolizing and industrial distortions. After all, this poses a threat to the decline of certain sectors of the economy in the interests of others. The rent from the use of national natural resources – land, minerals or other national resources – should be fully available to the state, and the state should distribute it to the public interests. In particular, to protect people who cannot (but not those who are unwilling) to take care of themselves from extreme poverty. ■



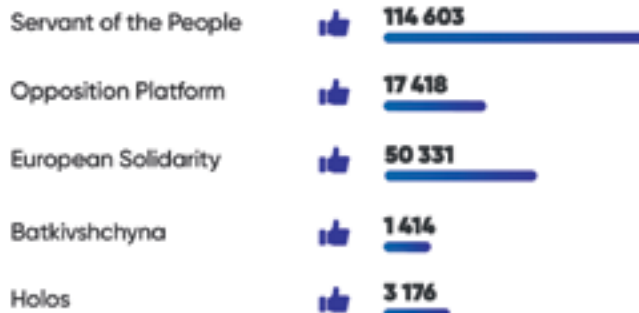
# Barely visible

Why hasn't Facebook heard Ukraine's voice yet?

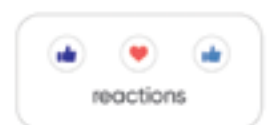
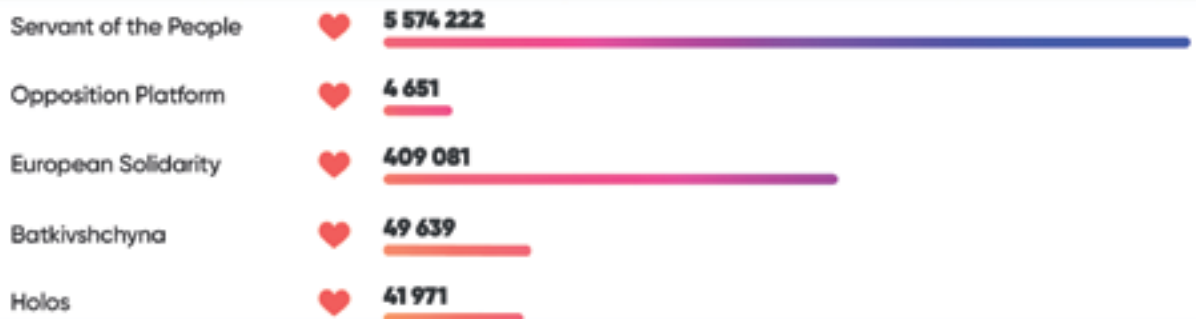
Yuriy Lapayev

It is hard to call Ukraine's relations with the largest social network on the planet the best ones. Nevertheless, we cannot ignore Facebook or Instagram and leave the situation as it is now. The country's presidential and parliamentary elections have shown that the political role of social networks is growing and this trend will continue.

The new leadership of the state has announced a course on digitalization, not least seeking to increase its electoral base and develop with it means of communication. After all, data of the recent survey by Ukraine World, which shows the results of an analysis of the first two weeks of the new Verkhovna Rada's work, show that the most popular party among



## POPULARITY OF PARTIES



Ukrainian users of Facebook and Instagram is the Servant of the People. Therefore, it may be behind signing by Prime Minister Oleksiy Honcharuk's "historic memorandum" with representatives of the telecom market on coverage of the whole of Ukraine with internet and mobile communication.

The sort of explanation of this document's importance became posting on the pages of the Facebook-community "Zelenskiy Team" information that 90% of Ukrainians have not had access to the network for years. However, such a statement is broken by the fact that Ukraine is in a worthy place among all countries in terms of coverage and accessibility of the internet, both mobile and fixed. According to the World Bank, 59% of the population had access to the global network in 2017. In addition, the cost of these services is one of the lowest in the world. It is the minimal prices for services, and not the absence of memoranda, that hamper the development of domestic mobile networks, because it becomes simply unprofitable for operators to invest in expensive projects.

The same goes for social networks, including Facebook. *The Ukrainian Week* has already written about the problems dealing with Zuckerberg's creation (see **"The power of Facebook"**, № 6/2019). There have been some changes since then. First, the actual blockings due to Russian bots' complaints reduced in number after all, although they did not stop completely. For example, the pages of Memory Books of the Fallen for Ukraine and the Walls of the National Memory of the Fallen for Ukraine were blocked in the summer. There were reports about blocking some publications about the Regiment "Azov". The peculiarity is that now it is possible to get a ban for political views that do not coincide with the position of the authorities. It is not clear at the moment whether the Office of the President of Ukraine has already managed to set up its own troll factory like the "Olgins" (the derisive name for Russian internet-trolls – **Ed.**), or it is still using the practices of the previous head of state. However, the uneven, often jumble dynamics of "likes" and positive comments under publications related to Zelenskiy (as under the recent movie "Step to Peace") hint that work is well underway. And it shows that the president's environment is paying it a lot of attention. Perhaps, to encourage this way "sick and tired of social media negativity" Master of Bankova.

Secondly, at last Ukraine has its own representative in Facebook. On June 3, political scientist Kateryna Kruk, a well-known activist of the Maidan times, took up this post. Officially, her position is called "Public Policy Manager in Ukraine", she is responsible for communicating and informing about novelties in the field of social network regulation. In addition, she should study Ukrainian legislation regarding Facebook and represent the company's interests at meetings with government agencies and the media. Kateryna became famous for her social activism during the Revolution of Dignity, when she tried to convey information about events in Ukraine to foreign readers. For this, the Atlantic Council of the United States awarded her the Freedom Award. Prior to this appointment, she worked as a social media advisor to the Verkhovna Rada of Ukraine.

Thirdly, Facebook itself is changing. Like other social networks, he is forced to gradually respond to all scandals around him, to satisfy the requirements of the laws of the United States and the European Union. Although it has nothing to do with Ukraine, it is ultimately beneficial to us. After all, networks of fake accounts and communities that, in particular, work against our country are being blocked. So, according to Facebook, only in September they blocked a coordinated network operating in Ukraine which had 168 profiles, 149 pages

and 79 communities. The information it shared could be seen by more than 4 million users, about 400,000 were members of at least one community.

The cost of network advertising is estimated at \$1.6 million. The management of Facebook has linked the creation of a network with the activities of Pragmatico company, which was previously engaged in black and white PR. In October, the social network's policy on counteracting information threats, including coordinated inauthentic behavior, government interference and misrepresentation, was updated. They are still far from ideal, but the conditions for political advertising are gradually becoming more transparent. This is how social networks are preparing for the upcoming US presidential election.

At the end of October, Twitter's management announced that they would abandon political advertising altogether from November 22, explaining that the decision to disseminate political ideas "should be deserved, not bought". Following this statement, Hillary Clinton also called Zuckerberg for a similar ban, though he, on the contrary, seeks maximum openness and freedom of speech without political censorship (which does not prevent his company from disclosing personal data of users to third-party players, including China). Obviously, revenue from such advertising is unlikely to exceed the possible future penalties and reputational risks, so it is likely that closer to the US election Facebook, Instagram, and YouTube will have to resort to certain restrictions.

In total, according to the former Deputy Minister of Information Policy Dmytro Zolotukhin, during parliamentary election campaign in Ukraine about **\$4 million** was officially spent on Facebook for advertising

However, as Ukrainian expression of will has shown, solely political advertising solves not everything. After all, in our case, a two-step method was applied when it was not the politician or party who advertised but the media, which were already distributing the messages needed for the customers. In total, according to the former Deputy Minister of Information Policy Dmytro Zolotukhin, during parliamentary election campaign in Ukraine about \$4 million was officially spent on Facebook for advertising.

At the same time, the issues of concern still remain. Social networks are outside the Ukrainian legislation; the state relations with them are not regulated. And that means at least that we cannot influence their management at the government level. For example, we cannot speed up the process of verifying pages of government bodies and persons. In addition, we failed to prevent the appearance of a verification mark on the official page of the "Chairman of the Republic of Crimea", Sergei Aksyonov, which was removed only after the Ukrainian side addressed. The plans of this social network to create its own cryptocurrency Libra, it is easy to imagine space for fraud and problems with law enforcement. Police are actively detaining those who want to "go mining" little-known underground cryptocurrencies, but it is difficult to say what the actions will be against followers of the largest social network in the world.

One way or another, it is time to start doing something so that Ukraine's position will be heard in Menlo Park and other well-known places in California and to be respected. Time will tell if the power of digitalizer-technocrats succeeds. ■

# The concealed markers of sovereignty

Maksym Vikhrov

What criteria should be used to evaluate strategies for the reintegration of the Donbas

Volodymyr Zelenskiy has stated recently that the “Steinmeier formula” has already been agreed and should now be implemented in legislation. Given that this formula was a diplomatic metaphor from day one and the government’s soothing rhetoric has not been very persuasive, the reaction of society to the news was quite nervous. This is natural as there is no clarity on a specific action plan for the occupied parts of Donetsk and Luhansk oblasts (ORDiLO) or the format of their existence after reintegration. It is possible, however, that the current intensification of negotiations will lead to nothing and the Steinmeier formula will end up being the same still-born project as the Minsk protocol of 2014.

In the eyes of society, this prospect is not the worst one. A relative majority of Ukrainians, i.e. 34%, support termination of fighting and freezing of the conflict. 23% insist on forceful liberation of ORDiLO. Another 23% are willing to give autonomy to these areas and just 6% want to see them cut off from Ukraine, according to a 2019 survey by Rating, a sociology group. But it looks like the government wants to try on the crown of peacemakers and liberators of Ukrainian land. Western partners are willing to support it in this as the “conflict” in Ukraine still gives them a lot of trouble. So is Russia as it tries to impose its own reintegration scenario on Kyiv. The most likely scenario now is that any option for reintegration will be presented to Ukrainians as a long-awaited victory that serves Ukraine’s interests best. If that happens, society needs to develop its own criteria for evaluation of what Ukraine is offered as part of ORDiLO reintegration.

Criteria of a successful reintegration seem quite obvious. Firstly, the fighting in the Donbas should stop, Russian military should leave Ukraine’s territory, illegal armed formations should give up their weapons, and Ukrainian border guards should get back control over the border. Secondly, the puppet occupation regimes should be replaced by legitimate authorities established as a result of free and clean elections held under Ukrainian law and international standards. Both local and nationwide parties should run in these elections. Thirdly, the newly-elected representatives of ORDiLO should prove their loyalty to Ukraine by rejecting separatism and promotion of Russian interests. If ORDiLO ends up with no permanent “special status” in addition to all this, this scenario could be seen as almost perfect. It would at least be a good starting point for the return of the Donbas into the political, economic and cultural realm of Ukraine. In reality, these markers are less informative than they seem to be at first sight. Even if all these terms are fulfilled, reintegration of ORDiLO may end up being more or less formal, a mere facade with a different reality behind.

Chechnya offers a good example of such decorative unity. This mountain republic is a reliable outpost of the empire by all official criteria. Its unchanging leader Ramzan Kadyrov keeps pledging loyalty to Vladimir Putin, United Russia gets nearly 90% there and Chechen law enforcers eliminate members of underground armed separatist movements from time to time.

In a nutshell, this scenario could seem like an acceptable one for ORDiLO, especially when compared to obscure prospects stemming from the Steinmeier formula. Turning a hub of separatism into an outpost of statehood could be seen as a victory, but Chechnya never really became one within Russia. Moscow found itself unable to reintegrate the whole republic, so it just “reintegrated” Kadyrov and his clan. In exchange for his loyalty, Kadyrov received full power in the republic backed by generous subsidies. The term for this in political management is “outsourcing sovereignty”, which literally means delegation of state functions to some private actors. That approach allowed Putin to end the Second Chechen War as soon as possible while creating an image of a victorious statesman for himself that has integrated a rebellious republic. In fact, however, Putin just put yet another bomb under Russia’s statehood, and it will explode sooner or later.

Chechnya is essentially a state in a state, and Moscow’s authority barely extends over it. Its parliament, prosecutor, judiciary and law enforcement authorities are accountable to Kadyrov personally. Local units of the Russian Interior Ministry and Internal Troops totaling up to 20-30,000 are in reality Kadyrov’s personal army. They are staffed on the basis of nationality and their participants go through special religious and political training. His Young Kadyrovtsy actually inspired the Young Zakharovtsy in the “DNR”, a teenage paramilitary organization named after its deceased leader Oleksandr Zakharchenko. All this allows Kadyrov to act build up a lot of confidence. In 2015, Russian policemen killed a Chechen who was on the federal wanted list in a detention operation in Grozny. Kadyrov responded with a public address to the Chechen law enforcers: “Whenever someone from Moscow or Stavropol appears on your territory without your knowledge, shoot to kill.” Meanwhile, people deemed as Kadyrov’s enemies are killed throughout Russia and beyond. Moscow still controls its subsidies to Chechnya, but the Kremlin has not dared to pressure Kadyrov as his loyalty is the only point allowing Moscow to consider that it controls the Chechen Republic.

Attempts could be made to reintegrate ORDiLO by outsourcing sovereignty. The price of formal return of this territory to Ukraine’s control will be non-interference of Kyiv in ORDiLO’s internal affairs and endless financial subsidies to “rebuild the region”. Kyiv, however, should not expect even formal loyalty Kadyrov-style from it in exchange as Russia will stand behind ORDiLO leaders as the guarantor of their privileged status within Ukraine. Even though the negative consequences of this scenario are obvious, Kyiv might find it more acceptable than it seems. This is true not just for the current government: Kyiv always tended to accept damaging compromises in relations with the Donbas. Local elites assumed the blackmailing position virtually from day one of independence. Two months after it was declared, MPs of all levels gathered in Donetsk demanding federalization from Kyiv. In February 1993, Donetsk Oblast Council demanded a “special status”





**Donetsk like Grozny.** One scenario for the reintegration of ORDiLO is to turn the Donbas into a Ukrainian Chechnya

for the Donetsk and Dnipro region, and autonomy for Donetsk Oblast in June. The first illegal referendum on federalization and the status of the Russian language took place in 1994 in the Donbas. The notorious assembly of MPs in Severodonetsk in 2004 where they threatened establishing an entity called PiSUAR (an abbreviation for South-Eastern Ukrainian Autonomous Republic in Ukrainian) followed a tested scheme which was to be used in 2014, too.

Kyiv accepted compromises and offered concessions every time in exchange for the Donbas returning to the status quo. Once they received what they wanted, Donetsk actors turned from blackmailers over separatism back into average Ukrainian MPs, mayors and officials sticking to all formal criteria of loyalty. In the meantime, they were turning the Donbas into their fortress. A separatist information and humanitarian policy was implemented locally; administrative, political and economic resources were concentrated in the hands of one clan, and the region was building its own relations with Russia. De facto central authorities exercised their powers in the Donbas in a curtailed form but Kyiv saw this as an acceptable price for temporary calm. Stakes are far higher now, and the temptation for Ukraine's government to pose as statesman peacemakers is far stronger, not to mention the pressure from external forces. Pretence integration would perfectly work for Russia granting it new leverage over Ukraine, and for the West which is increasingly open about its desire to normalize relations with Moscow. Therefore, the reintegration show could be staged quite persuasively: Ukrainian flags would flow over Donetsk and Luhansk while the local political establishment could switch to the banners of Ukrainian parties and take on reconciliation rhetorics.

But the true quality of reintegration can be assessed on the basis on the following three criteria. First, post-war justice should take place. Obviously, any scenario of reintegration entails amnesty, but that amnesty cannot be universal. Unless Ukrainian entities can conduct investigations and searches in the territory of ORDiLO and courts deliver adequate verdicts, real reintegration is impossible. Even if the Russian military leave the Donbas and Ukrainian guards return to the border, ORDiLO will remain an outpost of the militants, even if stripped of their weapons – even if nothing actually guarantees that. It is highly unlikely that ex-militants will leave the Donbas along with the Russian military. It is in Russia's interests to leave them in put so that it has a trained contingent in case

it wants to resume the aggression. If these people are unable to leave ORDiLO, so much better for Russia. The worst scenario is if the Ukrainian side refuses to hold ex-militants to account. History of investigating crimes against the Maidan shows that malign intentions, professional negligence and overall flaws of Ukrainian judiciary can cumulatively lead to sad consequences.

The second criterion is also linked to justice – this one in the sphere of property. It is common knowledge that the occupants have profoundly redistributed property since 2014 in the territory of ORDiLO. “Nationalization” of enterprises in 2017 was just the peak of the iceberg of all the looting that took place there. Ukraine will have to charge Russia for the destroyed and depreciated assets, and that will be extremely difficult. But reinstatement of property, both private and public, should start immediately after ORDiLO reintegration. This will mean returning assets to Ukrainian oligarchs in many cases, including the sponsors of the Party of Regions back in the day and of pro-Russian forces today. Such controversial cases will be plenty and they will trigger controversial reactions in society. But Ukraine's failure to restore the rights of lawful owners in ORDiLO will stand for the recognition of the occupants' policy and signal that Ukrainian sovereignty in that territory is purely formal, not supported by any real powers of state authorities.

Finally, the third criterion is about the non-government sector and the Fourth Estate, i.e. civil society and media. The participation of Ukrainian parties in the elections preceding the reintegration of ORDiLO is essentially a pointless indicator: changing party banners is common practice in Ukrainian politics, especially on the local level. Virtually all of Ukraine's leading parties were represented in the pre-war Donbas, but their presence was purely nominal. What matters much more is whether civil society structures can unfold in ORDiLO and whether Ukrainian media gain access to that territory.

The public and the media would have to act as watchdogs of reintegration and inform Ukrainian society about the real situation on the ground. If reintegration is purely formal, the local authorities will try to enclose the region behind an iron curtain where they will retain its authoritarian model, apply repressions, conduct anti-Ukrainian activities under Russia's control and more. For now, reintegration of the Donbas is still a thing of the future. Thanks to this, Ukrainian society still has time to apply the criteria of real reintegration to the government's intentions, even if not to what has already happened along Ukraine's eastern border. ■

# Gird thy loins – Plan B

What kinds of security eventualities is Ukraine prepared for?

Yuriy Lapayev

Despite changes in the rhetoric of the West, despite talk of “significant steps” and “desire for peace,” there are no expectations of a quick halt to Russia’s aggression. Moreover, this is not the position of hawks who are against concessions to resolve the conflict but the reality on the ground. So far there hasn’t even been a whisper about Russian troops being withdrawn, and certainly no sustained ceasefire.

After all, Russia has failed to reach its strategic objective, which is to return Ukraine to its “sphere of influence.” What’s more, Russia is not interested in a win-win solution but only in preserving and promoting its own interests, in contrast to civilized countries. More than that, the maneuvers going on near the Ukrainian-Russian border suggest that Russia’s politico-military leadership has several plans for reaching its goal – including a military one.

## PREPARATIONS ONGOING

How prepared is Ukraine for such a turn of events? There’s no question that its military has grown far stronger in the last five years of fighting. The Armed Forces have been able to carry out at least part of the planned reforms and has increased the battle-readiness of its army. Supplies have been improved, and slowly those at the front are receiving newer weaponry and equipment, and their combat training is much stronger.

### THE PRESENCE OF INTERNATIONAL PROJECTS

IN UKRAINE COULD HAVE A CERTAIN PREVENTIVE EFFECT, BECAUSE THE WEST WILL WANT TO PROTECT ITS ASSETS.

IN THIS CASE, MONEY IS MORE IMPORTANT THAN VALUES, NO MATTER HOW THAT SOUNDS

In 2018 alone, some 30 brigade-level, 1,300 command-and-staff, 300 battalion-level, and 14 tactical pilot trainings were held. Another 200 staff trainings were also held with different departments under the defense administration. Tanks keep treading, artillery keeps firing, and airplanes keep flying. According to Defense Ministry data, this is 20% more than in 2017, let alone pre-war years, when most exercises took place on paper and equipment never left its parking lot. There aren’t any figures for 2019 yet, but they are unlikely to be smaller. This level of intensity has both positive and negative aspects. Alongside this better level of training is widespread fatigue among the service personnel with the sluggish pace and an accumulation of unresolved familial and social issues that have led to resignations and a shortage of personnel in Ukraine’s Armed Forces.

The AFU are steadily mastering new training methods and instruments: training centers are now offering contemporary simulators for military equipment, JTACS systems, and MILES and Lasertag tools for imitating battle actions, the civilian versions of which are very familiar to those who hang out at big game centers. This makes it possible not only to offer training that is as close as possible to real battlefield conditions while saving on resources, and to increase the interoperability of Ukraine’s forces with NATO partners. The majority of the

Alliance’s international exercises such as Saber Junction and Rapid Trident that Ukraine participates in use these same systems.

One of the main differences in recent years is the active involvement of reservists in military exercises, not just to run around with machine-guns, but also to do so at the highest operations level. For instance, reservists were included in the recent Kozatska Volia 2019 [Kozak Will] command-and-staff training. What this does is permits reservists to maintain the skills they gained in their years of service or during the ATO/JFO, the Anti-Terrorist Operation or the Joint Forces Operation, as of April 30, 2018.

As this is a new development, there are many kinks to still be worked out in organizing the exercises. First of all, the Armed Forces of Ukraine have no working mechanisms for influencing potential reservists and, more importantly, on that individual’s employer. Many simply cannot afford to be absent from their jobs for a few weeks, although this is compensated for by the government. And unlike mobilized individuals, there is no liability for refusing to attend. This has resulted in many former military personnel being unable to participate in musters, while the reserve boards have to fill the ranks, so quality suffers. Moreover, changes to regulations governing service in the reserves still have not been approved, although the changes would make it more attractive for former servicemen and women, who will receive higher pay, and their employers, who will get tax breaks.

## KNOWLEDGE TRANSFERS ALL OVER

For now, Ukrainians are transferring their military experience to their partners in the Alliance and are raising the level of interoperability, just as our neighbors are doing. For instance, one of the main objectives of the exercises that the Russian Armed Forces have been holding with the Belarusians is to share military experience that the RF has gained in the Donbas and Syria and to unify the use of the two countries’ forces. Not long ago, joint exercises involving the Russian and Belarusian forces called Union Shield 2019 took place at a base outside the town of Mulino, which is in Nyzhnyi Gorod Oblast of Russia. Their scenarios involved the allied forces liberating a city taken over by terrorists and launch a counterattack. So far, so typical. This kind of program is part of almost all western and Russian exercises. However, there were a number of clues that gave a pretty good idea what Moscow was preparing for.

Firstly, Belarusian forces were subordinated to Russian command. For instance, Tank Army № 1 was in charge of the Belarusian mechanized brigade. Belarus’s air force covered Russia’s infantry and tanks, while the drones of the Belarusian Armed Forces provided target information to Russian artillery. Incidentally, the Belarusians showed up for the first time with their recently upgraded T-72B3 tanks, which are the standard in the Russian army. All this was controlled with the assistance of Russia’s Strelets [Sagittarius, the Shooter] intelligence, command and communications complex. The Belarusians are in the process of developing an automated system for approving decisions for Strelets. The command of both countries announced that they were agreeing certain legislative issues during the exercises,



so that future regulations regarding the use of the two countries' armed forces will be the same.

Secondly, the forces and technology involved weren't entirely the same as those used in a classic anti-terrorist operation. For instance, Russia's Smerch [Twister] and Uragan [Hurricane], both large caliber rocket launchers, TOC-1A, a heavy flame-thrower system, artillery, tanks, and fighter, transport and drone aircraft were very much in use, as were electronic warfare systems and Special Ops Forces. After the town was liberated, the army launched a full-scale attack with air and artillery assaults, tank attacks and so on. Moreover, they practiced overcoming water obstacles with their equipment in sections that had not been prepared by army engineers. In short, under the guise of their official defensive-sounding name, the allies were really training to quickly move forces from one country to another and jointly launch an assault.

### ASSESSING RUSSIA'S OPTIONS

Where this assault will be aimed is anybody's guess, but in August various Russian Telegram accounts tried to disseminate fake news about Ukraine's preparations for a provocation in the border areas adjacent to Belarus. Supposedly Kyiv was gathering radicals with combat experience and secretly preparing them for sabotage. Whether this could provide a *casus belli* for Russia in the spirit of the Nazi Konserve [Canned goods] operation during the Gliwice incident in 1939 is a rhetorical question for a country that basically needs no reason to go to war against its neighbors. But this kind of "coerced peace" cannot be excluded, in the same way as in the 2008 incident when Belarus cities were under attack from "radical terrorists."

Still, Belarus is not the only possible bridgehead for a Russian assault. The Russian AF have been practicing other possible assault options. This includes air and sea attacks in the south from occupied Crimea, as well as classic assaults by mechanized brigades in the northeast, and the duo of DNR/LNR and RF forces, basically part of Russia's forces in the Southern Military District. In this situation, Ukraine could expect several days of

assaults from aircraft and missiles, and after the anti-aircraft defense system was destroyed, together with the main command and control systems, the land operation would begin.

The main directions for Moscow's attacks will be in line with the military-industrial assets that Russia needs to properly develop its own army while under sanctions. The R&D facilities in Kharkiv and Dnipro, defense plants in Kherson and Mykolayiv, access to the Northern Crimean Canal, and access to the Black Sea via Odesa are just a partial list of the "trophies" Russia is looking to gain. Clearly, this will repeat the Novorossiia project, which included Kharkiv, Zaporizhzhia, Mykolayiv, Dnipropetrovsk, Odesa, and Kherson Oblasts. This is the best-case scenario. This means Ukraine should expect an assault from occupied Donbas and Crimea, and Kharkiv Oblast simultaneously with a blocking of Ukrainian forces in the Azov and Black Seas.

### ASSESSING UKRAINE'S OPTIONS

Everything that Ukraine's commanders have calculated cannot be presented in this paper. Moreover, objective analysis shows that in its current state, Ukraine's Armed Forces would not hold out more than three or four weeks, although Russia's forces will suffer serious casualties. Compared to its overall potential, however, these losses won't be critical enough to prevent it from achieving its strategic objectives, albeit within a longer time-frame. For now, Ukraine's anti-aircraft defense system is unlikely to withstand a major air assault, let alone fend off a massive attack, especially when we're talking about new high-tech distance weapons such as the Kinzhal [Dagger] or Caliber missile launchers. These facts need to be faced squarely.

At the same time, leaving the air aside, it can safely be said that Ukraine's land forces are not that far behind Russia's infantry. Here it will be more important for the defense systems to be ready and the size and type of forces. Yet another significant aspect will be a functioning system of territorial defense across Ukraine. Right now, calling it effective would be a real stretch, given the organizational issues that come up during musters and a level of material provision that does not meet the evident threats.

How likely is it that a resistance movement will emerge in Ukraine if those six oblasts are occupied? How long will these partisans be able to carry out sabotage, how long will ammunition and other supplies last? What kind of action plan is there should a big part of the combat-ready army be overwhelmed trying to stop the enemy? What will Ukraine declare at that point: capitulation or mobilization?

How much will Ukrainians themselves be motivated to fight while they are actively bombarded both informationally and psychologically? So far, Russia has limited its use of kinetic warfare to the occupied parts of the Donbas, ORDiLO, but for its propaganda, there are basically no obstacles for all intents and purposes that prevent it from covering all of Ukraine. And this component of its hybrid war Russia has never stopped for a minute, regardless of who was running the country. This was confirmed by a recent psy-ops against the Armed Forces of Ukraine and Ukraine itself: fake news and a fake blog from someone purporting to be the commander of a US contingent at the Yavoriv training base. The fakery was about a huge quantity of military equipment being moved to the Ukrainian border based on photographs of the movement of units of Russia's 150th motorized division that actually took place during the Center 2019 exercises. Another fake was about a Polish soldier supposedly killing his Ukrainian colleague during the Rapid Trident 2019 international exercises. The pressure of Russian propaganda never lets up.

Evidence of confusion among the country's leadership is also not reassuring. When issues that are important to Ukrainian society are either ignored for a long time or are mentioned in sever-



al different contexts on one and the same day, as happened with Foreign Minister Vadym Prystaiko's response to the furor over the Steinmeier formula. Or when a series of news items appears, initially about the withdrawal of troops and then about the move being canceled or delayed. This has an extremely demoralizing impact, not only on military command, but on the rank-and-file as well, and offers a great opportunity for Russia to manipulate.

### GIRD THY LOINS

What can Ukraine do, given all this? Firstly, admit that there is a problem without espousing blind faith that somehow, right now, we'll be able to strike a deal "meeting halfway."

Secondly, keep developing Ukraine's own Armed Forces. There is much for Ukraine to be proud of in terms of innovative developments in its defense industry, such as the Neptune and Vilkha [Alder] missile systems. So far, however, these are just samples that can be tested or paraded – that's about it. The manufacture of highly precise distance deterrence weapons and the necessary quantities of ammunition to go with. Events in 2014 showed that effective use of even such relatively outdated missiles as the Tochka-U could seriously hinder the progress of the enemy. The availability and prospects of attack drones that Ukraine bought from Turkey and now plans to co-produce them is also very effective. However, these drones need intense preparation for their calculations to operate to maximum capacity. All this is a major drag on the budget, and so, if Ukrainians want to have a modern and highly effective army, the country needs to

continue with reforms in the economy. The third front is diplomacy, which cannot be forgotten, despite recent events. Otherwise, Ukraine might find itself missing even the "deep concern" from its western partners, never mind lethal weapons, next time its neighbor decides to attack. Of course, there is the return of Russia to PACE, Moscow's aggressive efforts around MH17, and its pressure on European capitals, especially France and Germany, and the scandal over investigating Hunter Biden in Ukraine. All this means simply that Ukraine has to double down on its diplomatic efforts. Interestingly, there are quite a few countries in the Middle East and Africa who could become helpful to Ukraine but relations with them are being developed on a residual basis. Certainly, they won't be sending Ukraine Abrams tanks, but they can affect economic development. Active engagement of international investors is no less important than purely political considerations. Of course, on their own, IKEA or Starbucks will not win the war, but the reality is that nobody will get very concerned about a country in which they have not invested. This means that the presence of international projects in Ukraine could have a certain preventive effect, because the West will want to protect its assets. In this case, money is more important than values, no matter how that sounds.

None of these steps will be easy to undertake, given what is going on domestically in Ukraine and the international situation. However, no one ever said that winning a war against a strong opponent was simple. *Vis pacem – para bellum*. If you want peace, prepare for war. ■

# Paper wars

Who conducts lawfare against Ukraine, and why?

**Yuriy Lapayev**

Hybrid war is comprised of more than special units from a neighbor state clad as tractor drivers or miners, and of more than a powerful propaganda machine with the annual budget worth billions of dollars that works against Ukraine across the world. Sometimes, it is comprised of steps, barely visible at first sight, aimed at creating favorable conditions for the aggressor to legitimize its actions. Experts categorize it as lawfare, a separate component of hybrid war.

There have been plenty examples of such activities since 2014. The known ones include the capture of Ukrainian ships with their crews by the Russians almost a year ago. The key idea Russia was then pedaling in the world was that the Kerch Strait was Russian, so it is Moscow that can decide who and how will cross it. According to the aggressor, the conflict broke out in Russia's territorial water as Russian laws treat the Crimea as its territory. While unrecognized by anyone apart from the Kremlin, this creates specific legal wrap that looks credible for the people who know little about details of the case. The notorious Steinmeier formula is, too, a certain element of lawfare as it entails changes in Ukraine's legislation. Similar examples have taken place before when the conflict between Ukraine and Russia began around Tuzla Island or when the Kremlin kept hampering the demarcation of the state border between the two states. Russia's activity on this front is not limited to Ukraine: Moscow's desire to take the Arctic under control is also backed by "evidence" and presented as a "lawful right".

Different tools are used for this purpose, from economic to military pressure as in Belarus, Syria, Venezuela or Central Afri-

can Republic. More sophisticated operations include bribery of useful idiots, including politicians, experts and journalists who then, for the Kremlin's money, sing along Putin's lines about the oppression of the Russian-speaking population in Ukraine or unprecedented corruption and fascists. If these statements remained lone voices, it would not be too dangerous. But these voices are sometimes responsible for important decisions that will have serious impact on Ukraine.

Quite recently, Ukrainians across the world signed the petition asking the German Bundestag to recognize the 1932-1933 Holodomor in Ukraine as genocide. The petition accumulated over 56,000 signatures, or 6,000 above the necessary 50,000, by the deadline. This seemed to have opened a path towards a decision by the German parliament that is a neutral observer in such circumstances. But problems emerged. The German Ministry of Foreign Affairs proposed turning down the petition for two reasons: non-existence of the notion "genocide" until 1951 and the fact that it was not just Ukrainians, but representatives of other nations that also fell victim to the famine. The first statement runs counter to sound reason. If that logic is used, the Holocaust or any other crimes can be denied too. No definition – no problem. The second statement is partly correct in terms of facts, but it does not reflect reality: the number of Ukrainians affected by the famine was far higher compared to the number of victims among other nations.

While controversial, the MFA's position should be taken into account, so the appeal of Ukrainians could be overturned. It is

wrong to state that all representatives of the German MFA are the Kremlin's agents, but they play on Moscow's side — willingly or not. In the context of the thaw in the relations between Germany and Russia, especially through representatives of Die Linke and AfD, this behavior no longer seems surprising.

Similar efforts are taking place across the Atlantic. The Ukrainian Week previously reported about Dana Rohrabacher, Putin's "favorite congressman". This American politician went all the way from being a Reagan-type hawk to becoming a mouthpiece for the Russian propaganda in Congress. Apparently, he had his financial reasons for this. But others may be doing so unwillingly.

On October 16, Congressman Max Rose posted a copy of an appeal for State Secretary Mike Pompeo on Twitter where 40 signatories demanded an explanation from the Department of State about why it failed to add some "violent white supremacist groups" to the list of Foreign Terrorist Organizations even though they meet all of the State Department criteria. This was followed by an extensive explanation where the authors easily linked the attack on a synagogue in Halle, a town in Germany, and the Christchurch shooting in New Zealand. According to the congressmen, this points to a global terrorist network. It was later stated that a few other foreign organizations of white nationalists fit the criteria necessary for being put on the FTO list. Instead of naming these several organizations, everything is blamed on the Azov battalion from Ukraine. According to the signatories of the statement, Ukrainians are to be blamed for the violation of human rights and tortures, while the Christchurch shooter Brenton Tarrant allegedly received training at Azov.

In reality, the only think that the Ukrainian battalion and Tarrant have in common is the Black Sun symbol, which he had in his manifesto, and a mention of his visit to several countries, including Ukraine. What actually inspired the shooter, according to his own testimony, was the crime committed by Anders Breivik and the Balkan wars. According to Rose, however, the evidence provided in the appeal for the State Department is enough to link international terrorism to the Ukrainian battalion. The appeal also mentioned the efforts taken by the US and its allies to stop neo-Nazi groups, yet it did not mention a single organization to be put on the FTO list. Instead, it suggested creating a list of groups of white extremist supremacists to add it to the current FTO list. In this logic, Azov would end up on one list with Boko Haram, Al Qaeda and ISIS.

Congressman Rose is one of the youngest members of Congress, soon turning 33, a Democrat representing New York's 11th congressional district. In Congress, Rose is member of committees for veterans' affairs and homeland security, and chairs the subcommittee for intelligence and counterterrorism. His Jewish grandfather left Odesa for the US, and Rose is Jewish too. From 2010 to 2014, the future congressman served in the US Army 1st Armored Division; he fought in Afghanistan where he was wounded. Rose was awarded a Bronze Star and a Purple Heart. Once elected to Congress, Rose put forward a number of initiatives, from a ban on assault weapons to an effort against Legionella bacteria in the water supply system, from the collection of unused medicines to the ban of HAMAS and Hezbollah accounts on Twitter.

**A hero of paradox.** Democrat Max Rose authored many initiatives: he once demanded that Russia was recognized as a hostile foreign power, and now wants to put Azov on the list of terrorist organizations

American press has criticized him for ambiguity on the impeachment of US President Donald Trump: Rose officially refused to support the initiative of his Democratic colleagues initially, but insisted on impeaching Trump in a meeting with his voters. Eventually, he agreed to support the impeachment procedure after much criticism. Almost nothing links him to Russia. Quite on the contrary, Rose demanded that Russia was recognized as "a hostile foreign power" and the Kremlin was held "accountable for its attempts to undermine the sovereignty and democratic values of other nations". At the same time, his platform emphasized support to Israel. It looks like the struggle against anti-semitism pushed him to write the appeal to the State Department. There is no clear proof of cooperation with Moscow from other signatories. On the contrary, many of them are quite open about their negative attitude towards Russia. It may well be that, in their struggle for "all things good and against all things bad", they failed to distinguish the real situation from hidden Russian disinformation at one point in time. This points to success of the Kremlin's special operations and inconsistent work of Ukrainian diplomats.

The congressmen demanded a reply to their appeal by November 4, but there was no official response from the US State Department by that date. But there was reaction from the Ukrainian side. Former Foreign Affairs Minister Pavlo Klimkin describe the possible recognition of Azov as a terrorist organization as "near knockout for the volunteer movement", admitting that this was the issue of national security. In his view, this could have been an attempt to destabilize the situation in Ukraine, especially in the context of the scandal around the way President Zelenskyy spoke to volunteers in Zolote around the same time.

Interior Minister Arsen Avakov to whom the Azov special battalion, military unit № 3057, reports, described the appeal as a shameful information campaign, an attempt to discredit Azov and the whole of the National Guard. He believes that the high level of battle readiness in Azov caused "hybrid methods" to stop it. Bohdan Yaremenko, Chair of the Verkhovna Rada Foreign Policy Committee until recently and Servant of the People MP, initiated a collection of signatures to appeal to the Congress House of Representatives. In order to prevent extremely negative consequences for the National Guard, the Interior Ministry and other law enforcement agencies, Ukraine's MFA should reinforce its communication abroad. ■



# Bazhan undesired<sup>1</sup>

What was concealed in the Stalin Laureate's biography?

<sup>1</sup>The surname of the Ukrainian writer Mykola Bazhan means *desired*

Yaryna Tsymbal

Of all Ukrainian writers of the Soviet era, Mykola Bazhan was nearly most kindly treated by authorities. In January 1939, he was awarded the Order of Lenin. As legend goes, Stalin personally added Bazhan to the list of laureates when he heard about his first Ukrainian translation of Shota Rustaveli's poem *The Knight in the Panther's Skin*. In 1940 he joined the Communist Party (Bolsheviks) of Ukraine (CPbU), from 1952 until his death he was a member of the CPU's Central Committee. After the war and until his death he was consistently elected a deputy of the *Verkhovna Rada* (Supreme Soviet) of the Union of Soviet Socialist Republics (USSR) and the UkrSSR. From 1943 until September 1949 he was Deputy Chairman of the Council of People's Commissars of the UkrSSR (in 1946 the government was renamed the *Rada Ministriv* (Council of Ministers) of the UkrSSR. In 1951 he was elected academician of the Academy of Sciences of the Ukrainian SSR. To the first order of Lenin five more of them were added. He was also twice laureate of Stalin Prize, a laureate of Lenin Prize and of Shevchenko Prize, and also Hero of Socialist Labor.

In the Soviet hierarchy, Bazhan reached the highest peaks. When he was Deputy Chairman of Ukrainian government, Minister of Education Pavlo Tychyna and Minister for Foreign Affairs of the UkrSSR Oleksandr Kornychuk were subordinated to him.

It did not take long to enroll Bazhan in the classics and his literary works to be learnt at school. So Soviet theorists of literature took great pains to deal with his far from being perfect biography: to start with his father – follower



Mykola Bazhan. Kyiv, 1928

of Petliura (Supreme Commander of the Ukrainian Army – **Ed.**), sotnik of the Army of the Ukrainian People's Republic, to follow with his executed fellow-writers and to crown it all with his half-German wife whose relatives stayed in the occupied territory and registered as "Volksdeutshe" (ethnic Germans). Some of these facts were concealed, some were kept out of the public eye, and some were given publicity but rarely and reluctantly.

What else do we not know about Bazhan on the threshold of his 115<sup>th</sup> anniversary? About him, not about his relatives, his parents, for who, according to Comrade Stalin, "*djeti nje atvjechajut*" ("Children are not responsible") And why for a long time were they not willing to talk about?

## BAZHAN-DESIGNER

In the futuristic past of Mykola Bazhan, and so much undesired, there was another role of which no biography has mentioned. In 1923, Nick Bazhan made his debut as a poet-futurist with the poem *Surma Jurm* ("Horn of Crows"), and simultaneously as a designer and typographer.

That year, the private futuristic publishing house Golfstrom published a beautiful red *Zhovtnevy zbirnyk panfuturystiv* ("October Collection of Panfuturists"). Obviously, it was Pavlo Comendant, the legendary publisher and organizer, who raised the money – this was a lonely futuristic book, he had his hand in.

The collection shows that panfuturists already back at that time realised: design is above all. Who knows how fashionable typography was in the mid-1920s, but futurist poets Heo Shkurupiy and Nick Bazhan played with it. The cover (wrapper in their terminology) of the *Zhovtnevy zbirnyk panfuturystiv* ("October collection of panfuturists") was performed by Nina Genke-Meller, the avant-garde artist, Vadim Meller's wife. And the montage, as stated on the back of the title, was made by Heo Shkurupiy and Nick Bazhan. Montage there meant layout, design.

In the book – it is almost unbelievable! – there are no poems by Mykhail' Semenko. For the *Zhovtnevy zbirnyk panfuturystiv* ("October collection of panfuturists") he wrote only slogans. Shkurupiy and Bazhan, often changing and composing fonts, placed those slogans not only on separate pages, but also framed with them other authors' texts. Altogether in the collection there



Slogans from the "October Collection of Panfuturists" (1923). Edited by Heo Shkurupiy and Nick Bazhan



were 16 slogans plus Marx's "Workers of the world, unite!"

And also then in 1923 Bazhan – but that time without his new friend Shkurupiy – made a cover for the collection of futuristic poems by Oleksa Slisarenko *Poemy* ("Poems"). The constructivist cover was very unusual for its time: the geometrized red and black letters formed the word "Poems" and the number "1919", obviously, the year. You had to look hard for the letter "Є" in the picture, although it is a lone red spot among black figures. Undoubtedly, in the common showcase, the collection attracted the attention with its bright (it is now it faded) and puzzling cover that was what the futurists sought for – to capture reader's attention before he opened the book.

Another futurists' edition of the same year – the collection of Geo Shkurupiy *Baraban* ("Drum") – is decorated with a font drawn cover in red and black colors, the author of which was not indicated. Probably, it could also be Nick Bazhan, because "Drum" and "Poems" by Slisarenko were decorated in the same color scheme and in a similar manner. Although it could be Shkurupiy himself.

His Soviet biographers preferred not to recall Bazhan's artistic talents, because after that they had to explain to the readers who the panfuturists (Heo Shkurupiy and Oleksa Slisarenko in particular) were – too much new, or even forbidden, information; better to keep silent that the classic was also keen on drawing.

**Mykola Bazhan** (1904–1983) was a prominent Soviet Ukrainian writer, poet, translator, and highly decorated political and public figure. From 1957 and until his death, Bazhan was the founding chief editor of the Main Edition of Ukrainian Soviet Encyclopedia publishing. In 1970 Bazhan was nominated for a Nobel Prize in literature, but he was forced by Soviet authorities to write a letter refusing his candidature.

### BAZHAN-SCREENWRITER

The leader of Ukrainian futurists Mikhail' Semenko also brought Mykola Bazhan to the cinema. At first, Semenko went to Kharkiv to work in the All-Ukrainian Photocinematic Bureau and took Bazhan and Yuriy Yanovskiy with him as editors to the VUFKU (AUPCB – All-Ukrainian Photocinematic Bureau) script department. There was one step left to writing the screenplays, and Bazhan made it (as did Yanovskiy).

Cinema attracted writers with its novelty, opportunities, fame and fees, and in turn needed writers, because the laws of storytelling in the screenplay are the same as those of prose works. That is why in the mid-1920s, half of the screenwriters, half of the screenwriters were writers. And the record holder among them by the number of carried-out screenplays was Mykola Bazhan. Various directors made seven films using his scripts: *Alim* (1926), *Mykola Dzheriya* (1927), *Prygody Poltynnyka* ("The Adventures of Half-Rouble") (1929), *Kvartaly peredmistya* ("Uptown Blocks") (1930), *Pravo na zhinku* ("Right to a Woman") (with

Oleksiy Kapler; 1930), *Rik narodzhennya 1917* ("Year of Birth 1917") (with Lazar Bodyk; 1931), *Marsh Shakhtariv* ("March of Miners") (1932). Bazhan's screenplays *Mokra Prystan'* ("Wet Pier") (1932), *Sertsya dvokh* ("Hearts of Two"), *Prystrast'* ("Passion") (both together with Yuriy Yanovskiy; 1933, 1934) and *Kateryna* (1937) remained ink on paper.

As we can see, Bazhan was both dealt with film adaptations of literary works and wrote his own original screenplays. Four of those films have survived, and we can still watch them today, but Bazhan probably never watched them, at least after WWII. Unfortunately, the most convenient for the Soviet regime, *Mykola Dzheriya* – the film adaptation of Ivan Nechuy-Levitsky's social problem tale, which became ingrained in the canon of works of art on social justice and the struggle of serfs with their blood-sucking masters, has not survived.

Instead, the plots of Bazhan's original screenplays one and all became of the taboo topics. *Alim* is the first film about Crimean Tatars, the script to which Bazhan wrote from the play by



*Mykola Dzheriya* (1926). Film poster



*Kvartaly Peredmistya* (1930). Film poster by Ibrahim Litynsky

Ipchi Umer. The adventurous romantic-social film about the proud and courageous Crimean Tatar Robin Hood was very popular with the audience. In May 1944, the Crimean Tatars were deported. Even earlier, Ipchi Umer was repressed and exiled, and he died at Toms mental hospital. At first the film *Alim* was edited, and in 1937 banned from showing, and its copies were destroyed.

It is enough to say about *Prygody poltynnyka* ("The Adventures of the Half-Rouble") that its script Bazhan wrote on two stories about the children by the odious Volodymyr Vynnychenko (famous Ukrainian statesman, political activist, writer, and 1st Prime Minister of Ukraine – Ed.). It is not even clear how it was shot and released on screens, given the cooling in relations between Vynnychenko and the Government of the UkrSSR.

The film *Kvartaly Peredmistya* ("Uptown Blocks") is about a Jewish girl, Dora, who fell in love with a Ukrainian youth, a worker Vasyl, and faced misunderstanding and rejection from both her own parents and Vasyl's. That film written by Bazhan director Hryhori Hrycher-Cherycover shot in Bazhan's native Uman. Later, in an essay about actress Nata Vachnadze, who played the leading role, Bazhan mentioned: "When I myself started working as a film editor and screenwriter, in the late twenties, I wrote the script of *Kvartaly Peredmistya* ("Uptown Blocks"), which told a story of the impoverished town of my childhood, a poor Ukrainian-Jewish

town, where old, dark traditions of alienation, prejudice and prejudice still existed."

In the 1920s, the Jewish theme was not uncommon in Ukrainian and, in general, Soviet cinema. However, on the example of shtetl life, it was difficult to show the class struggle and victory of the proletariat, so it was Sholem Aleichem whose screen adaptations were mostly filmed. The *Kvartaly Peredmistya* ("Uptown Blocks") attracted with the story of modern life, and moreover, the film raised the question of women's rights: it is one of the first Soviet films where the main character is a woman. It seemed like nothing seditious, but after the Holocaust's non-recognition in the USSR, after prosecution of cosmopolitans and the "item 5" (a column in the Soviet passport for indicating citizen's nationality, usually to detect Jews – Ed.) the picture about the struggle of a Jewish girl against "religious and low-browed prejudices" lost its relevance.

Another story of a young woman who breaks patriarchal stereotypes is the film *Pravo na zhinku* ("The Right to Woman") (1930), a script to which Bazhan wrote with Oleksiy Kapler. Among Ukrainian panfuturists, Kapler was simply called Lucy; at that time no one could fancy what kind of adventures awaited him. Svetlana Stalin, a 16-year-old leader's daughter, fell in love with nearly forty-year-old Kapler, winner of the Stalin Prize for the film about Lenin, and Kapler reciprocated her feelings. He paid heavy price for that short novel: he was soon arrested, condemned for anti-Soviet agitation (it was 1943) and sent to labor camps. Kapler was released and rehabilitated only after Stalin's death. The fate of movie was also unlucky: *Pravo na zhinku* for the first time since its premiere and release in 1930 was shown in 2015, nowadays.

### BUSH (THE MOST) SENIOR

In the 1920s, only one Bush was known in Kyiv, and it wasn't George. That was how the film critic, editor of the magazine *Kino* ("Cinema"), editor of the Kyiv Film Factory Mykola Bazhan signed. Under that made-up name he also published one of his two cinematic books – *Nayvazhlyvishe z mystetstv* ("The Most Important of the Arts") (1930).

In general, this side of Bazhan's activity was not hidden by official biographers. In any reference-book of Writers' Guild, any encyclopedia in the article about Bazhan you will find a



**Mykola Bazhan is the Head of the Press Department of the VUFKU.** 1926. Friendly caricature by B. Bamsky

terse line "In the 1920s he edited magazine *Kino*. In fact, those few words mean so much. Bazhan was the head of magazine *Kino* for five of its best years, although the name of the editor was never mentioned in the magazine. He came to the editorial office in 1926, when founded a year ago magazine moved from Kharkiv to Kyiv, where a new film factory was being built inspiring young cinematic hopes in the city. Bazhan commissioned the design of the magazine to his long-time, as early as from gymnasium, friend Yuriy Kryvdin. Their parents served together in the Stavropol Regiment – Lieutenant Colonel Bazhan and Colonel Kryvdin, and then together in the army of the UPR. After Mykola's hobby, Yuriy fell for cinematography: he made decorations and photo compilations for the magazine, published the book *Shcho take kino* ("What the Cinema is") (1930), headed the publishing house "Ukrteakinovydav" (Ukrainian theater-cinema publishing house), in the creation of which Bazhan invested a lot of time and effort.

Bazhan attracted the best writing forces to collaborate in the magazine and later at the film factory and in *Ukrainfilm*, which emerged after the elimination of the VUFKU. It came to a point that the informants of the DPU (State Political Agency) reported that during hard times Bazhan employed all the literary friends at the film factory and ordered them fictitious screenplays only to support them financially.

In the early 1930s, writer Volodymyr Yaroshenko sarcastically called Bazhan "the evil genius of Ukrainian cinema". He explained: "Whatever Bazhan may do for Ukrainian cinema, whatever he may recommend to do, cinema won't benefit from it, but on the contrary, this will be harmful". According to a secret



**Oleksa Slisarenko. Poemy (1923).** Cover by Nick Bazhan



informant, “Yaroshenko meant the following facts: editing for 5 years of the magazine *Kino*, that narrow-known body of VUFKU, a magazine which, without assuming self-criticism, incorrectly covered the state of filmmaking, did not engage worker correspondents, did not educate proletarian cinema-journalists; separated itself from the film community, focusing only on the narrow circle of petty-bourgeois intellectuals (Kosynka, Zhihalko, Atamanyuk, Frenkel, etc.)” This is a 1932 report, so it is enough to replace minuses with pluses – and we will have a more or less real picture.

Today, the refusal to involve working correspondents and take up the education of film journalists from regular socialist overachieving workers, called to literature, positively characterizes the magazine editor. And who did secret informant call among the “petty bourgeois intelligentsia (intellectual society)”? First-rate writers who should be looked up to by those who seek answers to questions. However, the informant said otherwise: “It’s not surprising that, when Bazhan left the editorial board (late 1930), the tone of the magazine



Geo Shkurupiy. *Baraban* (1923) Cover by Nick Bazhan (?)

got a little refreshed”. In fact, under Bazhan, *Kino* was “the best two-weekly cinema magazine in the USSR” as it distinguished itself, and only that period of its history – vivid, meaningful, origi-

nal – was first and foremost worth of descendants’ and researchers’ attention.

These and other undesired names and facts in Mykola Bazhan’s biography should not have been concealed. There were almost no friends, colleagues, and like-minded people when Bazhan became the deputy chairman of the *Radnarkom* (Council of People’s Commissars): most of them disappeared into the swirl of the Great Terror<sup>2</sup>, and someone else died in the war. Heo Shkurupiy was arrested in December 1934 and executed three years later near Leningrad. Yuriy Kryvdin’s fate is unknown. Hryhori Hrycher-Cherycov made only two feature films in the 15 years since *Kvartaly Peredmystya* (“Uptown Blocks”). Therefore, those pages from the biography of the Stalin Laureate were not deleted – they were simply silent: maybe no one will be interested, everyone will forget. But you only pull a thread, as an entire iceberg will float to the surface, so there is a burning desire to call it a sort of a pun “Bazhan Undesired”. ■

<sup>2</sup>The Great Purge or the Great Terror was a campaign of political repression in the Soviet Union, which occurred from 1936 to 1938.



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**Scorpions****Palace of Sports  
(Sportyvna Ploshcha 1, Kyiv)**

The fans offered such a warm goodbye to the legendary rockers during their last world tour that they changed their mind about quitting. The show goes on — now as part of the Crazy World Tour which the band has performed in a number of countries already. Kyiv will be hosting the only concert on November 12. So get ready to sing along with the crazy Scorpions, listen to your favorite guitar ballads and eternal hit songs, including *Wings of Change* and *Send Me an Angel*. These and other songs from the German band have melted the hearts of their audience for 50 years now.

**Without Limits  
(БЕЗ ОБМЕЖЕНЬ)****Arena Center hall  
(vul. Nezalezhnosti 46, Ivano-Frankivsk)**

БЕЗ ОБМЕЖЕНЬ is one of the best bands on Ukraine's modern rock scene. Founded in Mukachevo, a city in Zakarpattia, back in 1999, the nationwide audience got to know it at The Global Battle of the Bands finals where it performed as the best new band from Western Ukraine. Now, the band has five albums. *Billions*, the most recent one, came out in August. It was when the band also presented its new video for a track called *Kolyskova* (Lullaby), the official soundtrack for the film *Stus* (Zaboronenyi).

**Druha Rika****International Culture and Arts Center  
(Aleya Heroyiv Nebesnoyi Sotni 1, Kyiv)**

The month of Ukrainian music continues — Kyiv is lucky to host Druha Rika, a well-known band in Ukraine that last played in the capital when it presented its new album *Piramida* with nearly 8,000 fans gathered to listen at the Sports Palace. Druha Rika then went on a tour in Canada and the US, performing in Philadelphia, Cleveland, New York, Chicago, Minneapolis and Toronto. The upcoming gig in Kyiv will offer a great climax for the successful year as Druha Rika will play the best songs from its previous albums and the latest one.



November 15, 19:00 — From November 28 — December 6, 19:00 —

**Vivienne Mort****Vinnitsia Oblast Philharmonic Theater  
(Khmelnyske Shose 7, Vinnitsia)**

Thanks to numerous requests from its fans, Vivienne Mort will continue its tour with a vocal quartet. The lucky host cities include Lviv, Ivano-Frankivsk and Uzhhorod. "Dear audience, we did not expect this excitement about our concerts with the vocal quartet... You often say that autumn is the perfect time to listen to Vivienne Mort. Believe me, we will be happy to meet with you this season," lead singer Daniela Zayushkina wrote for the fans. Get ready for the profound lyrics, sincere performance and the moving vocals from Daniela.

**New British Cinema****Zhovten cinema  
(vul. Koshtiantynivska 26, Kyiv)**

The capital is about to host a series of premiere film screenings, press conferences and special projects focused on the best new cinema from the UK. This year's New British Cinema, 19<sup>th</sup> in a row, will feature diverse genres and themes: from *Sorry, we missed you*, a drama about a hardworking courier and his family, to *They shall not grow old*, a documentary about World War I, and *Little Joe*, a British-German fantasy drama. The festival will screen six films.

**DakhaBrakha****Sports Palace  
(Sportyvna Ploshcha 1, Kyiv)**

The grandiose band with its grandiose repertoire and a grandiose show — no exaggerations. DakhaBrakha is a unique incarnation of Ukrainian folklore in music, growing into more than an ethnic band known in the world. It is now a phenomenon in the music industry rooted in the Dakh theater. It is therefore not surprising that Vlad Troitsky, the director and the driving force behind the theater, the founder of GogolFest, will be involved in preparing the show. Don't miss these Ukrainian tunes delivered to you in purely authentic form.



A large, stylized illustration of a turkey with a blue head and neck, an orange wattle, and a brown body. The turkey is positioned in the upper half of the image, with its tail feathers fanned out. The background is a warm orange color with dark brown lines radiating from behind the turkey, resembling a sunburst or a stylized turkey tail. Below the turkey, there is a dark blue horizontal band containing text.

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