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THE RAZUMKOV CENTRE NEWSLETTER

CONTENTS

Domestic Policy.....	1
National Security and Defence.....	1
Economy.....	3
Energy Sector.....	3
Foreign Policy.....	4
Sociology.....	5
Razumkov Centre Events.....	6

ANTI-CORRUPTION COURT: TO EXECUTE IMPOSSIBLE TO PARDON

The court system is largely disoriented and demoralised. It is hard to predict the results of its next modernisation in the sense of its ability to bring all of its segments together to properly administer fair justice. Today, the expert and political community is awaiting the «finalising» of assembly of the new Supreme Court and the determination of prospects for creating the anti-corruption court, especially, methods and ways this issue is to be solved.

The anti-corruption court (either as High Court or a system of courts, or through specialisation of judges) has to be created, no matter how controversial this issue might be. First of all, the Law of Ukraine On the Judiciary and Status of Judges not only announced the existence of such court, but also (in the transitional provisions – p.16) defined the conditions for its creation and provisions for the competition to fill the positions of judges.

Second, despite the claims that the National Anti-Corruption Bureau (NABU) and Specialised Anti-Corruption Prosecutor's Office (SAPO) make regarding courts lacking motivation to fight corruption, it is a fact that there are other reasons for courts' inactivity in consideration of anti-corruption cases. A lot of courts are left without judges. There are even more understaffed courts with only several judges, whose case load is far too heavy, as they are required by law to review each case in due time-frame. Of course, not all judges are conscientious, and the same goes for other parties to the process.

Third, and, possibly, the key factor: corruption must be fought, genuinely. Especially, «the top layer». In the

situation, where the corruption search campaign across all levels of the government triad has brought Ukraine to the top of corrupt states list, and the judiciary is consistently and deliberately deprived of the lion's share of public trust, the creation of a specialised anti-corruption court will bring the fight against corruption into a practical stage.

Full [text](#)

Legal Research Fellow
of the Razumkov Centre
Viktor MUSIYAKA



QUALITY OF PARLIAMENTARY PROCESSES DEPENDS ON PEOPLE'S POLITICAL CULTURE

Ukraine currently has approximately 350 political parties and the concern is that the Ministry of Justice lacks resources to check whether all registered political parties comply with legal requirements. Parties have a way of getting around the law. This is the reason for the great number of parties that exist only on paper. The situation was evolving for years, as prior to each election we saw a wave, a surge in registration numbers of new parties. We need some conceptual changes in the system of control over parties' compliance with legal requirements.

Today, the quality of parliamentary processes is often associated with the inadequate election system. However, the law carries only an instrumental function, it is a mechanism to slightly improve or devalue the situation. Most important is the level of political culture of communities and elites. Quality of parliamentary processes will be

determined by the level of people's awareness, candidates' hidden motives. Society must ask questions: who is the candidate, what does he seek, does he represent a particular person, or is he an independent law-maker? We have to ask ourselves as well. Because after the election campaign of 2014, many new deputies emerged, but they did not turn out to be who they positioned themselves as. The issue of the quality of parliamentarism is a deep one, it cannot be associated with a certain law, – it is connected with political culture that needs to be developed.

Full [text](#)

Deputy Director General,
Director, Political and legal programmes of
the Razumkov Centre Yuriy YAKYMENKO



National Security and Defence

WHY DO UKRAINIAN WEAPONS WAREHOUSES KEEP BLOWING UP

It is not the first time that Ukrainian weapons warehouses are having fires break out, which cause infrastructure destruction and casualties. The largest ones took place in Novobohdanivka, Zaporizhzhia oblast in 2004 and 2007, in Lozova,

Kharkiv oblast, and Svatove in Luhansk oblast in 2015. This year, attention of the entire country was drawn to the fires in Balaklia, Kharkiv oblast in late March, and now – the one not far from Kalynivka, Vinnytsia oblast.

It is not the first time Ukraine is faced with the urgent need for better protection and security guarantees at weapons depots, which can be a serious threat in the situation of the ongoing hybrid war with Russia. Every year, Ukraine's defence budget has funds allocated for this purpose. State budget for 2017 is expected to have UAH 141 million allocated



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

for this programme. However, this money is mostly used for passive measures – creating embankments around locations where weapons are

stored, protection against fires or technical accidents. Warehouse protection from sabotage was always of rather theoretical nature. Now this threat is real. With the development of the drone technology, there is no more need to physically penetrate a facility. Military guard and barbed wire can no longer protect these facilities.

We also need to take care of underground storage units for keeping ammunition that is to be utilised, as the old weapons Ukraine inherited after the disintegration of the USSR, are mostly lying around on open sites of military warehouses and are an easy target, especially in the current situation.

[Full text](#)

THREATS AND RISKS. WHO AND HOW IS HELPING THE UKRAINIAN ARMY

Canada may provide military and material assistance to Ukraine. So far, the issue is being reviewed by political leadership. But there is no doubt that Ukraine needs this step. Canada is one of our major partners. At this moment, about 600 foreign specialists are providing military-technical and consulting assistance to our country.

Talking about practical partnership at the grassroots level means not some demonstration trainings, but a full exchange of experience, as Ukrainians also have something to teach.

Still relevant is the issue of US providing defensive weapons to Ukraine. The Donbas conflict is not over, it is in its active stage. The relative truce that has been established for now does not give us grounds to believe that we are close to peace. However, the prospects of getting American weapons are much more realistic today than they were a year ago. Political decisions have been made, now the US President has the final say.

[Full text](#)

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

ONLY FEW PEACEKEEPING OPERATIONS END WITH REAL PEACE

A statement by Russian President V. Putin on introducing UN peacekeeping forces at the demarcation line in Donbas does not stem from his desire to resolve the conflict, but to achieve victory in it, essentially, this is the reason he started this war, beginning from Crimea to Donbas.

Ukraine finds itself in an uncomfortable situation, as on the one hand, it has been suggesting the idea to introduce peacekeeping forces for a long time, and to try to deny or oppose this idea just because Russian President V. Putin is trying to hijack it, would be irrational and confusing in the eyes of Ukraine's international partners.

Ukraine must come up with a clear algorithm, action plan for implementing this idea. For instance, Russia's aggressor status is not yet fully formalised and defined. Russia takes part in the «Normandy format» not as a party to the conflict, but as an intermediary. So, in order to raise the issue of introducing a peacekeeping mission

at the General Assembly, we first have to complete the process on the national level.

The introduction of peacekeeping forces in Donbas is not unrealistic, but the question is to what extent this mission, its mandate and composition will match the declared goals. In any case, this may be a step to ending the bloodshed, but tomorrow will come, when the mission leaves, and what will Ukraine get then? Will it not undermine Ukraine's prospects as a sovereign state for decades to come? Currently, there are about 100 peacekeeping missions in the world, some of them lasting for over 60 years. Only few of them end with real peace and conflict resolution. A peacekeeping mission is not a miracle drug, – usually it leads to a frozen conflict.

[Full text](#)

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

BRINGING DONBAS BACK WILL REQUIRE COMPREHENSIVE MEASURES

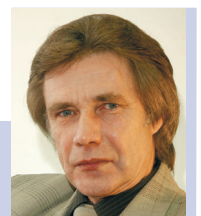
An integrated approach to the Donbas problem means that this crisis must be resolved through a set of comprehensive measures, instead of focusing on one area. Neither political, nor diplomatic, economic, or military approach alone will resolve this conflict. We need a well-coordinated, integrated plan that includes diplomatic, political, economic and military methods.

One of military methods is introducing a peace enforcement mission. Here, everything depends on the mandate this mission has. If it just separates the sides, this will definitely mean freezing the conflict. If the goal is not just to end, but also to resolve the conflict, i.e. return

Ukraine its territorial integrity and sovereignty, this mission must have a mandate that includes ceasefire, separation of adversaries, disarmament of combatants, demobilisation, a return to peaceful life, improvement of economic situation in Donbas, and holding an election. But all of this will become possible, only when the border is closed.

[Full text](#)

Director of Military Programmes of the Razumkov Centre Mykola SUNHUROVSKYI



Economy

FOOD PRICES: WHY ARE PRICES RISING AND WHAT TO EXPECT NEXT

According to the State Statistics Committee, Ukraine has had a food price increase. Currently, there are no seasonal fluctuations that could cause such sharp price increase. Whereas a rise in price of euro causes prices in Ukraine to rise as well, as many of our products come from Europe and their prices are fixed in euro. This is the real factor influencing an increase of prices at the moment, as the situation in external markets is rather stable.

Another factor that influences prices is waiting for importers. Importers are unsure of hryvnia's stability, as there are expectations that hryvnia will experience a devaluation in relation to foreign currencies. This means that importers budget for hryvnia depreciation in today's

contracts for the sale of certain products, as they will have to purchase foreign currency and pay off their business loans from this revenue.

Besides, taking into account that our country has now entered the period of increased amounts of external debt repayments with no IMF loan, there is additional pressure on the national currency.

Full [text](#)

Senior Research Fellow of the
Razumkov Centre
Volodymyr SIDENKO



ON UNEMPLOYMENT IN UKRAINE

Today, there is a moderate decline in unemployment in Ukraine, but we should not expect a rapid shift. The structure of Ukraine's economy remains outdated, and recovery in certain economic sectors will not have a long-lasting effect. There is improvement in mechanical engineering and metal production industries, but without investment Ukraine cannot expect to fundamentally solve the issue of unemployment.

We observe a mass outflow of young people, who may be going abroad to study at the moment, but few of them will return.

Ukraine is gradually entering the so-called Fourth Industrial Revolution, which will drastically change the structure of economy. Some sectors will decline, and others, that implement new technologies, – will rapidly grow. Well-educated, skilled human resources, on condition they stay in Ukraine, will play a major role.

Full [text](#)

Senior Research Fellow of the
Razumkov Centre
Volodymyr SIDENKO

IMF LOANS: IN WHAT CONDITIONS WILL UKRAINE STOP LIVING ON CREDIT

Ukraine has sufficient internal resources to survive without an IMF loan. If we managed to return at least a part of resources withdrawn from the bank system in the crisis period, they would exceed the IMF tranches. In order for this to happen, the government's work must be predictable, tax system reasonably stable, there should be no reckless decisions in the banking sector.

Although the fight against corruption and the pace of reforms are rather slow, it is necessary to implement a stimulating fiscal policy, create stable rules, carry through privatisation, create government institutes to ensure

legitimacy of economic decisions and minimisation of political influence.

Full [text](#)

Director of Economic Programmes
of the Razumkov Centre
Vasyl YURCHYSHYN



WHAT WILL THE DOLLAR EXCHANGE RATE BE IN 2018

According to our predictions, by New Year, the exchange rate will fluctuate around 27 UAH/dollar, and in the following year – 29 – 30 UAH. This dynamic is due to fact that our economy remains weak – this year, the growth will barely reach 2%. Next year, we are expecting a 3% growth, but the average dynamic of other developing countries is 4%. This means that Ukraine is behind even relative to the average dynamics of developing countries, to say nothing of the leading countries' dynamics.

Thus, the economic foundation for strengthening of hryvnia is very feeble, and even though the balance of payments seems to be improving, the current account remains in deficit. Also, the foreign direct investment

inflow is scarce. Besides, in 2018, external debt risks will start to rise. Especially risky in this sense will be 2019.

If we remember that 2019 is the year with a number of elections taking place, and the election campaign is basically starting right now, we will understand that Ukraine is entering a period of highly politicised risks of populist or openly lobbying economic decisions, which is another factor that weakens the national currency.

All of these factors indicate that the signs of hryvnia's strengthening are very limited, while those of its weakening – rather significant.

Full [text](#)

Director of Economic Programmes
of the Razumkov Centre Vasyl YURCHYSHYN

Energy Sector

EU AND RUSSIA WILL REMAIN DEPENDENT ON UKRAINIAN GTS

Gas pumping through the North Stream was stopped from 11 to 22 September due to annual planned repairs. Russian Gazprom send Naftogaz of Ukraine an order for an increased amount of gas to be

transported to Europe. Naftogaz says: Ukrainian GTS has the required capacity and is ready to substitute the North Stream, although such changes are not foreseen in the contract.

Today, Ukrainian GTS has surplus capacity. The technical state of Ukrainian GTS is not worse than that of Poland, Hungary, or Slovakia, and is much better than the Russian GTS. Ukrainian gas transportation system will remain way more reliable than North Stream and North Stream-2, which are regularly stopped for repairs, and do not have the required underground gas storages, and thus cannot provide a 100% reliability and security of supply in the peak periods. Both, the EU and Russia will remain dependent on Ukraine's GTS for a long

time. Today and in the nearest future no GTS will be able to compete with the Ukrainian one.

Full [text](#)

Director of Energy Programmes
of the Razumkov Centre
Volodymyr OMELCHENKO



Foreign Policy

ON THE BRINK OF NUCLEAR APOCALYPSE

North Korea's nuclear tests create a very dangerous situation, as we can now state that the actions of North Korea's leader are becoming more and more aggressive. And this is caused foremost by impunity.

What does the global community have to do? This is the key issue, as there is no global community per se. In lieu thereof, there is a number of communities or key actors on the global arena. Unfortunately, they cannot be considered a community. Because if, for instance, we look at the United States of America, China and Russia, even though they have declarations of their concern and anxiety, it is hard to imagine them reaching a consensus. Even if they are aware of reasons and have solutions. The interests that they are trying to advance in this game with the help of DPRK (besides the main one – to avoid a nuclear apocalypse) are in direct contradiction.

It is necessary to remember about the interests pursued by the key actors in this story. Because in this case, if we try to understand North Korea's logic, it

seems that it has risen against not just the United States, but against the entire world. No matter how delusional, Kim Jong-un understands quite well that it would be hard for him alone to oppose the entire world without catastrophic consequences for his state and for him personally.

Which raises a logical question – who supports Pyongyang in this aggressive policy, who is nudging them towards this? And this provides an environment for international investigations: who helped and is still helping North Korea build nuclear weapons and carriers, who ensures there are «wholes» in the isolation, who provides political support for Pyongyang in the closed-off regime, or supports it through providing it with technologies, resources, etc...

Full [text](#)

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

DEVELOPING A CONCEPT OF CO-EXISTENCE WITH RUSSIA IS ESSENTIAL FOR UKRAINE

At the moment, Putin is faced with a certain choice regarding Donbas. Foreign policy is what boosts internal mobilisation of the country. Even Medvedev's plan of reforms is not proposing anything new. So, the situation inside the country is unlikely to unite people. While the external factor has been actively used by the Russian government for years. For instance, at first, the main enemy was the USA, then there were the Banderites in Ukraine and the European Union that introduced sanctions. Russia has been and still is employing the «fortress under siege» philosophy.

There are assumptions that in order to strengthen the authority of its government, Russia will recognise the independence of DNR and LNR, or will unite North and South Ossetia and integrate it into Russia. Abkhazia's army, for example, is already one with the Russian army.

Meanwhile, in Donbas, the hybrid aggression is still going on. I believe that the most likely scenario here is preservation of the conflict in the frozen state with a possibility of escalation.

Next year will bring us yet another term in office of the Russian President V. Putin, and we will have to co-exist with this version of Russia for six more years. It is essential that we develop a concept-based action plan for co-existence with Russia, as we have no other choice with over two thousand kilometres of common border.

In this context, we have conducted two international conferences, and in 2015 presented our Concept of co-existence with the Russian Federation in economics, politics, humanitarian and energy sectors (for more information on the Concept, go to http://razumkov.org.ua/uploads/journal/eng/NSD157-158_2015_eng.pdf). This concept was an attempt to devise the rules of the game for Ukrainian actors in regard to Russia.

Full [text](#)

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



WEST WILL NEVER ACCEPT THE NUCLEAR STATUS OF DPRK

Western policy in regard to DPRK will be now manifested as containment of pressure and creating opportunities for a dialogue. This, however, does not exclude the possibility of the DPRK conflict evolving into the «hot stage», as the West will never accept North Korea's nuclear status.

Also, I would like to point out Russia's proposals to minimise sanctions, turn to peaceful dialogue, and

launch joint projects with North Korea in the energy sector. This policy leads to a disconnected and blurred stand of the West in regard to the Korean peninsula.

Full [text](#)

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

RUSSIA'S AGGRESSION HAS UNITED UKRAINIANS

Having suffered Russia's aggression, Ukraine has had a huge traumatic experience. Now, few speak of the Eurasian way of development or of good neighbourly relations with Russia. External policy vector of the country has been determined not just by the Parliament and the President, but also by the lost human lives. This is irreversible.

The war has mobilised the nation, has accelerated the formation of identity. The process became more dynamic. This shows in people's assessments. When asked, which union Ukraine should join, people answer: EU – 56.8%, Eurasian Economic Community – 7.8%. Before the war, about 40% wanted to join the EU. Almost the same number – Eurasian Economic Community.

At the moment, the referendum on NATO membership would be attended by 66% citizens. Out of this number,

70% would vote in favour of it. Public consciousness has fundamentally changed, a relationship matrix formed in regard to Russia. In order for the relation to be normal again, aggression must be stopped, territories – returned, losses – compensated for, and Russia must abstain from interfering with Ukraine's internal affairs. This is the opinion of 79% of Ukrainians.

Besides the external threat, people have been united by the desire to live in a civilised European country. Now, in the nearest future, Russia and Ukraine will live in the confrontational co-existence mode – with a possibility of exacerbation. Ukraine must learn to live in these conditions.

Full [text](#)

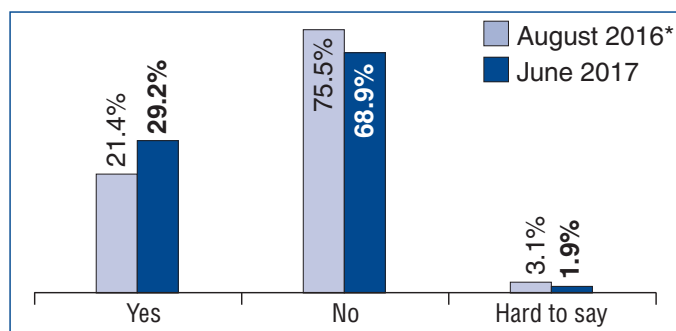
Co-director of Foreign Relations and International Security Programmes of the Razumkov Centre Mykhailo PASHKOV

Sociology

The national survey was conducted by the Ilko Kucheriv Democratic Initiatives Foundation together with sociological service of the Razumkov Centre from 9 to 13 June 2017 in all regions of Ukraine, except Crimea and the occupied territories of Donetsk and Luhansk oblasts. Number of respondents – 2018, age – from 18 y.o. Theoretical error of each sample does not exceed 2.3%.

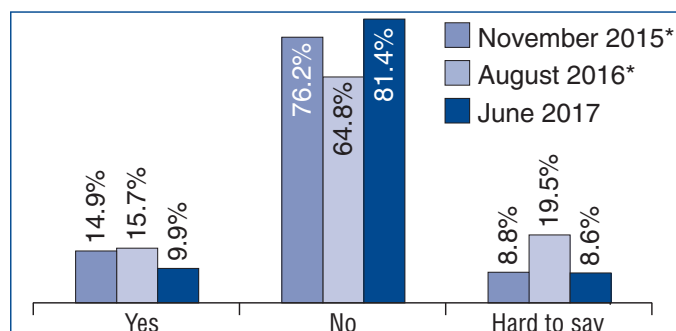
For more information on the results of sociological studies conducted by the Razumkov Centre, see our web-site <http://www.razumkov.org.ua>.

Do you know that since last year all parliamentary parties started receiving funding from the state budget? (% of respondents)



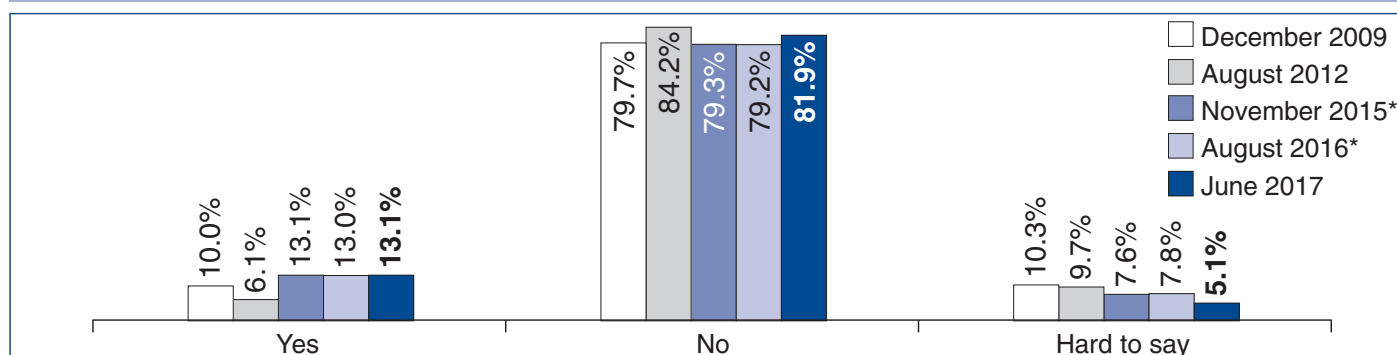
* In August 2016, the question was formulated "Do you know that since July 1 of this year all parliamentary parties will start receiving funding from the state budget?"

Do you support state budget funding of parties that received a certain number of votes in the election? (% of respondents)



* In November 2015, the question was formulated "Do you support state budget funding for political parties?"

Are you personally ready to allocate money for a certain political party, in case you are sure that it stands for your interests? (% of respondents)



Who should fund the work of political parties? % of respondents

	November 2015	August 2016	June 2017
Party leaders	39.9	42.5	49.0
Regular party members	39.5	45.0	48.2
Party supporters	14.1	35.0	36.8
Businessmen	31.1	20.7	21.8
State	13.0	15.1	8.0
Other	0.7	1.0	2.3
Hard to say	17.4	14.8	8.3

RAZUMKOV CENTRE REPRESENTATIVES VISIT GERMANY

From 17 to 21 September 2017, Razumkov Centre delegation composed of Director General Anatolii Rachok and Deputy Director General for Analytics – Director of Political and Legal Programmes, Editor-in-Chief of the «National Security and Defence» journal Yurii Yakymenko, visited Germany in the frame of Hanns Seidel Foundation outreach programme.

During the visit, the delegation paid a visit to the German Institute of Global and Area Studies (GIGA) in Hamburg and the German Institute for International and Security Affairs (SWP) in Berlin.

During the meeting, they discussed the issues of think tank operation, mechanisms of registering an analytical institution, priorities and prospects of cooperation with Ukrainian think tanks, communication channels for different target audiences.



They also discussed the possibility of cooperation with the German Institute for International and Security Affairs on joint analytical projects.

In Berlin, the Centre's delegation visited Hanns Seidel Foundation Office, met with its head Alexander Wolf. They discussed the state of German-Ukrainian relations, and cooperation between the Centre and the Foundation in international policy and security.

PRESENTATION OF RAZUMKOV CENTRE'S PUBLICATION «TRANSFORMATION OF PARTY SYSTEM: UKRAINE'S EXPERIENCE IN THE EUROPEAN CONTEXT»

On 12 September 2017, took place the presentation of Razumkov Centre's publication «Transformation of Party System: Ukraine's Experience in the European Context», prepared with support of Konrad Adenauer Foundation Office in Ukraine.

The publication contains Razumkov Centre's report that analyses the process of formation of the party system in Ukraine in 1990-2017, its main stages, factors, and tendencies; as well as articles by Ukrainian and foreign authors that analyse the particulars of development of political parties and party systems in Ukraine and European countries, the experience of Konrad Adenauer Foundation Office in Ukraine in supporting the development of representative democracy institutes in our country.

Materials include a summary of results of sociological surveys conducted by the Razumkov Centre that characterise the attitude of Ukrainian citizens to different aspects of political party operation, their socio-political and electoral orientation, as well as results of interviewing leading Ukrainian experts on the state and prospects of Ukraine's party system development.



After the presentation, participants discussed the relevant current issues of Ukraine's political party system development.

The publication can be viewed [here](#)

For more information on the course of discussion, see article in the online outlet tyzhden.ua «The Best Party: What Influences the Development of Ukrainian Political Forces»: <http://razumkov.org.ua/komentari/naikrashcha-partiia-shcho-vplyvaie-na-rozvytok-ukrainskykh-politsyl>

PRESENTATION OF RAZUMKOV CENTRE'S PUBLICATION IN ITALY

On 20-23 August 2017, a regular meeting of the permanent (since 2015) Ukraine-Germany-Russia expert forum «Conflict Between Russia and Ukraine in the Context of Global Change» organised by Konrad Adenauer Foundation took place in Cadenabbia (Italy). The experts from the three countries discussed the influence of geopolitical transformations on the resolution of the Russia-Ukraine conflict, the role and position of the USA and the EU in resolving the situation in the East of Ukraine, analysed the current state and prospects of relations between Kyiv and Moscow.

During this forum, the Co-director of the Foreign Policy and International Security Programmes M. Pashkov presented the next issue of the Razumkov Centre publication «[Trajectory of the Conflict: The Model of Ukraine-Russia Relations in the Nearest Future](#)» prepared with support of the Konrad Adenauer Foundation Office in Ukraine.

The publication contains: a set of summarised proposals from Ukrainian, German and Russian experts on the settlement (minimisation) of the Russia-Ukraine conflict, materials of the round table by correspondence, results of sociological surveys by the Razumkov Centre during the period of Russian military expansion in Ukraine (2014-2017).

ENERGY STRATEGY DEVELOPED BY RAZUMKOV CENTRE APPROVED BY THE CABINET OF MINISTERS

On 18 August 2017, the Cabinet of Ministers approved the draft of Energy Strategy of Ukraine until 2035: Security, Energy Efficiency, Competition.

The work on this document started in May 2014 initiated by the Prime Minister of Ukraine and the head of the parliamentary committee on energy. Razumkov Centre coordinated NES development and worked on its conceptual content. The document was being prepared with participation of dozens of domestic and foreign organisations.

Especially notable is the contribution of experts from the World Bank, the European Commission, Ukraine-Denmark Energy Centre, Institute for Strategic Studies under the President of Ukraine.

National Energy Strategy was approved by the Order of the Cabinet of Ministers as of 18.08.2017 No. 605-r.

[View Order](#)