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### CURRENTLY IT IS NOT POSSIBLE TO REFORMAT THE PARLIAMENTARY COALITION

The current parliamentary coalition is influenced by different players. New political projects participated in the parliamentary election, which were not parties per se. They are political groups linked to financial and industrial groups.

That is why major conflicts exist in the matters related to the interests of specific individuals or political promotion of certain persons. Furthermore, there is the issue of political competition and influence, which shows in staffing issues. This is already a traditional practice — each party wants to have its representatives in the bodies formed by the Rada. Currently, for example, within the coalition, there is an ongoing competition for the formation of the Central Election Commission.

However, it was evident from the formation of the government as well. Candidates for the offices of ministers were discussed one after another; there were demarches of certain parties, and statements of leaving the coalition. Initiatives of the Cabinet of Ministers that affect the interests of oligarchs also add fuel to the fire.

[Full text](#)

*Deputy Director,  
Director of Political  
and Legal Programmes of the  
Razumkov Centre Yuriy YAKYMENKO*



Nonetheless, the coalition continues to exist officially. The majority of votes to pass laws are still there. Many wonder if the coalition collapses but I do not think it is really possible to reformat the majority in this parliament. This will have major political consequences for the country in general, and image consequences for the parties too.

### DETENTION OF THE RUSSIAN MILITARY OFFICERS IS ANOTHER PROOF OF PARTICIPATION OF THE RUSSIAN REGULAR TROOPS IN THE EVENTS IN EASTERN UKRAINE



The fact of detention of the Russian military officers in Ukraine has already been actively used, and this has been done in two ways.

Firstly, it has become another real proof of participation of the Russian regular troops in the military actions in Ukraine for the international community. When Russia continues to deny the presence and participation of its military officers in the conflict, such stories are an important argument, and there is never too much of such arguments. This is the element of strengthening Ukraine's position in terms of getting

international support, maintaining it at a proper level, and strengthening if necessary.

Secondly, the involvement of these people in committing war crimes, terrorism, and deaths of Ukrainian military personnel is certain. Therefore, first of all, they should be held liable under the Ukrainian legislation. So, for them, there should be trial and sentencing according to charges brought. Then, when the sentence is passed, there may be options — how and where these military officers will serve sentences, if any. If in Russia, they may be exchanged for Ukrainian citizens convicted in Russia or held there without charge or trial. So, the detained Russian military officers can be used to release Ukrainians from Russian captivity.

From Russia's initial response to this story, we have already seen that it seeks any tricks and uses falsification of facts (that they are military officers who used to serve in the Russian army but do not any more) not to recognise that there are Russian military in Ukraine. So, according to Russia, this is strange — these people have just served in the Russian army but once captured, they no longer serve in it. Russia will try to do everything possible to continue denying the fact that its regular troops — staff, military equipment etc — are fighting in Ukraine. Therefore, one should not think that Russia will care about the detainees or change its position. For Russia, its citizens and this conflict, as experience shows, mean nothing.

[Full text](#)

*Deputy Director Director of Political and Legal Programmes  
of the Razumkov Centre Yuriy YAKYMENKO*

## DUE TO DECENTRALISATION, RAION AND OBLAST COUNCILS WILL GET EXECUTIVE COMMITTEES

If decentralisation is introduced at the level of raions and oblasts, instead of administrations, there will be councils, within which executive committees will be created.

Locally, there should be a representative of the state. However, it is extremely important that in case of decentralisation at the raion and oblast level, there will be no administrations but councils that will elect their heads, and then heads of executive bodies. The council will have an executive body. At this level, we will lay such mechanisms that will not allow to

combine legislative and executive authorities locally. Amendments to the Constitution related to the decentralisation of power should be introduced in September, before the local elections.

[Full text](#)

*Legal Research Fellow  
of the Razumkov Centre  
Viktor MUSIYAKA*



# National Security and Defence

## SEPARATISTS HAVE TO UNDERSTAND THAT A NEW ATTACK IN DONBAS WILL COST THEM A LOT

The prospects of escalation or de-escalation of the conflict in Donbas should be assessed given the terrorists building capacity to attack, and being supported with ammunition, fuel, and other resources. Furthermore, attention should be drawn to the concentration of Russian forces at the borders of Ukraine. These are the key points that any strategist or analyst considers as signals to prepare for a possible attack.

Statements on the possible attack of terrorists that are being made by the Ukrainian military, politicians, and NATO leadership have substantial grounds, and are based on facts. However, I think that the concentration of force in Donbas and at its borders is a demonstration of Russia's intentions rather than ultimate evidence that escalation is inevitable.

To keep threatening with an attack and assure that it can not be avoided is one approach. However, we can also analyse previous experience and develop mechanisms to make the possibility of implementing such a scenario minimal. I prefer this approach. The only advice is to put all the effort, both military and informational, into telling the enemy that his destabilising actions will cost him a lot, and he will not be able to achieve the planned goals.

NATO stated that Shyrokyne could suffer the fate of Debaltsevo, and these concerns also have grounds. Those in doubt should better look at the maps of the National Security and Defence Council carefully on the situation in Donbas in the last three months since the second Minsk agreements have been signed. They show that the area that is not controlled by the Ukrainian authorities is constantly expanding. Quiet seizure and spread of uncontrolled areas continues. This concerns not only Shyrokyne but other areas of clashes as well.

Thus, the conclusion is the following —the likelihood of the escalation of hostilities in Donbas is quite high. Sitting on our hands and waiting when this happens is very unproductive.

[Full text](#)



*Co-director of Foreign Relations and  
International Security Programmes of  
the Razumkov Centre  
Oleksiy MELNYK*

## WHAT INTERESTS RUSSIA IN THE ARCTIC

Over the last year, Russia's military presence has also significantly increased in the Arctic region, which is still disputable. Russia is trying to expand its area, or create favourable conditions for possible negotiation.

Indeed, among the recent incidents, one can mention the visit of Russian Deputy Prime Minister Dmitriy Rogozin, who is a blocked person in the European Union, to Svalbard — an archipelago which is controlled by Norway but has Russian settlements. Earlier, Russia has decided to locate MiG-31 fighter aircrafts on the Arctic grounds, and this is not the first step of Russians to the militarisation of this region. The Russian government also intends to apply for expanding the borders of the Arctic shelf. However, here such claims of Russia confront the interests of Canada, Denmark, Norway, and the U.S.

It should be emphasised that territorial disputes in the Arctic have intensified after the announcement of the prospects of global warming, which made it more attractive. Indeed, significant climate change may lead to opening new transport routes in the Arctic that will operate longer than several months a year. Furthermore, in the Arctic, there are significant opportunities for mining.

However, I doubt that it ever materialises. Most likely, Russia's activities in the Arctic is a kind of a bluff, and intimidation of partners in another region. However, this is a very favourable and successful tactics for Russia.

Any escalation in the arms race is potentially a risk of the outbreak of the conflict. In this case, it is not important how many weapons the parties to the conflict have and where but the perception of this threat. Indeed, the greatest threat to the world order is the lack of confidence among international players.

In this situation, any escalation only ruins the fragile confidence. Such aggressive actions as unexpected training, dangerous manoeuvring when intercepting aircrafts, and an increasing number of threatening demonstration flights increases the likelihood of an incident. It is known that an unplanned incident can lead to a large-scale conflict.

[Full text](#)

*Co-director of Foreign Relations and  
International Security Programmes of  
the Razumkov Centre Oleksiy MELNYK*

## RUSSIA WILL NOT ALLOW TO FREEZE THE ARMED CONFLICT IN DONBAS

Some analysts are inclined to believe that freezing the conflict in Donbas the way it was in Transnistria is now the best way out of the situation, and a lesser evil.

However, after studying the issue carefully, it becomes clear that such a comparison is rather conditional. Certainly, there are similarities but, as always, every situation has its own unique features.

Indeed, the Ukrainian territory that is controlled by pro-Russian militants borders Russia; the border is 400km long. Instead, Transnistria is isolated between the borders of Ukraine and Moldova so for Russia, possibilities to supply manpower or ammunition are very limited. Unfortunately, this cannot be said about the so-called DPR–LPR.

Furthermore, the Transnistrian conflict is still used by Russia to influence Moldova, and as an advantage in the negotiation with the West. However, the scale of the

stakes in the Donbas and Transnistrian conflicts differs significantly. Indeed, Russia sets ambitious goals for itself both against Ukraine and the West.

Bullying is currently the only effective tool of the Russian foreign policy. The prospects of freezing the conflict in Donbas should be considered from this point of view. Russia, which is a party to the conflict, is not committed to its settlement at all.

A frozen conflict in Transnistria suited Russia. However, Moscow needs a permanent zone of instability in Donbas, which can be heated up or put out depending on the needs of the Kremlin.

[Full text](#)

*Co-director of Foreign Relations and International Security Programmes of the Razumkov Centre Oleksiy MELNYK*

## Economy

### A TOTAL DECLINE OF DONBAS ECONOMY WILL THREATEN UKRAINE'S SECURITY

There has been a major degradation process, due to which the economy of the region was thrown several decades back. Many of the enterprises that have stopped will not come back to life. Some of them are materially outdated, others lost markets — mostly Russian — and need either closure or significant investment to refocus. However, nobody will do that during the war.

In fact, simplified economic activities with strict administrative decisions and grants from Russia are conducted there. So it is very difficult to talk about the economic situation. I think that de facto it comes to economic collapse.

We should understand that unsolved economic problems create huge threats to the adjacent areas and other countries. If there is no significant financial investment, this area will become a potential source of crime, unregulated migration, drug trafficking, and smuggling.

[Full text](#)

*Economic Research Consultant of the Razumkov Centre Volodymyr SIDENKO*



### IT SEEMS THAT THE UKRAINIAN GOVERNMENT IS NOT READY TO THE CHANGES IT DECLARES

The international donor conference held on 28 April 2015 is rather a conference of expectations/wishes of the Ukrainian government, whose aim is to draw the attention of international investors to Ukraine.

Several important areas to which investors' attention should be drawn are distinguished: fiscal stability and improvement of private property — privatisation. These two areas are “conserved”. Unfortunately, fiscal stability is not “favourable” for business (at least so say business associations). Privatisation remains at zero level — both last year and this year.

These are just a few areas that can show investors that actions of the Ukrainian government not only have the nature of invitation but are based on real steps and changes.

Therefore, now it would be much more effective for investors to come not for a discussion but a negotiation with the government about the projects which can be already implemented. Unfortunately, it seems that the Ukrainian government is not ready to the changes it declares. Until the Ukrainian government takes real steps, and until investors start bringing their capital to Ukraine, it is difficult to expect positive change in other areas.

[Full text](#)

*Director of Economic Programmes of the Razumkov Centre Vasyl YURCHYSHYN*



### THE SITUATION WITH CREDITORS WILL GRADUALLY CHANGE IN UKRAINE'S FAVOUR

Regarding the situation with creditors, we should talk about the so-called soft restructuring, i.e. postponement in the principal payment and a slight decrease in debt service. This is mostly painless for everyone, in particular the creditors. The situation with creditors will gradually change in Ukraine's favour.

As to the calls to declare default in order to influence creditors, it looks more like blackmail. In a serious

business world, such blackmail will not work. It is very important to remind creditors that despite all the difficulties, Ukraine has always fulfilled its obligations.

It is necessary to conduct a civilised policy designated to ensure that creditors clearly see that it is much better to conduct soft restructuring and lose neither funds nor moral status without tightening the financial noose around Ukraine's neck.

In 2015, we can expect that Ukraine will be able to pay a significant part of debt due to new external borrowing — this refers to cooperation with the IMF, the World Bank, and the EBRD.

It seems to me that both the prime minister and the minister of finance have a rather reasonable position — there are no flag-waver attitudes, rather objective information is coming in, and, on the other

hand, one can see that there is active cooperation not only with creditors but also with international financial organisations, and this is encouraging.

[Full text](#)

*Director of Economic Programmes of  
the Razumkov Centre  
Vasyl YURCHYSHYN*

### **RUSSIA CANNOT BE ALLOWED TO STRATEGIC AREAS**

Russians are especially interested in the financial system, southern ports as well as energy and aerospace enterprises of Ukraine. However, such country should not be allowed to strategic areas which can be used to cause damage to Ukraine.

The law on the state budget for 2015 provides for receiving 17 billion hryvnias from the sale of state property. It was planned to receive the same amount last year but we managed to receive only 1.5 billion hryvnias. It is May already but no sane privatisation tender has been announced yet. I very much suspect that we will not get the declared 17 billion this year either. I would like to emphasise that it is not so much about this revenue but about finally forming effective private ownership.

One should bear in mind that when a country announces an extensive planned privatisation but limits access for some of its potential participants, it looks ugly in the eyes of international investors. They will have concerns that in the future, they can also fall under similar unwanted restrictions.

Another important aspect is the Ukrainian capital in Russia. It would be very important and symbolic if Ukrainian officials gave up their assets in Russia, especially those of symbolic nature or that may be used against Ukraine.

[Full text](#)

*Director of Economic Programmes of  
the Razumkov Centre Vasyl YURCHYSHYN*

## Energy

### **HE EU WILL NOT HELP RUSSIA BUILD THE TURKISH STREAM GAS PIPELINE**

In terms of economic benefits, the Turkish Stream pipeline is unprofitable for anyone. It will bring no benefit to Russia as well as the European countries, Ukraine, or Turkey.

The European Union and European banks will not fund it because they do not need it. Will Russia find the extra 35–40 billion euros — I am not sure since the funds that Russia could spend on anything are already coming to an end.

Therefore, if Russia comes to an agreement on the Turkish Stream project at the political level, it will have

to fund it itself, and there are already no funds for this. This project is very unlikely. Russia is trying to blackmail European countries with it and bargain about certain preferences.

[Full text](#)

*Director of Energy Programmes of  
the Razumkov Centre  
Volodymyr OMELCHENKO*



### **WIND POWER IN UKRAINE IS DEVELOPING THANKS TO THE EFFORTS OF ENTHUSIASTS**

The wind power market is developing mostly thanks to the efforts of enthusiasts. The main issues in the wind power market are uncertainty of the rate policy, administrative barriers related to connecting to grids, obtaining permissions as well as unfavourable investment climate.

Today, few investors would agree to risk their capital since Ukraine still has a low level of investment attractiveness.

[Full text](#)

*Director of Energy Programmes of  
the Razumkov Centre Volodymyr OMELCHENKO*

### **INSTEAD OF CLOSING MINES, MANAGEMENT OF THE COAL INDUSTRY SHOULD BE IMPROVED**

The government should not rush with closing Ukrainian mines since some of them can still be brought back to life. The Ministry of Energy is rushing by trying to close three mines — and eleven in the long term — in the area of Donbas controlled by Ukraine.

Now, in Ukraine, there is a shortage of coal due to the current situation that is why we should think twice before closing Ukrainian mines — it is necessary to examine the situation carefully since there are development prospects in the Lviv-Volhynian Coal Basin. As to the mines of Donbas, each mine should be considered selectively.

It is necessary to improve the quality of management of the coal industry, and use new technology. This will help save the mines. Also, some mines can be allocated

for privatisation so that they can operate and generate profit. We should forget about the mines in occupied Donbas for now.

Ukraine still continues to buy Russian electricity — not at the state level but at the level of individual companies. The state can provide itself with electricity.

We should invest in our own production of resources as well as establish energy supply from Europe and other countries but not Russia. Moreover, if energy balances are optimised and governance in the energy sector is improved, Ukraine can fully provide itself with electricity.

[Full text](#)

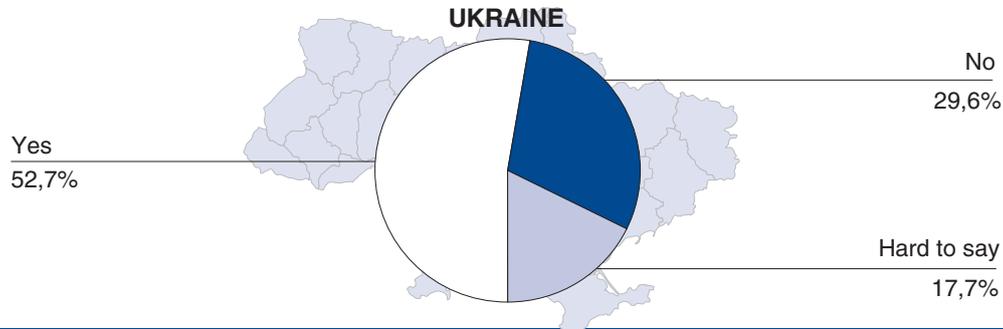
*Director of Energy Programmes of  
the Razumkov Centre Volodymyr OMELCHENKO*

# Sociology

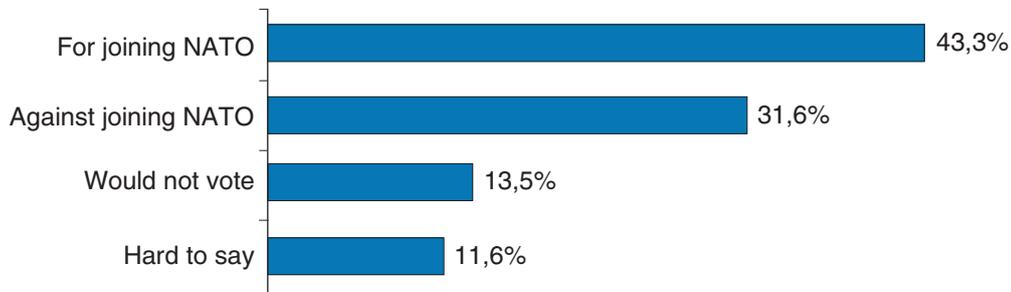
This issue of the newsletter presents some of the findings of the survey conducted by the Sociological Service of the Razumkov Centre from 6 to 12 March 2015 in all the regions of Ukraine except Crimea and the occupied areas of Donetsk and Luhansk Oblasts.

2,009 respondents aged 18 and over were interviewed. Sampling error — 2.3%. More information on findings of the public opinion polls conducted by the Razumkov Centre is available on the Razumkov Centre website <http://www.razumkov.org.ua>.

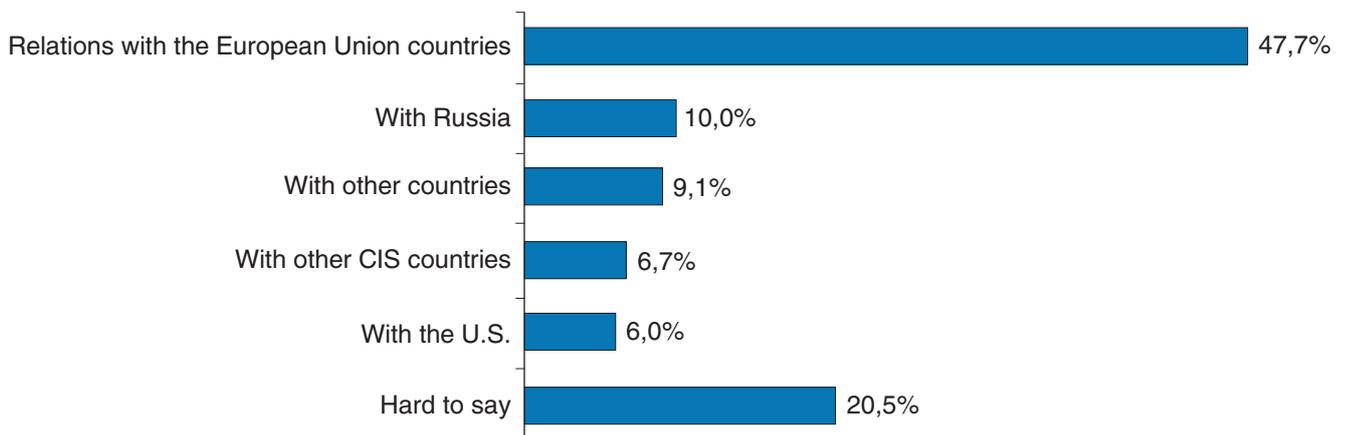
## Do you think Ukraine should join the European Union? % of respondents



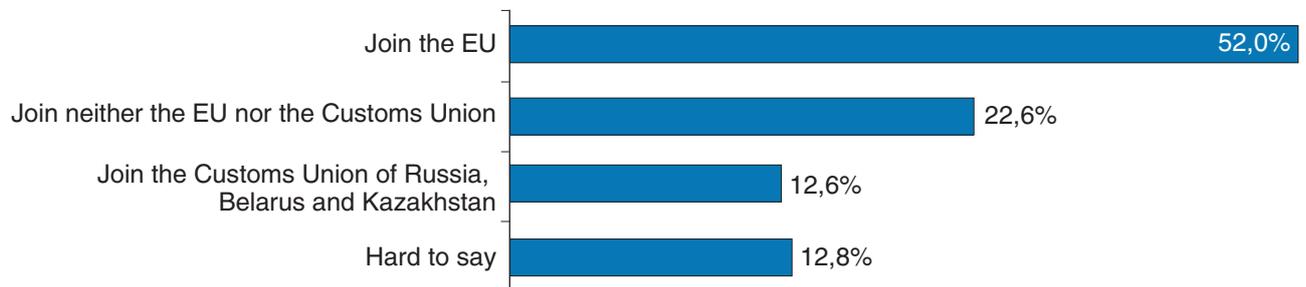
## If on Sunday there was a referendum on joining NATO, how would you vote? % of respondents



## Which direction of foreign policy should be a priority for Ukraine? % of respondents



## Which direction of integration should Ukraine choose? % of respondents



# The Razumkov Centre News

## ATTENDANCE OF THE CONFERENCE *WAR IN UKRAINE: WHERE ARE WE NOW AND WHERE ARE WE GOING*



On 23 April 2015, the conference *War in Ukraine: Where Are We Now and Where Are We Going* was held by the Ukrainian Think Tanks Liaison Office in Brussels and the Wilfried Martens Centre for European Studies.

### Speakers:

Ambassador **Olof Ehrenkrona**, Consulate-General of Sweden in Mariehamn, Finland, Member of the Board, Martens Centre; **Mykola Sunhurovskyi**, Director of Military Programmes, Razumkov Centre; **Oleksiy Makeiev**, Political Director, Ministry of Foreign Affairs of Ukraine; **Mark Laity**, Chief Strategic Communications at SHAPE, NATO; **Olena Prystaiko**, Executive Director, Ukrainian Think Tanks Liaison Office in Brussels; Moderator: **Roland Freudenstein**, Deputy Director and Head of Research, Martens Centre.

Ukrainian officials and experts, NATO and EU representatives presented the analysis of the current situation, identified possible scenarios, and outlined the factors of victory.

Director of Military Programmes of the Razumkov Centre **Mykola Sunhurovskyi** noted that Ukraine has enough military personnel to hold back Russian aggression although it lacks defensive weapons, in particular anti-tank missiles and secured radio communication systems. Such weapons would help reduce the number of civilian casualties. According to Mr Sunhurovskyi, Putin's plan did not work because Ukraine still has the resources to fight Russian troops and separatists supported by Russia but how long the ceasefire will last depends on how much the West will help.

Conference materials are available on the following websites:

Ukrainian Think Tanks Liaison Office in Brussels – <http://ukraine-office.eu/war-in-ukraine-where-are-we-now-and-where-are-we-going/>

Martens Centre – <http://martenscentre.eu/events/war-ukraine-where-are-we-now-and-where-are-we-going>

Video of the conference – <https://www.youtube.com/watch?v=BtRl0wFButc>

## THE CONFERENCE INTERNATIONAL EXPERT SUPPORT OF THE REVIEW OF UKRAINE'S SECURITY AND DEFENCE SECTOR

On 19–20 May, the conference *International Expert Support of the Review of Ukraine's Security and Defence Sector* (within the NATO Science for Peace and Security Programme) was held.

In addition to representatives of Ukrainian government agencies and think tanks, the conference was also attended by about 30 international experts. The conference was dedicated to consideration of the issues of the current state

and course of reforms of Ukraine's security and defence sector.

## A MEETING WITH THE DELEGATION OF NORWEGIAN EXPERTS ON REFORMING CRIMINAL JUSTICE

On 19 May 2015, the Razumkov Centre hosted a meeting with a group of Norwegian experts on reforming criminal justice, which included representatives of the Ministries of Foreign Affairs, Justice, and Public Security, Administrative Court of Norway, and representatives of the police and the prison system.

The Razumkov Centre was represented by Deputy Director, Director of Political and Legal Programmes Y. Yakymenko and Legal Research Consultant V. Musiyaka.

At the meeting, the course and problems of the implementation of reforms in the legal sector in Ukraine — reforming the court, prosecution, law enforcement agencies, and constitutional reform — were discussed. Representatives of the Razumkov Centre presented the results of the Centre's projects on the judicial reform and the law enforcement reform to the visitors, and provided expert assessments on the issues of interest to the Norwegian visitors.

## A MEETING WITH THE MINISTER OF FOREIGN AFFAIRS OF ESTONIA

Deputy Director, Director of Political and Legal Programmes of the Razumkov Centre Yuriy Yakymenko and Leading Expert of Political and Legal Programmes of the Centre Viktor Zamiatin attended a meeting with the Estonian delegation headed by Minister of Foreign Affairs K. Pentus-Rosimannus. During the meeting, the issues of current political situation in Ukraine, the situation in the CTO area, relations with Russia, development of the relations with the EU, and possible prospects for the EU Eastern Partnership were discussed.

## A MEETING WITH THE DELEGATION OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

On 20 May 2015, the Razumkov Centre hosted a meeting with representatives of the U.S. Agency for International Development and experts of the company Tetra Tech ARD, who conduct analysis of the democracy level, human rights protection, and good governance in Ukraine.

At the meeting, the Razumkov Centre was represented by Director General Anatoliy Rachok and Deputy Director, Director of Political and Legal Programmes Y. Yakymenko.

At the meeting, the issues of current political situation in Ukraine, and the progress and problems in conducting reforms in various areas were discussed. Particular attention was paid to the issues of fighting corruption, energy sector reform, decentralisation, communication problems between the authorities and the society, and the role of non-governmental expert organisations in assisting government agencies in conducting reforms in Ukraine.

Ukrainian Centre for Economic and Political Studies  
named after Oleksandr Razumkov  
Address: 01015, Kyiv, Lavrska, 16, Ukraine  
Telephone (044) 201 11 98, fax (044) 201 11 99  
Email: [newsletter@razumkov.org.ua](mailto:newsletter@razumkov.org.ua)