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THE RAZUMKOV CENTRE NEWSLETTER

MAKING CONCESSIONS TO THE "DPR-LPR" CAN CAUSE MASS PROTESTS IN UKRAINE

The experience of Ukrainian society in the years of independence has shown that despite the fact that people and society in general are very sensitive as regards socio-economic factors, any socio-economic campaign (no matter how big) has failed to achieve a result, except for being shown on television or being mentioned by some politicians. The mass protests that achieved a result always had a political or even ideological basis, and were aimed at defending principles rather than money.

Therefore mass protests against the new tariffs will definitely take place. But if there continue to be protests against new tariffs or for wage increases, their only result will be to create a tense atmosphere in the country.

Strange as it may seem, the greatest willingness to protest in Ukraine was at the end of 2008-2009, as the economic crisis led to a sharp deterioration in the overall environment. Nevertheless, no social upheaval took place. And this was primarily due to the fact that there were no political motives. People were waiting for the elections. And the result of their discontent was, in fact, the defeat of Tymoshenko.

People were blaming her economic policy as the Prime Minister for all the failures. The situation with tariffs is similar.

In my opinion, the only real trigger that could lead to serious social upheaval this fall would be the adoption of decisions which would be perceived as concessions to the «DPR-LPR» — the special status of Donbass, the adoption of provisions on elections in Donbass or the provision on amnesty to militants. That is, those decisions that will not allow the elections to be postponed until Ukraine has control over these territories.

Full <u>text</u>



Director of Sociological Service of the Razumkov Centre Andriy BYCHENKO

MOST PEOPLE WOULD LIKE TO BE PROUD OF THEIR COUNTRY AND ARE PROUD OF IT

The impact of the war on the self-identification of Ukrainian people is crucial. Ukrainians have begun to more frequently consider themselves representatives of their country and identify themselves with Ukraine first, and only then with their city, village, or region. The proportion of citizens that attach primary importance to national identity has increased. Back in 2005, the majority of citizens considered themselves residents of their locality first and only then as Ukrainians. However, there are regional differences everywhere.

The percentage of citizens who are proud of their country has increased. While slightly more than half of the citizens back in 2005 were proud of Ukraine, now 70% of them are proud of their country. The number of people who would support state independence has also increased to 70%. An higher number of citizens (51%) believe that democracy is the most desirable type of social organisation for Ukraine.

Noticeable changes took place in language and cultural identification. 60% of the citizens recognise the Ukrainian language as their native language, representing an 8% increase from the previous years. The proportion of people who identify themselves with Ukrainian and European culture has increased, while the number of people associating themselves with Soviet and Russian culture has decreased.

56% of citizens think that there should be one official state language — Ukrainian. The idea of bilingualism is less common now. There is no region where this idea is a top priority. The second most supported option is a compromise: to make Russian a local official language in some of the country's regions.

Today the perception of geopolitical orientation is bringing people together. The data varies by region but focus on relations with the EU came out on top: 51% throughout Ukraine. 11% want to maintain a dialogue with Russia. 31% of respondents were for the EU and 41% for Russia back in 2007. And now the proportion of people who give priority to Europe prevail in all regions except for Donbas. In the Donbas region the situation is 50-50 (%), which is not bad either.

56% of the respondents throughout Ukraine support Ukraine's entry into the European Union. The number of people who voted «for» is more significant than the number of people who voted «against» throughout the country, including Donbas. The percentage of respondents who did not state their attitude is higher in this region, however the number of proponents of entry still prevail over the number of opponents.

This is also of interest. There is one attitude towards politicians and state government bodies, and another towards the state as their values and their country. Most people would like to be proud of their state and are proud of it. By the word «state» I mean not a governmental institution, but a country, its people and their achievements.

Clearly, there will be many areas of tension in a society that lives under the conditions of war and deep social and economic crisis. But we can no longer say that there are lines of conflict between the people from different regions, dividing the country on a regional basis.

Full <u>text</u>

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



THE MAJORITY OF PEOPLE IN THE SOUTHERN, EASTERN AND DONBAS REGIONS OF UKRAINE DO NOT TRUST THE RUSSIAN MEDIA

Unlike in February 2014, when the Russian media was viewed as credible among the people from the southern, eastern and Donbas regions of Ukraine, the majority of people from these regions no longer trust it, according to the survey data.

Therefore, it is appropriate to divide the influence of Russian propaganda into «before» and «after» the hostilities. In the period of relative peace, before February 2014, the Russian media in these regions was viewed as credible. And now the majority of citizens, including those in the southern, eastern and Donbas regions no longer trust it. And certainly do not trust the informational resources from the «DPR-LPR».

The trust towards the Ukrainian media is higher. However, a significant percentage of people from eastern Ukraine and Donbas region do not trust it. It means that a vacuum of trust has arisen among the people of these regions (not to mention the people of the occupied territories) and they do not know who to believe. What they see and what they hear from different sources is not the same. Such a situation does not always fit into their vision of the world. This is when cognitive dissonance occurs. It explains the high percentage of uncertain people.

Full <u>text</u>

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

A RELATIVE MAJORITY OF UKRAINIANS ASSESS THE CURRENT RESULTS OF THE MINSK AGREEMENTS NEGATIVELY

The results of the sociological study "The attitude of citizens to the situation in Donbas" carried out by the Kyiv Razumkov Centre in spring 2016, showed that the relative majority of respondents (35.9%) assess the current results of the Minsk agreements negatively. Almost 24% are neutral about the results of the Minsk agreements and only 17% of the respondents assess them as positive in terms of achieving peace.

Almost 46% of the respondents do not support any economic ties between Ukraine and the so-called «DPR» and «LPR». 42.3% of people polled are against the amnesty for participants of the separatist movements.

The idea of holding elections in the so-called ${\rm \ \ } {\rm \ \ } {\rm \$

not supported by 52.5% of citizens, and is supported by 23%. A relative majority of the respondents (45.5%) are in favour of the deprivation of Ukrainian citizenship for those citizens of Ukraine who supported the separatist movement. 34% are against it and 20% are undecided. From this we can develop a perception of further coexistence.

Full <u>text</u>

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



National Security and Defence

RESULTS OF THE NATO SUMMIT IN WARSAW FIRST HAND

In his article the Co-Director of Foreign Relations and International Security Programmes of the Razumkov Centre Oleksiy Melnyk, who participated in the Warsaw Summit Experts' Forum-NATO, talks about how NATO is going to react to the international security threat posed by the Russian Federation.



WHAT HAS AGGRAVATED THE SITUATION IN DONBAS

Over the past few days the situation in the area of the ATO deteriorated. Three Ukrainian soldiers were killed, and many were wounded. The number of attacks has reached a hundred per day, and Russian citizens who fought on the side of separatists have been captured. And all of this on the backdrop of the NATO summit in Warsaw.

Full text

Much of the debate at the Warsaw summit was devoted to Russia and the armed conflict in Donbas. The meeting resulted in the adoption of documents, directly related to Russia and its relations with the North Atlantic Alliance. NATO is moving from a partnership policy towards a policy of containment in its relations with Moscow. Ukrainian issues are playing a key role in these new relations.

So far, the Kremlin has managed to successfully use military force to obtain concessions from the alliance. Over the past two years the greatest success has been achieved by Russia through major escalation: in the summer of 2014 and in early 2015, when the notorious Minsk agreements were signed.

Russia has already been successful in fully aggravating the situation, after which Moscow called on the Ukrainians and Western partners to sit at the negotiating table, urging them to sign the agreements that were primarily beneficial for the Kremlin.

I cannot rule out that Donbas will become the focal point for Russia to demonstrate its displeasure. Today, threats and aggressive Russian maneuvers towards NATO (such as close fly-bys over American warships) are still of a cautious nature. A direct conflict with NATO would not be beneficial for Russia. Provocations from Russia against the Baltic States are becoming less unlikely. NATO has taken various measures to protect its northeastern allies, including the decision to deploy four battalions to this region.

However, Russia needs to demonstrate its power somewhere. Since demonstrating power in the Baltic States and Turkey is becoming more and more dangerous, Ukraine, has ended up in what is sadly known as the «gray zone», and is the most convenient target for Russia.

Full <u>text</u>

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

RELATIONS BETWEEN RUSSIA AND NATO ARE HIGHLY REMINISCENT OF COLD WAR TIMES

The meeting of the NATO-Russia Council was the first since the alliance had announced the strengthening of its presence in Eastern Europe caused by the aggression of Moscow in Ukraine during the Warsaw summit. The meeting of the 28 NATO ambassadors with Russia was the second since 2014, when relations between the Kremlin and the alliance deteriorated because of the crisis in Ukraine. The sides discussed the situation in Ukraine and the alliance's strengthening of the eastern flank, but did not overcome their differences.

It should be noted that Russia and NATO have reached a stage that is highly reminiscent of the days

of the Cold War. Some people still avoid using the direct definition of «Cold War», but there is definitely a general atmosphere of «deja vu.»

The main problem currently facing the NATO is the balance between containment and dialogue.

NATO is returning to the format of defence and containment while attempting to build a dialogue with Russia. This formula will determine the relations between Russia and NATO, at least in the short term.

Full <u>text</u>

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

Economy

THE GOVERNMENT HAS NO REALISTIC VISION ON HOW TO RESTORE THE ECONOMY OF UKRAINE

As for the government's forecast regarding growth, firstly it should be mentioned that Ukraine's economic growth of 2-3% is lower than the growth rate of the global economy. This means that Ukraine will continue to move away from the world and from the global trends. To restore the economy after the drop, growth needs to be at least at 7-8% for several years.

Secondly, the government is not taking into account the latest changes taking place in the world. Of course, it is difficult to take all the events into account, but at the same time the government should have better considered how Brexit will affect the economy of the European Union, and therefore the economy of Ukraine, which supplies a third of its products to European markets.

The government's assertion regarding the improvement of investment attractiveness is also very questionable, since funding is not being directed to unstable economies. The Ukrainian economy, unfortunately, is not currently in the list of sustainable, stable and attractive economies. Hence, we can hardly expect an investment boom, without which rapid growth is impossible.

Ukraine needs rapid growth. But so far it seems that the government either does not see or extremely poorly discerns the prospects for the development of the economy, and possesses very minimal knowledge regarding the instruments for stimulating economic growth, especially monetary and fiscal instruments.

Full <u>text</u>



Director of Economic Programmes of the Razumkov Centre Vasyl YURCHYSHYN

THE ECONOMIC CRISIS CANNOT JUSTIFY THE NUMEROUS SHORTCOMINGS IN THE WORK OF THE NATIONAL BANK OF UKRAINE

Ukraine is moving from crisis to crisis, therefore it is inappropriate to speak of the success or failure of the NBU policy in isolation from the whole economy. The years 2001-2007 were relatively successful for the Ukrainian economy: GDP was growing, export rates were good. This was reflected in the stability of the national currency.

Now Ukraine is experiencing one of the most difficult periods in its history. What is complicating the situation even more is that our internal problems are being imposed on what is happening outside the country. However, these external and internal factors do not diminish the «personal achievements» of the current leadership of the NBU. The non-transparent and incomprehensible policy of the financial regulator, uncontrolled refinancing, bank failures and huge losses of business and individuals — the head of the Ukrainian Financial Regulator is directly responsible for all of these issues.

Full <u>text</u>

Director of Economic Programmes of the Razumkov Centre Vasyl YURCHYSHYN

THE FREE TRADE AGREEMENT WITH CANADA WILL ENABLE NEW INVESTMENT TO BE ATTRACTED TO THE UKRAINIAN ECONOMY

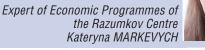
During his recent visit to Kiev the Prime Minister of Canada Justin Trudeau signed a free trade agreement (FTA) with Ukraine.

We should clearly understand that the agreement is only an instrument, and its effectiveness will depend on the state and business. Once the FTA with Canada comes into force, agricultural sector, aeronautics and IT-sector goods will be the most promising Ukrainian exports. However, unlike the EU, Canada is much further from Ukraine, and so logistical costs will affect the final cost of the product.

Ukrainian entrepreneurs who want to enter the Canadian market will face the problem of product certification, as well as technical barriers and phytosanitary requirements. But this is a goal that Ukrainian business should accomplish. While previously Ukraine exported raw materials and prefabricated products (that are not quite competitive in EU markets and the markets of other countries) to Russia, it is now time to think about how to export our products to other markets.

One of the undoubted advantages of the FTA with Canada is the ability to attract investment in existing production facilities and in new businesses in Ukraine. In addition, this agreement will encourage other countries to invest in the Ukrainian economy and develop trade relations.

Full <u>text</u>





Energy

THE ENERGY SECTOR OF UKRAINE IN 2014-2016: REVIEW AND SWOT ANALYSIS

Victor Logatskiy, a leading energy programmes expert at the Razumkov Centre, provides a brief review and SWOT analysis of the energy sector of Ukraine in 2014-2016.



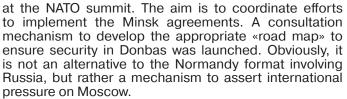
Foreign Policy



One of the results of the Warsaw summit was a more clear and public understanding by the West of the nature and goals of Russian foreign policy and a reset in relations with Moscow — from partnership and cooperation to head-on containment and dialogue. However, a further meeting of the NATO-Russia Council in Brussels on July 13 showed that the dialogue is being conducted in completely different languages, according to different value orientations, and it is difficult to achieve any understanding in respect of the whole range of problems — from the «Ukrainian question» to ensuring safer airspace over the Baltic Sea.

In addition, the joint statement of the NATO-Ukraine Commission states that any backstage bargaining between Russia and the West as «Ukraine in exchange for Syria and the fight against ISIL» is no longer possible.

It is also important that a meeting in the format of "G5 (USA, Italy, France, UK, Germany) + Ukraine" takes place



Another communicative tool in the format West-Russia was the visit of the US Secretary of State John Kerry to Moscow on July 14. This visit can be considered as: firstly, an attempt by the West to maintain a balance between containment and constructive dialogue; secondly, as an intention to explain NATO's positions and decisions in a nonconfrontational format; thirdly, as a signal that dialogue is possible and necessary.

However, it is worth remembering that during the Warsaw summit NATO strongly urged Ukraine to accelerate its domestic reforms, including the fight against corruption, conduct defence and judicial reform, macroeconomic stabilisation and decentralisation, despite the difficult conditions. This is an obvious condition for the effectiveness of Western aid.

Full <u>text</u>

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



UKRAINE-RUSSIA: ALL RISE, THE COURT IS IN SESSION

In the near future the Ukrainian-Russian conflict (besides warfare in Donbas) is set to involve political and ideological conflict, economic confrontation, humanitarian expropriation, cyber war, and so on. However, international courts are becoming another important battlefield. The appeal process of the Ukrainians to international courts and tribunals with claims for compensation for damages from the Russian aggression has intensified and broadened over the past two years, marking the beginning of a large-scale and drawn-out legal conflict between Ukraine and Russia.

According to provisional figures provided by Bloomberg, the claims that Ukraine and Russia have filed to international courts at the beginning of this year reached a value of almost USD 100 billion. Much of this is related to the judicial case between «Naftogaz Ukraine» and «Gazprom» in the Stockholm court, which started in 2014. Meanwhile, a judicial case on the 'USD 3 Billion debt' of ex-President Viktor Yanukovych is pending before the High Court of Justice of England and Wales.

However, proceedings by an International Court of Justice are quite a drawn-out, legally complicated and quite expensive procedure. Speaking about the Ukrainian-Russian «legal war» several important circumstances must be taken into account.

Firstly, such litigations are handled by teams of topranked international legal experts and legal proceedings can last for years. Secondly, some claims have no legal precedent — i.e, when one state accuses another state of financing terrorism or defending its property rights and the rights of the citizens in the occupied territories. Thirdly, the Constitutional Court of the Russian Federation has obtained the legal right to authorise the non-performance of its obligations to enforce judgments of the European Court of Human Rights (ECHR). However, this will not affect the international significance of the European Court verdict.

It is important to understand that the Ukrainian-Russian «legal war» would have geopolitical consequences in this regard. If, for example, the European Court satisfies the claims of Ukraine, the Hague Tribunal will recognise Russia's war crimes in Donbas, and the International Court of Justice will accuse Russia of financing terrorism.

It is clear that this will not happen in the near future (although the European Court has been encouraging optimism). However, such judicial decisions would become an indisputable legal statement of the fact that Russia has carried out aggression against Ukraine and is undoubtedly a party to the conflict, and not a third-party mediator, as Russia is currently positioning itself within the Normandy format; Russian aggression has caused huge material and territorial losses to the citizens of Ukraine, Ukrainian companies and to the whole state in general; Russia financially supports terrorism, which is punishable by international law.

Unfortunately, the Ukrainian authorities have a peripheral interest in these issues. Obviously, due to the fact that it is a long-term process and its result is questionable in some cases.

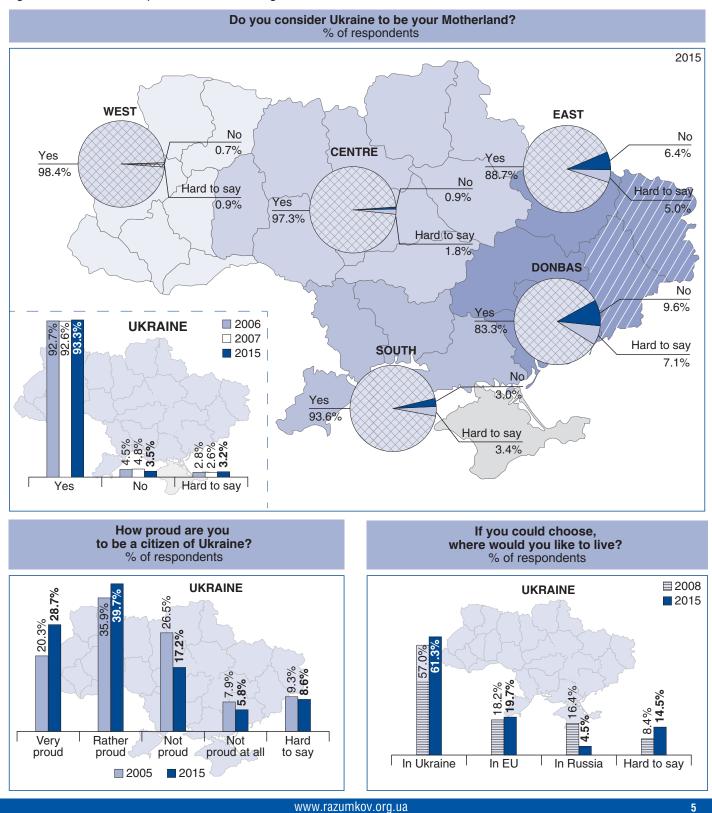
What is also obvious is that this area of confrontation with Russia is crucial in both the international legal and geopolitical sense.

Full <u>text</u>

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

Sociology

The study was conducted by the Sociological Service of the Razumkov Centre from 11 to 23 December 2015 in all the regions of Ukraine except Crimea and the occupied areas of the Donetsk and Luhansk Oblasts. 10,071 respondents aged 18 and over were polled. The error margin does not exceed 1%.



The Razumkov Centre News

MEETING WITH PROFESSOR KO JAE-NAM



The Co-directors of Foreign Relations and International Security Programmes Oleksiy Melnyk and Mykhailo Pashkov met a Professor from the Korea National Diplomatic Academy Mr. Ko Jae-nam at the Razumkov Centre on July 11, 2016. They discussed the situation in the European region and in the world, the consequences of the recent referendum in Britain, the results of the Nato summit in Warsaw (8-9 July 2016), and its impact on relations between the alliance and Ukraine.

The main topics of conversation were the prospects for the settlement of the Russian-Ukrainian conflict, the situation in the Donbas region and the state of implementation of the Minsk agreements. The parties agreed to maintain communication between the Razumkov Centre and the Korea National Diplomatic Academy, and to exchange research results.

PRESENTATION OF THE RAZUMKOV CENTRE'S SOCIOLOGICAL RESEARCH IN LONDON AND BRUSSELS

During a business trip to London and Brussels the Director of the Sociological Service of the Razumkov Centre Andriy Bychenko together with a Professor from King's College London Mark Berenson gave a presentation on the results of Razumkov Centre's sociological research at King's College London on June 27, 2016 and at Vesalius College in Brussels on June 29, 2016. The presentational materials are available in the link.

<u>Marc P. Berenson</u> «Trust, Governance and Citizenship in Post-Euromaidan Ukraine», 27 June 2016

<u>Andrii Bychenko</u>, «Transforming Ukrainian Society: Public Opinion on Current Events, International Affairs and the War in Donbas»

ACTION PLAN TO IMPROVE THE RULE OF LAW IN THE LAND RESOURCES DEPARTMENT OF MYKOLAIV CITY COUNCIL

The Swedish-Ukrainian project implemented by the Folke Bernadotte Academy «Local Self-Government and the Rule of Law in Ukraine» presented an action plan to improve the rule of law in the land resources department of Mykolaiv City Council in the conference hall of Reikartz River Hotel (Mykolaiv) on July 14.

The basis for the development of the action plan was a study on respect for the rule of law in the provision of public services. The level of compliance with the rule of law in the local self-government of Mykolaiv has been researched on the basis of land relations. This evaluation was conducted for the first time under the project «Local Self-Government and the Rule of Law in Ukraine», implemented by Folke Bernadotte Academy in 2014-2017 and funded by the Swedish International Development Agency (SIDA). The study was conducted by the Ukrainian Centre for Economic and Political Studies named after Olexander Razumkov.

In order to address the problems related to the rule of law, the action plan, developed on the basis of the study by the advisory committee of the project, based at the City Council, together with experts from the Folke Bernadotte Academy, aims to unlock the potential to enhance the rule of law in the land resources department, and so to enhance the level of satisfaction of users of the service.

As part of the presentation of the action plan, representatives, partners and project experts talked about the process of its creation, the problems detected and measures to resolve them. In addition, the Association of Small Cities of Ukraine presented the gender profile of the Mykolaiv population, followed by a discussion on the further implementation of the action plan by the project team, representatives of the local authorities and non-governmental organisations.

Reference. The project «Local Self-Government and the Rule of Law in Ukraine» is being implemented by the Swedish government agency Folke Bernadotte Academy in 2014-2017 and funded by the Swedish International Development Agency (SIDA). The overall objective of the project is to support the strengthening and integration of rule of law principles in public services at the level of local self-government in Ukraine. The project is expanding into 12 partner cities across Ukraine, and includes self-assessment of the rule of law in local self-governments; and support for civil society in increasing legal awareness.

ACTION PLAN ON IMPROVING THE RULE OF LAW IN YUZHNE CITY COUNCIL

The Swedish-Ukrainian project implemented by the Folke Bernadotte Academy «Local Self-Government and the Rule of Law in Ukraine» presented an action plan to improve the rule of law in Yuznhe City Council in the conference hall of Ellada Hotel (Yuzhne) on July 15.

The basis for the development of the action plan was a study on respect for the rule of law in the provision of public services. The level of compliance with the rule of law in the local self-government of Yuzhne was studied on the basis of transport services. This was the first time such an evaluation has been conducted in the city.

The accessibility of Yuzhne City Council in terms of visits and ease of communication for solving problems related to urban transport was given 3.43 points by the surveyed users of transport services. Based on the findings, it is reasonable to draw conclusions on the problems and challenges for the local government and local people. For example, only half of the respondents claim that when using public transport their views and arguments are taken into account if there is a dispute.

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