



THE RAZUMKOV CENTRE NEWSLETTER

CONTENTS

DOMESTIC POLICY.....	1
NATIONAL SECURITY AND DEFENCE.....	1
ECONOMY.....	2
ENERGY SECTOR.....	3
FOREIGN POLICY.....	4
SOCIOLOGY.....	5
RAZUMKOV CENTRE NEWS.....	6

ON THE BIRTH OF THE CONSTITUTION, THE MAKING OF THE OLIGARCHY, AND THE SPECIAL STATUS OF DONBAS

In Ukraine, every President that comes to power aspires to change the Constitution of Ukraine, however, even this Constitution has hardly ever been abided by in the 20 years.

Our civil society is still underdeveloped. We still experience only occasional surges – one Maidan, then another one, where the civil society shows itself. We still have not reached the point where civil society controls the government.

Personally, I am not very happy that we created a presidential-parliamentary Constitution, with a very strong presidential component. However, if we stuck to it, even with this structure, we could become a highly developed state.

A transition from the communist era, totalitarian regime to the democratic framework, requires a certain period of authoritarianism. A strong hand is necessary – a hand

that works for the benefit of the people, advancing the formation of democratic institutions. And what we have had so far, were the strong hands of everyone coming to power acting for their own benefit. And no one ever stuck to the Constitution.

Numerous laws that are being adopted are absolutely not consistent with the Constitution. Still, they are being adopted, and then referenced. They say, this is the constitutional environment we live in. But this is more of an unconstitutional environment. All of this resulted in the establishment of the authoritarian government system in September 2010

via the infamous decision of the Constitutional Court. Thus, the Constitutional Court that had to protect the Constitution, actually helped create and launch an unconstitutional coup, which ultimately led to 2014 events.

[Full text](#)



Legal Research Fellow of the Razumkov Centre Viktor MUSIYAKA

UKRAINIAN PROSECUTOR GENERAL'S OFFICE HAS DIFFICULTY GATHERING EVIDENCE FOR STRIPPING MPS OF IMMUNITY

The reason for the conflict between the Prosecutor General's Office and MPs is the inadequate legislation. The prosecutor's office cannot gather convincing evidence even if it so desires, since in the case of a deputy, it is impossible to conduct any investigative actions without the consent of the Parliament. In order to lawfully prosecute a deputy who is reasonably suspected of a crime, we need to radically change the legislative framework. Right now, an MP is first to be stripped of his immunity, and only then an

investigation can begin. And what needs to happen is for the possibility to strip the immunity to arise only in case when an MP is charged with an offence and the case is taken to court. I.e., only when the Prosecutor General's Office has the required mass of evidence, it can turn to Parliament and ask for its permission to bring the MP in question to justice.

[Full text](#)

Legal Research Fellow of the Razumkov Centre Viktor MUSIYAKA

National Security and Defence

WHY WE SHOULD NOT SUSPECT KREMLIN'S HAND IN EVERY EVENT

By now politicians' attempts to cast the blame for all of our problems on Russia do not surprise anyone. Clearly, Russia's influence is there. But the Russian influence is equally dangerous both if underestimated or overestimated. There are things that cannot be considered apart from their international context, and Russia has its

impact on such aspects. And there are things that depend, if not entirely, then almost entirely on Ukraine.



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

Today there is an understanding that Ukraine's accession to NATO or any steps such as Ukraine being invited to NATO, official announcement on NATO's Membership Action Plan (MAP) for Ukraine, will trigger an immediate negative reaction from Russia, which needs to be taken into account. But this will also cause a certain disruption within the Alliance. And the reason is not just the love for Russia of certain NATO members. The fact is that besides the general criteria, there is a primary one – a new member's accession should contribute to strengthening the Alliance's security.

[Full text](#)

UKRAINE MUST DEMONSTRATE WHY THE USA SHOULD SUPPORT IT

In the debate inside the Washington political circles and media, the key issue of Russia-US relations seems to be the investigation of Russia's possible intervention and influence on US elections, as well as the ties of the current Trump Administration employees – election headquarters staff – to Russian officials or even secret services. This is what is being discussed. Of course, this affects the decisions that Trump makes and his behaviour, because now any steps towards Russia or indications of such would put him at a disadvantage, as they would be perceived as

confirmation of the accusations. Ukraine could use this situation, but, unfortunately, it is often just an object rather than an entity in this grand American global game. If President Poroshenko succeeded at least a little bit in demonstrating our identity, giving the US reasons to support Ukraine, this would be great victory.

[Full text](#)

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

RESTRICTED ENTRY FOR RUSSIANS IS NECESSARY, BUT WE MUST CONSIDER ALL THE RISKS

If it was not for the side effects (in particular, trips of peaceful travellers to Ukraine), restricted entry for Russians would be a positive thing. But we need to consider these side effects. Between the options of visas and trip registration – I prefer the second one. This means, information on the time of entry and border crossing point. This would allow the border guards to have a relevant

decision at the time of arrival of an unwanted visitor. In any case, there is a clear need to strengthen control to reduce the flow of unwanted persons to the territory of Ukraine.

[Full text](#)

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

PUTIN IS NOT ABANDONING HIS GOALS IN UKRAINE SO FAR

Today I do not see any symptoms for a change of the situation in Eastern Ukraine. So far, Putin is not giving up his goals – everything testifies to this: the situation in Donbas continues to escalate, the fighting persists.

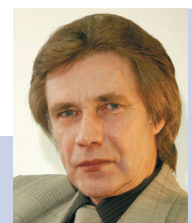
Putin can potentially back down when he crosses the pain threshold: when he and his entourage feel that the end is approaching – not for Russia, but for the regime; I would not equate Russia with the regime. At the same time, the regime has its successors. Even if Putin is not re-elected for a new term, his successor is unlikely to be any better.

We should bear in mind that lethal weapons provided to Ukraine by the USA can help stabilise the situation,

but they will not resolve the conflict. This can help stabilise the situation along the firing line, as provision of weapons helps bring down firing points of the opponent attacking our forces and causing losses. This is why we need lethal weapons, not for Ukraine's Armed Forces to go on the offensive.

[Full text](#)

Director of Military Programmes of the Razumkov Centre Mykola SUNHUROVSKYI



UKRAINE GOES TO NATO

Recently the Verkhovna Rada has adopted the Law «On Making Changes to Certain Legislative Acts of Ukraine», which includes strengthening of cooperation with NATO with the purpose of achieving membership in this organisation.

Legislative consolidation of Ukraine's course towards NATO is a prospective action. At this point, it will not change anything. When at previous NATO summits the question was raised whether to accept Ukraine into the Alliance, NATO always said that they do not know if Ukraine itself wanted it, because it was not

legally documented, and there had been no relevant referendum. From time to time such a course was determined, but after that it had been changed back and forth several times. NATO will not invite a new member with such attitude, the prospective member must first determine its own course. As of now, our course towards NATO has been declared in the relevant legislation.

[Full text](#)

Director of Military Programmes of the Razumkov Centre Mykola SUNHUROVSKYI

Economy

RAZUMKOV CENTRE TOOK PART IN DEVELOPING THE G20 SUMMIT AGENDA

On 7 July 2017, in the German city of Hamburg started the two-day 12th G20 Summit. The G20 Summit Agenda was being prepared by thousands, if not tens of thousands of experts from different countries of the world. In the past half a year, there were seven expert forums in Berlin on the topics that were later included in the G20 Summit Agenda. At one of such forums, on 29-30 May in Berlin, over 900 experts and analysts from more than 100 countries of the world discussed

the issues of migration, climate, cyber safety, trade and investment. According to Razumkov Centre's Scientific Consultant on Economic Issues Volodymyr Sidenko, who represented Ukraine at this forum, in the focus of global experts' attention were the issues of climate and in this context – the consequences of America's withdrawal from Paris Climate Agreement, world economy and global trade, as well as new technologies and high-tech businesses. Meanwhile, there was little talk about

Ukraine and Russia's aggression.

In his interview, Volodymyr Sidenko explained why Russia's aggression against Ukraine is discussed mostly by the G7, why we need to take measures in regard to reducing CO2 emissions, and what we must do in order not to find ourselves on the periphery of the world economy.

[Full text](#)

Senior Research Fellow
of the Razumkov Centre
Volodymyr SIDENKO



FOREIGN DIRECT INVESTMENT: STATE STATISTICS COMMITTEE OF UKRAINE REPORTS EXTREMELY LOW NUMBERS

State Statistics Committee of Ukraine reports that in the first quarter Ukraine had only \$730 mln of direct foreign investment, which is an extremely low number.

Investors are in no hurry to invest money in our economy, first of all, because there have been no real changes that we are talking so much about and that we wish to see. Investor protection is rather weak, economic dynamics – also weak, privatisation is being slowed down. Until investors see that real changes are taking place, until they believe in the stability of our macroeconomic situation, we can hardly expect any serious investment.

In the first quarter, investment came from 65 countries of the world, but over a half of it was from Cyprus. They

invested in Ukrainian economy more than others, Netherlands, Germany, Russia. The large inflow from Cyprus is due to a partial return of previously pulled funds. Some investors are hiding abroad because they do not trust the legislation and our national policy. This is a natural reaction, because the level of trust in Ukrainian government is extremely low.

[Full text](#)

Director of Economic Programmes
of the Razumkov Centre
Vasyl YURCHYSHYN



WHAT AWAITS BRITISH ECONOMY AFTER BREXIT

One of the main global geopolitical and geo-economic processes in the next two years will be the UK's «divorce» from the European Union – Brexit.

Major Brexit processes are likely to be complete in 2019. This also may become the period of acceleration of global structural changes (formation of new economic and institutional environment), which will require a change

of economic policy of the countries willing to continue active partner relations with the UK. This goes for Ukraine as well.

[Full text](#)

Director of Economic Programmes
of the Razumkov Centre
Vasyl YURCHYSHYN

WHY IS HRYVNIA GETTING STRONGER AND WHAT SHOULD WE EXPECT IN AUTUMN

Since the beginning of the month, the US dollar in Ukraine has slightly dropped in price, going below the 26 UAH mark, according to official NBU exchange rate. A couple of weeks ago, it was 26.3 UAH, and two months ago – 26.8. The average annual exchange rate, anticipated in this year's budget, is 27.2 UAH/dollar. Hryvnia keeps getting stronger in line with the global trend of cheapening of the US dollar, but a possible decision of the US Federal Reserve System to raise interest rates by the end of the year to 1–1.25 % is meant to change the situation in favour of American currency.

Summer is traditionally a good time for hryvnia, unlike the end of the year, when it is pressured by the need to purchase energy. We also have reassuring economic dynamics, which reduces the risks of capital inflow-outflow. Nor would I exclude the situation connected with administrative measures – currently, the National Bank is no longer headed by its former manager, and it seems to me this has had a positive impact on the banking system.

[Full text](#)

Director of Economic Programmes
of the Razumkov Centre Vasyl YURCHYSHYN

Energy Sector

NAFTOGAZ NEEDS MAJOR REFORMS

Naftogaz needs major reforms, and its existence in the current form makes no sense. First of all, unbundling is required. Naftogaz does not have to occupy a dominating or a privileged place in the market. It is enough for it to perform the functions of a gas trader on equal conditions with others, without any privileges or preferences. Naftogaz management, in my point of view, has to prove its efficiency in a competitive environment equal for all, instead of special privileged conditions. Transportation and storage functions have to be taken away. It should be just one of gas importers, performing this function, until other players appear in

the market. Companies can create their traders, the market on the whole has to be very competitive. I do not see the point of Naftogaz operation in its current form.

[Full text](#)

Director of Energy Programmes
of the Razumkov Centre
Volodymyr OMELCHENKO



Theresa May and Her Choice

UK Prime Minister's announcement on 19 April 2017 calling a snap election – three years before the end of term of the current Parliament – became a real surprise for many. Conservatives guided by Theresa May took this step having a rather optimistic trend of growing voters' support for their political party.

For more information on UK election results and coalition policy in the UK, follow the link below.

[Full text](#)

Lead Expert of Political and Legal Programmes of the Razumkov Centre Vitalii YAREMA



Price of Russia's "Greatness"

The Soviet Union generously sponsored fraternal communist parties, emerging liberation movements, international progressive organisations, etc. free of charge. Today Russia, as the successor of the USSR, is also generously funding various external measures designed to demonstrate its own citizens the greatness and strength of the country that «has risen from its knees». And this greatness does not come cheap, including for the Russians themselves.

Russia's war expenses in Syria and Ukraine, upkeeping Crimea and the unrecognised republics (Abkhazia, South Ossetia and Trans-Dniester) make up about 3-4% of Russia's 2017 budget expenditure. And this is just the visible part of the «expansionist» foreign policy expenditure iceberg. How about expenses for foreign propaganda? And payments to secret cyber-troops? And covert operations? Support of influence agents in Europe and the rest of the world?

According to the Russian Institute for Strategic Analysis FBK, in the entire period of sanctions, the total losses of Russian GDP amounted to approximately 2-2.5 trillion rubles – about \$30 bln. Experts from the Russian Academy of National Economy estimated that Russia's counter-sanctions in food industry (almost 11 thousand tonnes of sanctioned products were destroyed) amount to 600 billion rubles annually – or about \$9 bln.

Western sanctions, with limitation of investment, loans, technology, together with low oil prices, are having a cumulative and very tangible impact on stagnation of

Russian economy. These unfavourable external factors are among the reasons that Russia's Reserve Fund was reduced almost by 4 in 2016 – down to \$16 bln.

And against this background, the country's management promotes militarisation and social consciousness. Russia's military budget is the third in the world, while its GDP is not even in the top ten. «Middle class in uniforms» is growing like weeds. According to expert estimates, the numbers of security forces in the country are already over 4 mln (army – 1.9 mln, police – 1 mln, National Guard – 400 thousand, Ministry for Emergency Response and Ministry of Justice – over 600 thousand). Special services are also part of the system – FSB secret police, SVR external intelligence, GRU military intelligence, FSO federal guard service.

In other words, the number of militarised structures in present-day Russia is comparable to the number of people in uniforms in the former USSR. However, the population of Russia is twice less. Also, for the Soviet Union, which collapsed, defence expenditures were an overwhelming burden.

[Full text](#)

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



European Defence Union: Myth or Reality?

With the publication on 1 March 2017 of the White Paper on the Future of Europe, the European Commission started a discussion of EU's long-term development in different areas, including social sector, the influence of globalisation, economic and monetary union, common EU security and defence policy, as well as the future of the European financial system. The European Commission presents individual reports for each of these, in which EU leaders are asked to discuss potential alternative actions.

On 7 June 2017, the reflection paper on the future of European defence was published, which outlined main trends and challenges in the area of common security and defence in the EU, and also considered three possible scenarios for common action in this area. A number of strategic, political and economical-technological factors make it necessary to strengthen cooperation between the EU member states in the area of common security and defence policy. Among the strategic factors are the growing threat from the Russian Federation, terrorism and the migrant crisis, unstable political regimes in Africa and the Middle East, in addition

to climate change, resource depletion and demographic crisis, which all contribute to conflict development and instability around the world.

Europe's vulnerability and fragility in the face of modern challenges and threats is explained by the lack of integration in security and defence areas, as well as poor coordination between EU member states. The proposed scenarios of the forthcoming reform of the common security and defence policy of the EU are aimed at strengthening the Union and adapting it to the realities of the present. While neglecting such an important area as security can have critical implications.

[Full text](#)

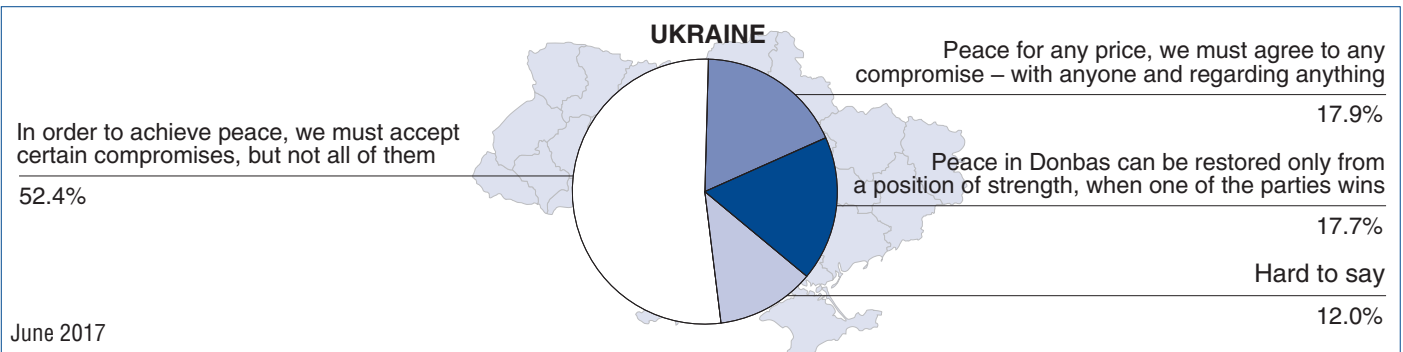
Expert of Foreign Policy Programmes of the Razumkov Centre Viacheslav HOLUB



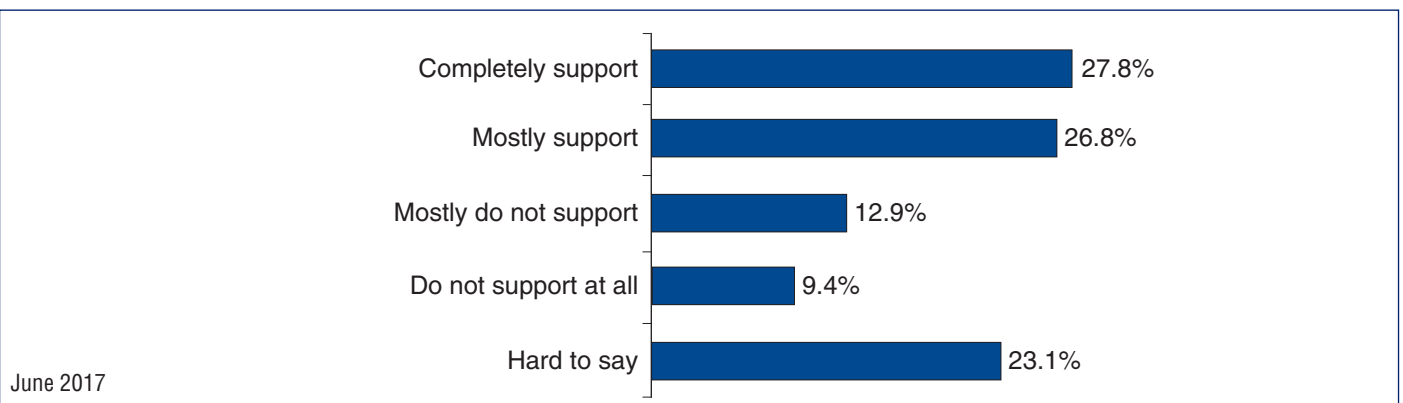
The study was conducted by the Ilko Kucheriv Democratic Initiatives Foundation and the sociological service of the Razumkov Centre on 9-13 June 2017. There were 2018 respondents aged 18 y.o. and older from all regions of Ukraine except Crimea and the occupied territories of Donetsk and Luhansk oblasts. Theoretical error of each sample does not exceed 2.3%.

For more information on the results of sociological studies conducted by the Razumkov Centre, see our web-site <http://www.razumkov.org.ua>.

At present, there are regular ongoing negotiations on the ways to resolve the armed conflict in Donbas. Do you think that in order to achieve peace we must make a compromise with Russia and the leaders of the self-proclaimed Donetsk and Luhansk republics?
% of respondents



Do you support the proposal to legally recognise the uncontrolled territories of Donetsk and Luhansk oblasts as occupied?
% of respondents



What decision must be made in order to achieve peace in Donbas?
% of respondents

Making Russia stop interfering with the conflict in Donbas (strengthening of international sanctions, pressure of international structures on Russia)	38.1
Successful restoration of normal life in Donbas territories controlled by Ukraine	28.0
Regaining Ukraine's control over DNR and LNR territories via military force	13.5
Giving DNR and LNR a special status within Ukraine	11.8
Legitimate elections in the DNR and LNR controlled territories	11.7
Stop financing territories occupied by DNR and LNR (pensions, salary payments, etc.)	11.0
Separation of territories occupied by DNR and LNR from Ukraine	8.8
Abandoning the prospects of NATO membership, documenting Ukraine's non-aligned status in the Constitution	6.3
Giving Russian the status of the second state language	4.9
Introduction of federal structure in Ukraine	4.6
Amnesty for all fighters that took part in military action in Donbas	3.8
Other	3.3
Hard to say	14.1

* Respondents were asked to indicate no more than three answers.

WE PRINTED NO.1-2 (2017) ISSUE OF THE NATIONAL SECURITY AND DEFENCE JOURNAL «BASIC PRINCIPLES AND WAYS OF BUILDING A COMMON IDENTITY OF UKRAINIAN CITIZENS»

We are glad to inform you that No.1-2 (2017) issue of the National Security and Defence journal came out in print titled «Basic Principles and Ways of Building a Common Identity of Ukrainian Citizens», prepared under the frame of the project «Building a Common Identity of Ukrainian Citizens in the New Environment: Special Aspects, Prospects and Challenges», implemented by the Razumkov Centre together with Matra European Partnership Programme and Konrad Adenauer Foundation Office in Ukraine.

The journal contains analytical materials based on the results of sociological and expert surveys that characterise the socio-psychological atmosphere in Ukrainian society as a factor in the formation of the system of values, ethnic and linguistic identity, identity as an identification with a particular community, ethnic stereotypes, value orientations of Ukrainian citizens and socio-political values.

The journal also contains expert interviews and statements by participants of the Round Table «Basic Principles and Ways of Building a Common Identity of Ukrainian Citizens» (Kyiv, 12 April 2017).

The journal also presents for discussion the Draft Concept of Building a Common National Identity of Ukrainian Citizens.

We hope that this study is useful for everyone interested in the process of building a common national identity of Ukrainian society, Ukrainian political nation.

[The electronic PDF version of the journal is published](#)

RAZUMKOV CENTRE BECAME A MEMBER OF THE TRANS-EUROPEAN POLICY STUDIES ASSOCIATION (TEPSA)

On 15 June 2017, General Assembly of the Trans-European Policy Studies Association unanimously decided to accept the Razumkov Centre as a member of the Association.

Prior to the decision, the Association did a thorough study of Centre's capacities, there were personal meetings, negotiations, taking place in Kyiv and during the TEPSA conference in Malta in November 2016. The final decision was made by the General Assembly after a personal presentation of the Centre and its work at the Assembly meeting by Deputy Director General Y. Yakymenko.

Thus, Ukraine joined the oldest European network of European policy researchers, which includes approximately 40 members – EU member states and candidates for accession. Among TEPSA members are leading European governmental and non-governmental think tanks, universities, that carry out research on European issues. Each country is represented by one institution.



The aim of the Association is to conduct in-depth and high-quality research on European integration, which combines analysis, evaluation and development of recommendations for European institutions. In its work, the Association with an office in Brussels combines research, expertise, training and establishing of research networks.

TEPSA General Assembly meeting was held in the framework of the next pre-presidential conference taking place in the EU member states on the eve of their presidency of the EU Council. This time the conference took place on 15-16 June in Tallinn and was dedicated to the upcoming Estonian presidency. Together with the Razumkov Centre, the Justinianus Primus Law Faculty (Macedonia) also joined the Association.

For more information on the Trans-European Policy Studies Association (TEPSA), please visit <http://www.tepsa.eu>

8TH INTERNATIONAL CONFERENCE «HUMAN RIGHTS AND SECURITY SECTOR GOVERNANCE: REFORM CHALLENGES IN UKRAINE»

The last event from the series of conferences in the frame of the joint project by the Razumkov Centre and the Geneva Centre for Democratic Control of Armed Forces (DCAF) took place.

Topics discussed included:

- Protection of human rights in the context of reforming law enforcement bodies
- The role of the Ombudsman institute in ensuring human rights in the context of security sector reform and the course of ATO
- International approaches to introducing human rights and gender aspects into security policy
- International aid for Ukraine: trends, mechanisms, problems and recommendations
- Can women find professional fulfilment in the army? Analysis of legal restrictions

- Presentation of Razumkov Centre's research: expert assessments and public opinion on the state of reforms, challenges and threats in the security sector
- Summary of the overall results, assessment of interim results of the security sector reform, identifying key future challenges in connection with reforms.

RAZUMKOV CENTRE TOOK PART IN A MAJOR INTERNATIONAL COAL INDUSTRY DEVELOPMENT EVENT



On 14 June, International Conference «Trends and Prospects for Extraction and Use of Coal in Ukraine and the World» took place in Kyiv.

About 50 organisations took part in the conference. Participants included representatives of the Ministry of Energy and Coal Industry of Ukraine, DTEK company, European Association for Coal and Lignite EURACOAL, Delegation of the European Union to Ukraine, Embassies of the United Kingdom, Poland, Germany, the USA.

Razumkov Centre was represented by the Director of Energy Programmes V. Omelchenko. He spoke on the topic of «Coal Industry in the Context of the New Energy Strategy of Ukraine». In his speech, V. Omelchenko noted that the draft of the New Energy Strategy till 2035 (NES) was developed in accordance with best international practices, based, first of all, on consumer interests, energy security and taking into account the provisions of the 2015 Paris Climate Agreement, which Ukraine was one of the first to join.

[For more information](#)

PRESENTATION OF VIKTOR MUSIIAKA'S MONOGRAPH IN KHARKIV

On 8 June 2017, Razumkov Centre's Scientific Consultant on Legal Issues, Prof. Musiyaka V. L. visited Yaroslav the Wise National Law University in Kharkiv. During meetings and in communication with the university's Rector, Member of the National Academy of Educational Sciences of Ukraine Tatsii V. Ya., Members of the National Academy of Educational Sciences of Ukraine Bytiak Yu. P. and

Kucheriavenko M. P., corresponding members of the National Academy of Educational Sciences of Ukraine Komarov V. V. and Zadykhailo D. V., they discussed topical constitutional and legal issues of the current stage of our country's development. During this communication, Professor Musiyaka V. L. also presented his monograph «The Anthology of the Constitutional Process in Modern Ukraine», created at the Razumkov Centre.

PARTICIPATION IN THE INTERNATIONAL CONFERENCE «TRANSFORMATION OF UKRAINE: ASSESSMENTS AND DECISIONS»

Co-director of Foreign Policy and International Security Programmes Oleksii Melnyk took part in the International Conference «Transformation of Ukraine: Assessments and Decisions», which took place in London on 5 July 2017. The conference was organised by the Royal Institute of International Affairs (Chatham House).

There were over 100 participants: politicians, businessmen, representatives of civil society, academics, journalists, who were studying and discussing the political and economic situation in Ukraine as a whole, as well as the progress of the state in implementing reforms.

Oleksiy Melnyk spoke at the panel discussion «Geopolitical and Security Risks: Building Ukraine's Security Capacity». Key issues discussed by participants were related to strategies for restoring peace and strengthening regional security, Russia's levers for influencing Ukraine's domestic and foreign policy and regional and global security, as well as actions required from the West in order to help Ukraine build its security capacity.

[Short video](#)



RAZUMKOV CENTRE
Address: 01015, Kyiv, Lavrska, 16, Ukraine
Telephone (044) 201 11 98, fax (044) 201 11 99
Email: newsletter@razumkov.org.ua