



CONTENTS

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

DONBAS ELECTIONS: TRAP FOR EUROPE

The West is stepping up pressure on Ukraine to arrange speedy elections in the country's east. In early March, the Normandy Four discussed the official initiative of Germany, which currently holds the OSCE Chairmanship, that the Donbas elections be held in the first half of this year. During his visit to Moscow in April, French Foreign Minister Jean-Marc Ayrault stated that in the first half of the year Ukraine must introduce constitutional amendments regarding the special status of Donbas and "amendments relating to the electoral process in Donbas".

Emboldened by this Western pressure on Kyiv, the Russian delegation headed by Boris Gryzlov has already drafted its own version of the roadmap for implementation of the Minsk II Protocol, which calls for fulfilment of the political clauses of the protocol already in the first half of the year (!) A similar version of the roadmap was also drafted by the DNR delegation headed by Denis Pushilin. It is also no accident that the leaders of the self-proclaimed DNR-LNR have rescheduled the elections from April to 24 July 2016. Ukraine has actually come under pressure from three directions, and this pressure will obviously increase.

Any hasty "express elections" are inadmissible for Kyiv. This would cause a Kremlin-controlled militaristic formation to be legitimately implanted in to Ukraine, complete with all of its quasi-public metastases that have grown over the past two years. After all, the

DNR alone has 20 so-called "ministries", "people's councils", "councils of ministers", "prosecutor's offices", "central banks" and "supreme courts". Add to this all manner of trade unions, printed and online media outlets, pseudo-social pro-Russian organizations such as the Donetsk Republic organization with tens of thousands of members.

At the same time, two 40,000-strong army corps of militants armed to the teeth would turn into a "people's militia" subordinated to the Russian uniformed services. Once the Ukrainian troops are pulled and the roadblocks are removed, they will spread out all across Ukraine together with countless sabotage and reconnaissance teams, a dense network of FSB, GRU and SVR sleeper cells and paramilitary crime groups thriving in the self-proclaimed DNR and LNR. Militant groups will infect Ukraine on a mass scale and prepare fertile soil for a "Russian spring" in the so-called New Russia. This would translate into a full-scale

war and disintegration of the nation with unpredictable consequences. Instead of the terrorist DNR-LNR enclave currently isolated by a 69,000-strong Ukrainian army, this would create a vast (Spain-sized) crisis zone with a potential to quickly escalate into a "migration volcano" at the very heart of Europe.

This will be the price to pay for "electoral initiatives" of Frank Steinmeier. It would become a giant trap for Europe, with only one party to stand to gain from this: the country that supports the militants with troops, weapons, and funds and despite all that refuses to acknowledge that it is a party to this conflict.

With this scenario in mind, the West should be interested in a "deeply frozen" Donbas conflict and prepared for a lengthy and difficult political resolution process. This is a safer and cheaper solution compared to forcing Kyiv to stage unprepared and reckless elections in the occupied territories with dramatic consequences for the entire continent. It would be more expedient to "freeze" Donbas while "unfreezing" the Normandy process, expanding the format of negotiations, find new ways and options of conflict resolution both within and outside the framework of the Minsk Protocol.



[Full text](#)

Co-director of Foreign relations and international security programmes at the Razumkov Centre
Mykhailo PASHKOV



RUSSIAN PROPAGANDA: HAS THE FOCUS SHIFTED BACK TO UKRAINE FROM SYRIA?

The active phase of Russia's informational aggression against Ukraine commenced in the autumn of 2013 ahead of the Vilnius Summit (where the association agreement between Ukraine and the EU was to be signed originally).

After two years of an aggressive information policy, the Russian propaganda has cultivated deep-set negative stereotypes about Ukraine. For a Russian man in the street, Ukraine is a country where:

(a) "The West orchestrated an anti-constitutional coup and brought Banderovites to power, who unleashed a genocide against the Russian-speaking population and fratricidal war";

(b) "The Russophobic authorities in Kyiv are conducting a punitive operation against freedom fighters of Donbas";

(c) "Enemies of Russia are dragging Ukraine into the EU and NATO contrary to what the Ukrainian people want";

(d) "Ukraine is a failed state that is doomed to degradation and collapse without Russia."

These stereotypes imposed by the Russian authorities via the pocket mass media turned out to be extremely effective in undermining contacts between the two nations.

A recently published Freedom House report emphasizes that Russia has become an "innovator of modern state

propaganda” and stepped up media manipulations “in geopolitically significant policy issues with neighbouring countries.” The report authors noted “a shift in the focus of the Russian disinformation machine” from Ukraine to Syria. It is obvious, however, that this “machine” has far from forgotten about Ukraine.

It is hard to say when and how Russia will sober up and cure the hangover from the aggressive anti-Western foreign policy, pretentious imperial values, the “besieged fortress”

ideology, power domination in the post-Soviet space and suicidal isolationism.

Over the past two years, Russia’s military and informational aggression caused a deep “mental rift”, an abyss of alienation, distrust and resentment between citizens of Ukraine and Russia.

[Full text](#)

Co-director of Foreign relations and international security programmes at the Razumkov Centre Mykhailo PASHKOV

Domestic Policy

UNRULY PARLIAMENT MEMBERS NEED TO HAVE THEIR MANDATE CURTAILED

Any steps that can help return discipline to the parliament session hall and compel parliament members to attend plenary sessions and perform their direct duties may be useful.

If a system of fines is introduced, it will pass unnoticed by some of the members while hurting others.

It would be more effective to deprive truant parliament members of the right to participate in sessions and submit official inquiries and requests. This would limit their rights that they use in their official capacity, particularly to further their own interests. This would affect them more than stripping them of a part of their wage.

Parliament members skip sessions because they treat work in the session hall as something of secondary importance. They value the opportunity to use other powers that come with a parliament member’s mandate to lobby for and promote their own interests.

Also, the incumbent parliament is somewhat transitional in its nature (considering how it was

formed), and some of the political parties making up this parliament are likely to drop out of the next election campaign, as they do not stage a change of passing the hurdle. Or the electoral system will be modified altogether.

Not all deputies can feel the link between party discipline (if they were elected on a party roster) and their structure. Where this link is stronger, there is more discipline. As for groups of deputies or individual parliament members elected in majority districts, this link is weaker.

[Full text](#)

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



National Security and Defence

OSCE IS SO FAR UNABLE TO DEPLOY AN EFFECTIVE MILITARY PRESENCE IN DONBAS

President Petro Poroshenko has announced an upcoming decision to form and deploy an OSCE military police mission in Donbas.

However, the probability of an OSCE military police mission in Donbas on the terms announced by President Poroshenko is next to nil. Problems will begin already at the approval stage, since this requires the consent of the UN Security Council, and obtaining this consent is virtually impossible. Even in the unlikely event that this consent is granted, the actual implementation of this mission raises a question: Does the European Union have mechanisms to deploy this mission and will the EU member states support this decision?

An OSCE military police mission could play a favourable role but only after a complete ceasefire has been instituted, heavy artillery removed and the actual disarmament process started. Until this happens, this new mission will merely follow in the footsteps of the previous mission: it can be present and observe, but nothing more than that.



A full-fledged peacekeeping mission in Donbas requires a multi-national contingent of some 50,000 troops. This is an enormous number. The UN does not currently have that many available troops. Forming this contingent would take a lot of time, effort and willingness of other governments to send their military to a war zone.

The biggest problem is that the other party to the conflict is unwilling to acknowledge its involvement. Unfortunately, neither Ukraine nor our partners have been convincing enough to get the Kremlin to recognize itself as a party to this conflict, whereas its role as a third party is currently absolutely destabilizing.

[Full text](#)



*Co-director of Foreign relations and international security programmes at the Razumkov Centre
Oleksiy MELNYK*

LACK OF A NATIONAL STRATEGY FOR THE OCCUPIED DONBAS IS OUTRAGEOUS

Ukraine lacks a national strategy for restoring control over the occupied territories of Donbas: government officials, volunteers and experts alike are unanimous in this regard. While the authorities propose developing a military-diplomatic strategy for reuniting Donbas with Ukraine, volunteers suggest focusing on the people in the occupied territories instead. Meanwhile, experts suggest planning a strategy for both returning individual areas in the country's east and for isolating them temporarily, because the cost of their return could prove too high.

Needless to say, the lack of a national strategy for the occupied Donbas is outrageous. It is hard to believe that Ukraine has been unable to come up with a strategy after two years of the conflict. And this is not just about reuniting Donbas with Ukraine, for this should not be done if the price of this reunion should prove too high. In this case, a solution should involve isolating these territories for some time until appropriate conditions

for their return materialize, or until separate areas of Luhansk and Donetsk oblasts openly express a wish to return. The principles of the strategy should be worked out. The military solution is currently infeasible: backed up by Russia, the separatists can put up a great deal of resistance, which may result in heavy losses on the Ukrainian side.

Ukraine has to offer a different model—better than the one offered by Russia—to Donbas residents, whatever their preferences. Those messages that are currently sent to the occupied territories from the Ukrainian territory are ineffective. The strategy should factor in the Ukrainian national interests and not those of big businesses and are currently bending over backwards to preserve their trade with Russia.

[Full text](#)

*Co-director of Foreign relations and international security programmes
at the Razumkov Centre Oleksiy MELNYK*

UKRAINE AND ROMANIA SHOULD JOINTLY RESIST RUSSIAN INFORMATIONAL PRESSURE

The recent visit by the Ukrainian President to Romania is important at many levels, particularly in the context of security. In addition to the fact that both countries are neighbours, there are many other aspects in which they need to develop cooperation.

Certain debatable issues exist between Ukraine and Romania as regards mutual claims with respect to how the rights of the Romanian ethnic community are protected in Ukraine. The countries also had territorial disputes over the Zmiyiny Island. The list can go on. It is a tell-tale fact that there is no air service between the capital cities of the two countries. All of this is indicative of the fact that the level of bilateral relations is not high enough and falls short of what one would normally expect from relations between two neighbouring countries.

It also stands to mention that it will not come as news to experts who follow the situation in this region (particularly in the context of the ongoing events) that the Russian information campaign is trumping up the subject of Romania as a potential adversary of Ukraine or a country unfriendly to Ukraine. At least over the past decade Russian has been constantly imposing the idea that Romania should be perceived as a threat to Ukraine's sovereignty and territorial integrity. This has been done for a purpose.

[Full text](#)

*Co-director of Foreign relations and international security programmes
at the Razumkov Centre Oleksiy MELNYK*

WHETHER OR NOT UKRAINE RECEIVES DEFENSIVE WEAPONS FROM NATO IS UP TO UKRAINE

Despite the statement made by Curtis Scaparrotti, Supreme Allied Commander Europe of NATO Allied Command Operations, to the effect that Ukraine should be given defensive weapons, the Ukrainian side may end up never getting them.

This is not even up to NATO, but to Ukraine itself. The country needs to make some moves and launch new projects both domestically and in the international arena. It all depends on the politicians. The question as to whether or not Ukraine will receive weapons from NATO is very complicated. It is not about the unwillingness to help Ukraine, but more about the fear lest these weapons should end up in the wrong hands.

The change of the Supreme Allied Commander Europe of NATO Allied Command Operations may affect the rhetoric between NATO and the Russian Federation but will not influence the relations between the two entities.

[Full text](#)

*Director of military programmes
at the Razumkov Centre
Mykola SUNHUROVSKYI*



A BLACK SEA NATO FLEET WOULD ESTABLISH A BALANCE OF FORCES IN THE REGION

Last week President Poroshenko announced that Ukraine was prepared to join a Black Sea Fleet under NATO command and form a joint brigade with the NATO member states, Romania and Bulgaria.

If created, this fleet would contribute to a parity-based balance of forces in the Black Sea. Naturally, Ukraine's membership in this fleet appears to be quite natural. But only in the future. For at this point Ukraine does not have much in the way of ships to join the NATO fleet. For the time being we can join the NATO fleet with whatever we have left, such as the Ukrainian frigate Hetman Sahaidachnyi.

As to mutually advantageous cooperation among the countries along the Black Sea shore, Ukraine, Romania and Bulgaria are also considering the possibility of forming a joint military brigade similar to the existing Lithuanian-Polish-Ukrainian Brigade (LitPolUkrbrig). No one inside NATO is prohibiting the formation of such brigades in the interests of regional security. This leads to ever greater

solidarity. When such partnerships are joined by non-NATO members, this promotes a higher level of trust.

It is important to cut the red tape that could stand in the way of creating this kind of brigade. It took 12 years to form the Lithuanian-Polish-Ukrainian Brigade – a process slowed down by bureaucratic procedures. The military conflict between Ukraine and Russia served as an impetus to speed up its creation.

In the current situation, however, the matter of forming this type of brigade would be handled differently, especially considering that Ukraine's interests are not at odds with the interests of other countries along the Black Sea shore. We share more or less the same approaches and views of threats and ways of preventing them. In turn, this is a criterion that favours integration.

[Full text](#)

*Director of military programmes
at the Razumkov Centre Mykola SUNHUROVSKYI*

Economy

WHETHER OR NOT UKRAINE GETS THE NEXT IMF TRANCHE DEPENDS ON WHETHER THE GOVERNMENT AND IMF CAN MEET HALFWAY

The IMF mission began its work in Ukraine on 10 May 2016, looking to agree with the Ukrainian government on a financing programme as part of the EFF agreement totalling USD 17 billion over a four-year period.

Much will depend on how the first meeting with the new government will go. Succession is undoubtedly an essential requirement for negotiations "in the spirit of mutual understanding". Macroeconomic indicators give reasons to hope for the third tranche.

Under the best-case scenario, Ukraine will receive financing by mid-summer. While previously there was a lot of talk about two tranches combined into one,

at this point we can realistically count only on one tranche in the amount of USD 1.5-2 billion.

[Full text](#)



*Director of economic programmes
at the Razumkov Centre
Vasyl YURCHYSHYN*

UKRAINIAN ECONOMY STARTS ADAPTING TO NEW GROWTH STRATEGIES

In the first quarter of 2016, industrial output in Ukraine rose 3.7%. In February 2016, the State Statistics Committee recorded industrial output growth (4.9%) for the first time in 3.5 years, even though it was shrinking at the rate of 1.7% as recently as January 2015.

In this case we are dealing with a low comparison base: if you recall the first quarter of 2015, it was the worst quarter in Ukraine's modern history. And yet Ukrainian companies are finding new partners (other than Russia) and new sales markets slowly but surely. Perhaps it could be said that the economy has found its bottom, but not in the sense that there is nowhere else to drop down to, but in the sense that the Ukrainian economy has started to adapt to new growth strategies.

For now the economic mechanisms are getting reformatted at a rather slow rate, and uncertainty still persists in the global economy. Needless to say, the foreign factor is decisive in many cases for such an open semi-commodity based economy that Ukraine has.

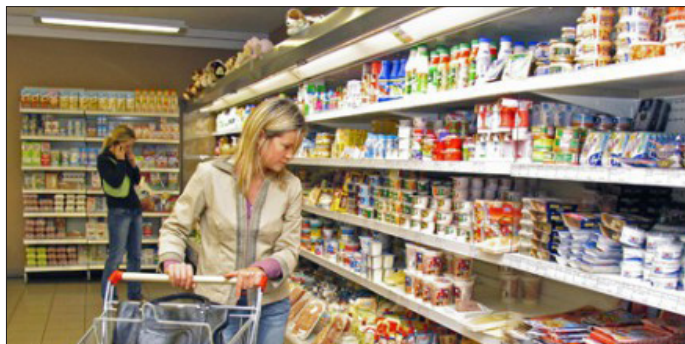
We are already witnessing a certain strengthening of the hryvnia, which is partly attributable to an improving situation in international commodity markets and to growing revenue streams of exporters.

[Full text](#)

*Director of economic programmes
at the Razumkov Centre
Vasyl YURCHYSHYN*

LIVING STANDARDS IN UKRAINE REMAIN LOW DESPITE A RETAIL UPTICK

Retail sales are on the rise in Ukraine for the first time over almost two years. A slowing inflation rate and relative calm in the foreign exchange market have



influenced the consumer sentiments of Ukrainians. The ongoing growth in retail sales can hardly be viewed as an improvement in living standards, but rather gives reason to hope that the economy will not take a turn for the worse in the immediate future.

An important role in activating domestic trade was also played by the fact that some of the social benefits and pensions for January were paid out in late December. This had an especially noticeable effect last year, considering that the social standards were increased beginning on December 1. The population received an additional portion of resources and directed them toward consumer spending in the 1st quarter.

[Full text](#)

*Director of economic programmes
at the Razumkov Centre Vasyl YURCHYSHYN*

Energy Sector

INSTEAD OF CHEAP GAS, UKRAINE NEEDS HIGH PERSONAL INCOMES AND ENERGY EFFICIENCY

The government made the correct European choice in setting the new gas and heat rates.

Instead of campaigning for cheap gas, the focus should be on high wages, energy efficiency and higher domestic production of natural gas. In other words, this is the only way that Ukraine can achieve normalcy when it comes to gas supplies and macroeconomic stability.

Politicians should discard the populism they have been resorting to over the past 25 years. Many parties adopted a populist stance on the subject of utility rates, thereby effectively undermining the Ukrainian economy, because the population had been paying a high price before, but was doing so through low wages, lack of proper medical care, education, roads, etc.

The decision of the new Prime Minister to raise utility rates by 100% is correct. While the gas prices are not that high, we need to take advantage of this period and stop thinking about this problem altogether. Instead of mulling the utility rates and prices, we should focus on developing the country, attracting investments, and pursuing a new economic policy.

[Full text](#)



*Director of energy programmes
at the Razumkov Centre
Volodymyr OMELCHENKO*

The Razumkov Centre sociological service conducted a public opinion poll on 22 - 26 April 2016. A total of 2,018 respondents aged 18 or older were polled in all regions of Ukraine, excluding Crimea and the occupied territories of Donbas and Luhansk oblasts, with a sample that is representative of the

adult population of Ukraine in terms of the key social and demographic metrics.

The theoretical sample error does not exceed 2.3% with a confidence level of 95%. For more details on the results of opinion polls conducted by the Razumkov Centre, go to our website at <http://www.razumkov.org.ua>.

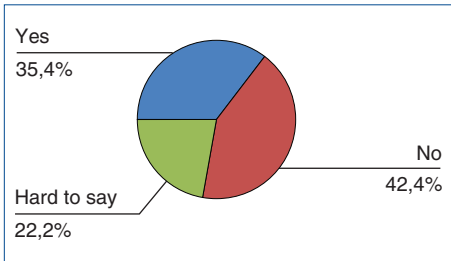
If the Ukrainian parliamentary election were to be held next Sunday, which of the following parties would you vote for?

	% of respondents	% of respondents who intend to vote
Opposition Bloc Party	9,2	12,3
Petro Poroshenko Bloc - Solidarity Party	7,4	11,9
Samopomich Alliance Party	8,3	11,3
Radical Party of Oleh Lyashko	6,2	8,6
Batkivshchyna All-Ukraine Alliance Party	6,7	8,4
For the Cleansing of Ukraine Bloc of Mikheil Saakashvili	3,8	5,5
Svoboda All-Ukraine Alliance Party	3,2	4,8
Left Opposition Party (Communist Party of Ukraine and Progressive Socialist Party of Ukraine)	2,1	2,7
People's Control Popular Movement Party	1,7	2,3
Our Land Party	1,7	2,2
Ukrainian Union of Patriots (UKROP) Party	1,6	2,1
Civic Stance Party	1,5	2,0
Renaissance Party	1,2	1,3
Party of ATO Fighters	1,0	1,3
People's Front Party	0,6	0,8
Right Sector Party	0,7	0,7
Serhiy Tihipko's Party Strong Ukraine	0,6	0,7
People's Party	0,4	0,7
National Movement of Dmytro Yarosh	0,0	0,0
Republican Platform Party	0,0	0,0
Other party	3,0	3,7
I would choose not to vote	21,9	--
Hard to say / refused to answer	17,3	16,5

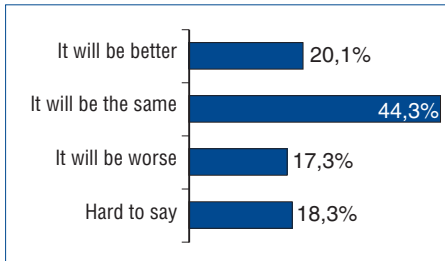
If the Ukrainian presidential election were to be held next Sunday, who would you vote for?

	% of respondents	% of respondents who intend to vote
Petro Poroshenko	10,0	14,8
Andriy Sadovyi	6,8	10,1
Yulia Tymoshenko	7,4	9,8
Yuriy Boyko	5,7	8,5
Oleh Lyashko	5,7	8,2
Anatoliy Hrytsenko	3,0	4,3
Petro Symonenko	1,3	1,7
Oleh Tyahnybok	1,1	1,6
Dmytro Yarosh	1,2	1,6
Serhiy Tihipko	1,2	1,5
Arseniy Yatsenyuk	0,6	0,9
Vitaliy Klychko	0,6	0,8
Other politician	12,9	15,6
I would choose not to vote	19,4	-
Hard to say	23,0	20,5

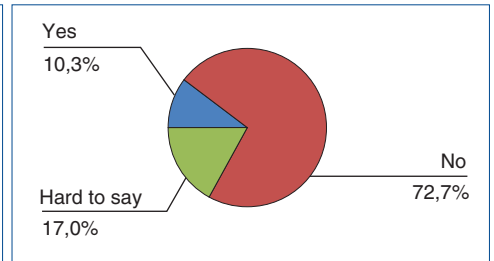
On April 14, the Ukrainian Parliament approved the new composition of the Cabinet of Ministers of Ukraine with Volodymyr Groysman as Prime Minister. Do you support this decision of the Ukrainian Parliament?
% of respondents



How will the new Cabinet of Ministers of Ukraine headed by Volodymyr Groysman perform compared to the previous Cabinet?
% of respondents



Would you say that the political crisis in Ukraine has come to an end after the new coalition formed in the Ukrainian Parliament on 14 April 2016, the Government of Arseniy Yatseniuk got disbanded, and a new Cabinet formed with Volodymyr Groysman as Prime Minister? (% of respondents)



Razumkov Centre News

MEETING WITH REPRESENTATIVES OF THE NATO OFFICE OF INFORMATION AND PRESS IN UKRAINE

13 April 2016 Mykola SNIHUROVSKYI, Director of Military Programmes at the Razumkov Centre, met with representatives of the NATO Office of Information and Press in Ukraine.

The meeting discussed the processing of the defence bulletin and monitoring its implementation.

On 10 May 2016, Mykola Snihurovskiy had another meeting at the NATO Office of Information and Press in Ukraine with Office Director Marcin Koziel.



They discussed proposals for the 2016 NATO Summit in Warsaw. The proposals were concerned with the security sector, the defence industry, strategic analysis and cooperation with non-governmental organizations.

PARTICIPATION IN THE DISCUSSION OF PROPOSALS REGARDING IMPLEMENTATION OF THE ACTION PLAN OF THE CABINET OF MINISTERS OF UKRAINE

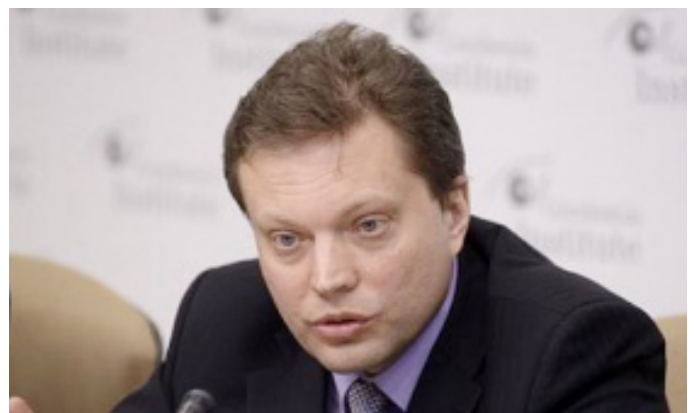
11 May 2016 Oleksiy MELNYK, Co-Director of Foreign Relations and International Security Programmes at the



Razumkov Centre, participated in the discussion of proposals regarding implementation of the action plan of the Cabinet of Ministers of Ukraine. The meeting was attended by Deputy Minister of Defence Ihor Dolhov, representatives of departments of the Ministry of Defence and the Chiefs of Staff of the Armed Forces of Ukraine, members of the Public Council at the Ukrainian Ministry of Defence, media representatives and experts.

MEETING WITH SENIOR PRINCIPAL RESEARCH ANALYST OF THE UK FOREIGN AND COMMONWEALTH OFFICE

On 12 May 2016, Energy Programmes Director Volodymyr Omelchenko met at the UK Embassy with Mr. Laurence Broyd, Senior Principal Research Analyst of the UK Foreign and Commonwealth Office.



Mr. Omelchenko voiced his position on the ongoing energy sector reforms and shared his vision of the priorities for development of the fuel and energy industry for 2016-2017. Among them he singled out: passage by the Ukrainian Parliament of laws on the national regulatory and the electricity market; transition to free market pricing for all categories of consumers conditional on effective implementation of a system of point-of-need subsidies, stimulation of domestic gas production, development of renewable energy sources, and reduction of the energy intensity of the GDP through energy saving and Naftogaz of Ukraine reforms based on the principles of the Third Energy Package of the EU.

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