



№15 (9 April 2015)

THE RAZUMKOV CENTRE NEWSLETTER

CONTENTS

DOMESTIC POLICY.....	1
NATIONAL SECURITY AND DEFENCE.....	2
ECONOMY.....	4
ENERGY.....	5
FOREIGN POLICY.....	5
SOCIOLOGY.....	6
THE RAZUMKOV CENTRE NEWS.....	7

RUSSIA IS DELIBERATELY DISCREDITING UKRAINE AND UKRAINIANS

The Investigative Committee of the Russian Federation has recently initiated a criminal case concerning the desecration of symbols of Russia's military glory, publicly committed in Ukraine.

The Kremlin's actions come down to further demonising Ukraine. We should expect an "escalation" next month. This case of the Investigative Committee (IC) of the Russian Federation is directly connected with the attempt to present Ukraine as a country of fascists on the eve of the celebration of the Victory Day. It is difficult to comment on the actions of the IC of Russia in terms of their rationality and common sense. In fact, this is a means of information warfare waged by Russia against Ukraine.

This case will be used in the Russian media to continue a chain of similar decisions of the Investigative Committee on the persecution of Ukrainian "punishers".

On the other hand, given the impossibility of the IC of Russia to conduct any investigation in Ukraine in the legal framework, Moscow uses such "investigation"

as an excuse for arbitrary detention of the citizens of Ukraine in Russia. This is a real danger for Ukrainians in Russia.

Such actions of Russia will further encourage the alienation of Ukraine from Russia at the societal level.

This is a demonstration of the inverted reality that Russian authorities are trying to form among their citizens in relation to Ukraine.

[Full text](#)

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



THE PROCESS OF DECENTRALISATION SHOULD BE SPEEDED UP

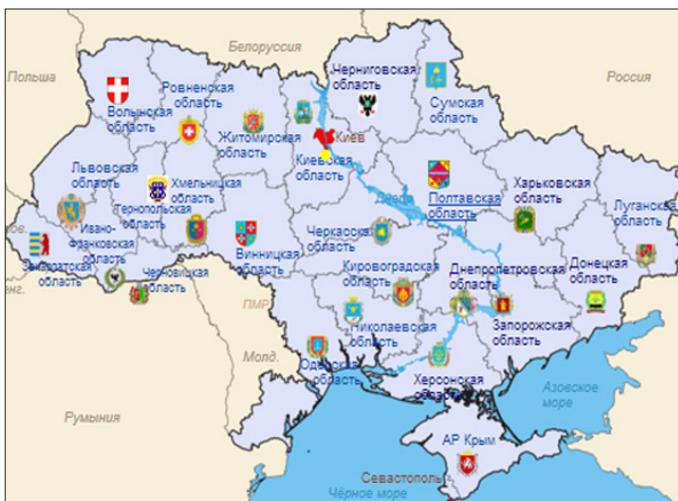
During the constitutional execution of decentralisation in Ukraine, many forms of local communities will be considered, including the form of Polish voivodeships. Ukraine has already introduced the necessary amendments to the Budget Code and the Law on local government.

However, we can talk about decentralisation in terms of the empowerment of local communities only after we conduct an administrative division reform. It is necessary to enlarge local communities so that they could support themselves financially. Settlements should be united so that this community could provide for themselves by operating various economic agents in the area. Communities should be put in the state of self-sufficiency.

However, I do not mean the revision of borders or the number of existing oblasts — local communities will be created within them. In the current circumstances, the process of decentralisation should be speeded up.

[Full text](#)

*Legal Research Fellow
of the Razumkov Centre
Viktor MUSIYAKA*



UKRAINIANS PLACE RESPONSIBILITY FOR THE ECONOMIC SITUATION ON THE PRIME MINISTER

People's Front, which ranked first in the parliamentary election last year, has lost electoral support the most. The main reason for the decline in popularity of the prime minister's political party is deterioration of the economic situation. However, before the parliamentary election last year, the rating of People's Front was also low but the popularity of this political party significantly increased during the election campaign.

Responsibility for the entire economic situation and even those problems where his influence is actually very limited — the devaluation of the hryvnia — is placed on the prime minister.

Meanwhile, the party Samopomich has maintained its electoral position in general. Positive rating of the leader of Samopomich — Lviv Mayor Andriy Sadovyi — significantly contributes to this, and the party also somehow manages to balance — to be in power while also slightly distancing itself.

[Full text](#)

*Director of Sociological Service of
the Razumkov Centre
Andriy BYCHENKO*



STATE-OWNED COMPANIES SHOULD OPERATE ON THE BASIS OF TRANSPARENT RULES

The only way out of the conflict between Kolomoiskyi and Poroshenko is the work of the three branches of government focused on preparing acts to govern the rules of the operation of state-owned companies, once and for all — as leading democracies of Europe and the world.

Let us look at the issue more broadly — of course, it is necessary to establish civilised “rules of the game” between factitious citizens “Kolomoiskyi”, “Firtash”, “Akhmetov”, and “Poroshenko”. If this is not done, Ukraine will die as a state.

There are implications in this conflict, and instead of properly covering the events, the Ukrainian media clearly support one of the parties.

[Full text](#)

*Leading Expert of
Political and Legal Programmes
of the Razumkov Centre
Viktor ZAMIATIN*



National Security and Defence

PUTIN'S DOGS



Foreign Policy magazine published a story on June 14, 2007 about President Vladimir Putin's hospitality toward German Chancellor Angela Merkel. That episode became famous and has been mentioned and interpreted many times to describe the personality of the Russian president.

In January 2006, “Putin, who likes dogs, had given Merkel a gift of a small toy black and white dog, which had a short leash. Merkel, however, does not like dogs — she was bitten by one when she was young and has since kept her distance, according to an aide. German diplomats said they were unsure how to interpret the gift,” FP contributor Dan Drezner wrote.

One year later, in January 2007, during a tough meeting with Merkel over energy supplies, Putin's black Labrador Koni entered the room. Reportedly Angela Merkel was scared and confused, but tried to smile and even made a wishful joke in Russian, “Now the dog is going to eat the journalists.”

And Putin assured the German Chancellor: “I don't think the dog will scare you. She won't do anything bad...”

A very nice story, one that deserves more reflection in view of the latest events in and around Ukraine.

Putin's dogs in Crimea

There were polite green dogs in February-March 2014, but who knows whose dogs? They were presumed to be the Putin's dogs because they apparently looked like his canines despite having no nametags. But Putin denied ownership.

His neighbors — who had become already scared and confused — did not want to provoke the dogs' owner. Some of them pretended to be angry, but mostly they wanted to get some assurances, that the dogs would not go too far and do anything too bad.

Later Putin not only admitted owning the green dogs, but expressed admiration for their distinguished duty. The dogs got their nametags back and even medals.

The Western neighbors became even more scared and confused.

Putin's dogs in Donbas

The same dogs entered Ukraine's house through the eastern door in April 2014. First, Putin denied that they were his dogs and then he admitted that they might be his dogs, who had wandered in of their own volition (volunteers, vacations, training) or possibly got lost.

This time the dogs remained green but rapidly lost their politeness. They behaved like wild animals and started to bite and eat everything and everyone around them, including journalists and even foreign travellers who thought they were passing by at a safe altitude over the dogs' playground. It was a shock! In response to the accusations, the dogs' owner blamed everyone for everything and defended the dogs' right to self-defense (and self-determination too).

Putin's dogs in Minsk

Then Merkel managed to invite Putin and some neighbors to Minsk. Putin insisted on having his dogs represented as well. Although the dogs were not invited to the table, they were allowed into the house. Merkel – still confused, but even more scared – accepted his proposal with gratitude.

After many hours of negotiations, Putin persuaded all the guests including his Ukrainian neighbor, that the dogs should be treated properly if they wanted them to



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

behave. He might be the owner of the dogs, but neighbors should negotiate with them, respect them and treat them as neighbors or family members with special rights.

When Koni entered the room where the two heads of states met many years ago, was she exercising her right to freedom of movement, or was that her master's decision?!

You should never provoke the master! You will never know when the dogs are following his order or acting on their own. Their master has his own opinion and has no need to accept yours. Don't believe you will change this by offering the dogs tasty pieces of meat. When the master shouts "Sic'em!" the dogs will get you.

PS. In this essay, the term "dog" is used to describe an instrument of Putin's policy. No living animal should take offense.

Full [text](#)

WILL RUSSIA DARE TO START A SPECIAL OPERATION "THE BALTICS"?

The policy of military departments is geared to develop plans for any occasion. The Russian General Staff has already probably developed options to destabilise the situation in the Baltics. Experience proves that these plans are very hard to refuse afterwards.

However, there are many hindering factors making Moscow curb its enthusiasm. Firstly, Western sanctions remain in force. Whatever brave face the Kremlin puts on, they are exhausting for both Russian economy and its budget. Moreover, sanctions cause certain social losses for Russia. Secondly, there is not only Ukraine. The list of powder kegs for which Russia has to be responsible also includes Syria, Central Asia, and the Arctic along with China.

In Central Asia, there is also a danger of destabilisation of the situation because of the actions of militants of the Islamic State supported by local Islamism. Now representatives of Central Asian states have started talking about it themselves. Therefore, Russia has to cover all the possible dangerous areas but its capability is not unlimited.

However, I think the Kremlin will not give up raiding or provocations in the Baltics. They do not require much effort or costs.

Moreover, they may resort to similar tactics both in Moldova and Georgia.

Among the Baltic states, Estonia and Latvia are the most vulnerable to Russian aggression. These countries

have the largest Russian-speaking population densely populating certain regions. Due to such a background, raiding is easy, and it will get more response. I think we will not see any new inventions — a propaganda campaign will be launched again as well as attempts of destabilising actions locally.

However, "men in green" are unlikely to appear there. We should bear in mind that the Baltic states are NATO members, and they can rely not only on their armed forces but also on NATO forces. Nobody cancelled Article 5 of the Charter, and any NATO member state can count on the assistance of the forces of allies in case of an open attack.

However, one can hardly expect an open attack. Certain destabilising actions within a country are far more likely, which presents NATO with a legal dilemma. Should NATO respond to destabilising actions within a country if there is no open attack? In any case, the countries at risk have already understood their threats and resort to certain measures.

Full [text](#)



*Director of Military Programmes of
the Razumkov Centre
Mykola SUNHUROVSKYI*

THE CONFLICT IN DONBAS WILL CONTINUE UNTIL PUTIN ACHIEVES HIS GOALS

If the Western community wants to stop Russia in Ukraine, they should take all the necessary measures. These measures include not only providing lethal weapons, referred to in the resolution of the U.S. Congress, but also certain diplomacy and sanctions. That means these measures should be comprehensive.

When it comes to providing weapons, the West mostly says that the cost for the aggressor country should be

increased. However, I would add — the cost for the victim country should be reduced since those means we are getting or are going to get is a way to avoid civilian casualties.

We should not be afraid of the escalation of the conflict in response to the provision of weapons to Ukraine as the conflict will escalate anyway because the master of the Kremlin has not given up his goals. It is not quite right to say that this will provoke Putin to take more abrupt steps. For Putin always provokes himself to achieve his goals. So, on the contrary, providing weapons can become a stabilising factor.

Russia now focuses on driving a wedge between the allies. Of course, it is unfavourable for them if Ukraine gets any means because it increases the cost of the operation. We should respond to Russian statements considering the situation. Until Putin achieves his goals, the escalation of the conflict will continue.

Full [text](#)

*Director of Military Programmes of the Razumkov Centre
Mykola SUNHUROVSKYI*



UKRAINE IS CURRENTLY UNABLE TO FULLY COMPENSATE FOR THE ECONOMIC LOSS OF DONBAS

Clearly, the severance of economic relations with Donbas due to the political crisis and war has extremely negative consequences for Ukraine's GDP.

However, production in the industries targeted at the Russian market has already started decreasing in the pre-war period. This is most apparent in domestic mechanical engineering. It is the decrease in demand in Russia that caused up to a 70% decrease in production



of railway rolling stock, especially diesel locomotives. In other industries, Russia also counts on creating import substitution in production. Therefore, Ukrainian companies should seek markets other than Russian.

It is difficult to imagine that now Ukraine can fully compensate for the loss of Donbas. There is no additional resource for this now. We expect that a package of financial assistance from international organisations will be followed by a powerful flow of private investment. However, we should understand that investment will not appear until there is political resolution of the conflict. Since capital is not flowing into the war zone, this is a rule.

Therefore, least of all Ukraine is interested in creating some kind of a "grey area" within its territory, which will be a constant source of instability. Although relations with Donbas are minimised now, Ukraine cannot act as if it sees no prospects for the relations with this region.

[Full text](#)

*Economic Research Consultant
of the Razumkov Centre
Volodymyr SIDENKO*



HOW TO GET RID OF THE DEBT NOOSE?

Ukraine has started negotiations on restructuring external debt. If we manage to reach an agreement with creditors, it will help reduce the ultimate load on our economy and the amount of debt which is due soon.

Looking at our history, we can note that whatever hard times Ukraine experienced, it always paid the bills promptly. This is not a bad characteristic, which may become an argument in our favour when negotiating with creditors.

It is promising that the government has got down to restructuring, and there is a chance that we will manage to defer payments.

Also, it would be nice if interest payments could be slightly reduced. This would already have positive results and help stabilise the economy.

It is important that investors would be willing to take a fundamental step towards Ukraine.

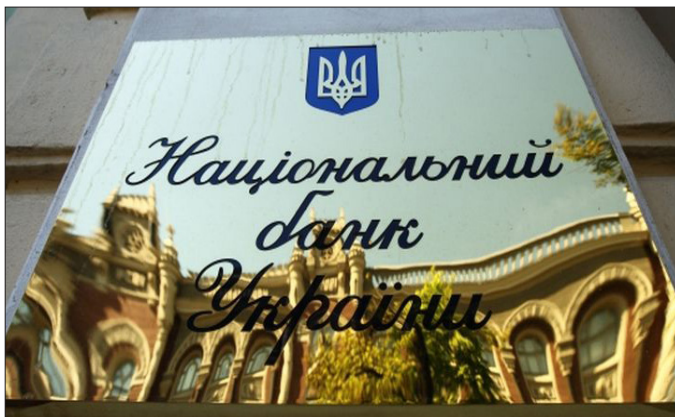
[Full text](#)

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



REQUIEM FOR THE HRYVNIA

Having tragically brought the hryvnia down in February, in the first half of March, the central bank has begun to demonstrate a persistent fight against its failures and losses. This is already becoming a



rule — due to its irrational actions and eloquent omissions, the monetary authorities create a critical situation, and then bravely fight the symptoms (but not the causes or sources). The same was in early March — thanks to administrative effort, in particular an actual ban on import, the hryvnia has "stabilised" at the level stated by the president — around 22 UAH per USD. However, only the slightest hint that administrative restrictions can be mitigated (due to replenishing the reserves of the National Bank of Ukraine) pushed the hryvnia to a new surge of the devaluation and inflation spiral.

Let us note that according to the survey of the Razumkov Centre, conducted in early March 2015, over 77% of the respondents do not support activities of the NBU.

[Full text](#)

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

HIGH LEVEL OF CORRUPTION SIGNIFICANTLY REDUCES INVESTMENT ATTRACTIVENESS OF UKRAINE

Ukraine definitely needs additional financial assistance — I mean both loans and investment resources.

Over the last 2 years, the foreign direct investment inflow to Ukraine was minimal, which means that we remain an extremely unattractive country in terms of investment. Currently, due to geopolitical and certain economic conditions, it is certainly very difficult to rely on the arrival of foreign investment.

However, attention should be drawn to an extremely low level of implementation of investment projects and transparency of economic activities in Ukraine. There are doubts that the additional resources received will be spent on development rather than being unproductively utilised.

The government should make the use of resources coming from international sources as open and transparent as possible. Then, citizens will clearly see the uses of available resources and the results.

Any significant costs should be presented to the public — it is important to ensure that foreign investors

could see that Ukraine uses resources fairly, and that it is willing to use them efficiently. Then, opportunities for attracting resources will also expand.

The world has “conserved” a whole list of resources which could be provided to Ukraine as assistance — every year, the EU “saved” something for Ukraine; the same can be said about projects of the World Bank.

Moreover, I have repeatedly heard an opinion from international experts and representatives of international companies that comes down to the fact that if we really minimised corruption and started actively conducting reforms, in particular budget transparency and increasing efficiency, reforms related to the search for new competitive niches, foreign investors would be willing to invest in Ukraine, despite a likely military and political threat from Russia.

Full [text](#)

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

Energy

UKRAINE CANNOT RECEIVE TURKMEN GAS AVOIDING THE TERRITORY OF RUSSIA

Currently Ukraine cannot receive Turkmen gas bypassing Russia, and the Kremlin is not interested at all in the supply of Turkmen gas to Ukraine.

In the short term, Ukraine can rely only on supply from the EU.

In the long term, possibly — gas from Azerbaijan and Turkmenistan, in particular due to the construction of liquefied natural gas terminals. However, these are long-term risky projects so today we cannot talk about this seriously.

Construction of the LNG terminals is not possible today without solving the problem of passing the Black Sea Straits.

There is a serious game going on. Turkey is blocking the Black Sea bays for liquefied natural gas so we cannot expect any investors so far.

Full [text](#)

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



Foreign Policy

THE EU IS NOT READY TO WAIVE THE VISA REGIME WITH UKRAINE BECAUSE OF THE WAR IN DONBAS



Most likely, at the Riga Summit, the progress of Ukraine towards meeting the requirements of the European Union to get visa-free regime will be definitely noted. The final decision can be made by the end of the year based on the assessments of experts from the European Union. For now, there are no final conclusions of the expert mission of the European Union, which assessed the most problematic aspects, such as security and corruption in Ukraine.

Moreover, the latest statement of the EU Ambassador Jan Tombinski, who stated that Ukraine should not expect a political decision on the liberalisation of the visa regime at the Eastern Partnership Summit, seems to reflect a certain position of European officials on this issue. So now we can talk about only some conditional positive aspect, about the so-called result with a delayed effect.

Also, both a situation in the East and a large number of internally displaced persons may seriously affect Europe's motivation in the decision to waive visas.

Europeans fear a wave of internally displaced persons from Donbas. They will not talk about this directly but they have such concerns.

So, given the situation in Ukraine, Europe is not quite ready to waive the visa regime. On one hand, political will of the European leaders is necessary, and on the other hand, they all depend on public attitude in their countries concerned about the conflict in Donbas.

Of course, Ukraine has done a lot in this area. First of all, we have successfully completed the first stage of preparation to introducing a visa-free regime — the legislative. Now, the second stage is in progress — implementation of the legislative acts aimed at introducing the visa-free regime. There are certain difficulties. One thing is to adopt laws, and another thing is to implement them in practice in a difficult political, economic, and social situation.

However, the basis for the visa-free regime, such as the introduction of biometric passports, has already been laid. We should simply try not to slow down or overdramatise the situation. Sooner or later, we will come to a visa-free regime with the European Union.

Full [text](#)

*Co-director of Foreign Relations and
International Security Programmes
of the Razumkov Centre
Mykhailo PASHKOV*



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>.

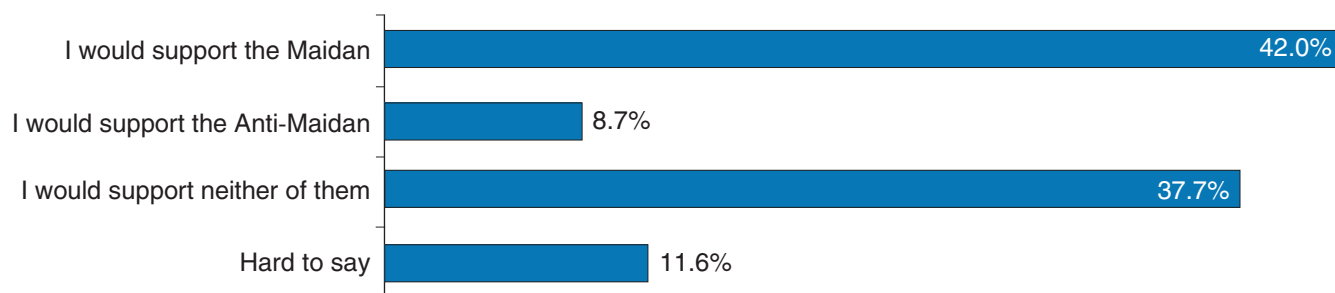
If a new election to the Verkhovna Rada was held the following Sunday, which party would you vote for? % of respondents

Petro Poroshenko Block	14.1
Samopomich	9.3
Opposition Block	6.8
People's Front	4.6
Radical Party (Oleh Liashko)	4.5
Batkivshchyna	4.4
Communist party of Ukraine	3.1
The party Hromadianska Pozytisia	2.7
Strong Ukraine (Serhiy Tihipko)	2.0
Svoboda	1.8
Other	4.6
I would spoil a ballot	2.3
I would not participate in the election	22.1
Hard to say	17.7

If a presidential election in Ukraine is held the following Sunday, whom would you vote for? % of respondents

Petro Poroshenko	19.4
Andriy Sadovyi	6.5
Yuriy Boiko	3.8
Oleh Liashko	3.7
Yuliya Tymoshenko	3.7
Anatoliy Hrytsenko	3.6
Arseniy Yatseniuk	2.9
Petro Symonenko	2.6
Dmytro Yarosh	2.6
Serhiy Tihipko	2.2
Oleh Tiahnybok	1.1
Vitaliy Klychko	0.5
Other politician	8.4
I would not participate in the election	21.7
Hard to say	17.3

It has been a year since the end of the events called the Maidan. If these events were happening now, would you support the Maidan or the Anti-Maidan? % of respondents



The Razumkov Centre News

A MEETING WITH REPRESENTATIVES OF THE SWEDISH EMBASSY IN UKRAINE



On 1 April 2015, the Razumkov Centre held a regular annual meeting with representatives of the Section for Cooperation of the Swedish Embassy in Ukraine. The meeting was attended by Head of the Section Christina Danielsson and Programme Officer Iryna Skaliy. The Razumkov Centre was represented by Director General Anatoliy Rachok; Deputy Director of the Razumkov Centre, Director of Political and Legal Programmes Yuriy Yakymenko; Expert of Political and Legal Programmes Arsen Stetskiv; and Chief Accountant Halyna Lavrykova.

At the meeting, the experts of the Centre informed the representatives of the Embassy on the progress of implementation of the Centre's Strategic Plan and the work plan in 2014, implemented with the support of the Government of Sweden. At the meeting, a call centre for conducting telephone surveys by the Sociological Service of the Razumkov Centre was presented.

ATTENDING A MEETING OF THE BUNDESTAG COMMITTEE ON THE AFFAIRS OF THE EUROPEAN UNION



On 5 March 2015, Deputy Director, Director of Political and Legal Programmes of the Razumkov Centre Yuriy Yakymenko attended a meeting of the Committee on the Affairs of the EU by invitation of the Chairman of the Committee Mr Gunter Kirschbaum.

The situation in Ukraine and its development prospects were the first point on the agenda of the Committee meeting held on the eve of the Bundestag vote on ratification of the EU-Ukraine Association Agreement.

In his speech, Mr Yakymenko described the main trends of the situation in Ukraine in various areas, conditions and prospects of resolving the Russian-Ukrainian conflict. Also, he outlined major changes that occurred in the public opinion, having emphasised Ukraine breaking with its post-Soviet past and irreversibility of the European choice.

At the beginning of the meeting, Mr Yakymenko briefly spoke of the Razumkov Centre and its activities to participants of the meeting, and presented the Centre's latest publications to the Committee's library.

In the end of consideration of "the Ukrainian matter", Chairman of the Committee Mr Kirschbaum assured Mr Yakymenko of the Committee's support of the Bundestag's decision to ratify the Association Agreement on 26 March, which was adopted on that very day.

Please see the [link](#) to the post on Mr Yakymenko's visit to Bundestag (in German).

A MEETING WITH BELARUSIAN DIPLOMATS

On 27 March 2015, the Razumkov Centre hosted a meeting with diplomats of the Embassy of Belarus in Ukraine. The meeting was attended by Minister-Counsellor of the Embassy I. Milidovych and Counsellor Y. Parfyanovych. At the meeting, the Razumkov Centre was represented by Director General Anatoliy Rachok, Co-director of Foreign Relations and International Security Programmes Mykhailo Pashkov, and Leading Expert of Political and Legal Programmes Viktor Zamiatin. The main topic of the discussion was prospects of cooperation between expert communities of the two countries, including joint research projects.

A PRESS CONFERENCE PUBLIC OPINION ON THE SITUATION IN UKRAINE AND THE STATE OF REFORMS, ATTITUDE TOWARDS POLITICIANS AND PUBLIC INSTITUTIONS, ELECTORAL RATING

On 24 March 2015, the Razumkov Centre held a press conference *Public Opinion on the Situation in Ukraine and the State of Reforms, Attitude Towards Politicians and Public Institutions, Electoral Rating*.

At the press conference, the findings of the sociological study of the Razumkov Centre were presented.

The press conference was attended by Yuriy Yakymenko, Deputy Director of the Razumkov Centre, Director of Political and Legal Programmes; and Andriy Bychenko, Director of Sociological Service.

A CONFERENCE ON THE UKRAINIAN CRISIS IN BELGRADE, SERBIA

On 20 March 2015, in Belgrade, an international conference *Ukrainian Crisis — Views from Ukraine, Germany, and Serbia* was held by the International and Security Affairs Centre (Belgrade) and the Representative Office of the Friedrich Ebert Foundation in Montenegro.

The Razumkov Centre was represented by Leading Expert of Political and Legal Programmes Viktor Zamiatin, who presented a report *Ukraine after Minsk-2*, emphasising incorrectness of the comparison of episodes of the latest Balkan crisis with the current situation around Ukraine, and also took part in the general discussion. Mr Zamiatin also presented activities of the Razumkov Centre and the publication [Ukraine 2014–2015: Overcoming Challenges](#).

ATTENDING A PROJECT UKRAINE — OUT OF THE CRISIS THROUGH DIALOGUE IN GEORGIA

From 9 to 15 March 2015, Expert of Political and Legal Programmes Daryna Sokolova attended a project *Ukraine — Out of the Crisis Through Dialogue*, implemented by the Caucasian House (Georgia) and the Institute of World Policy (Ukraine). Within the project, funded by the British Embassy in Kyiv, the third group of Ukrainian experts visited Georgia. During the visit, Ukrainian experts had meetings with Zurab Abashidze, Special Representative of the Prime Minister of Georgia for Relations with Russia; Boris Yaroshevich, Deputy Head of the European Union Delegation to Georgia, and other officials.

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