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THE RAZUMKOV CENTRE NEWSLETTER

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DE-OCCUPATION OF DONBAS BILL: SECOND READING NOTES

Before the bill “On the peculiarities of state policy on the restoration of Ukraine’s state sovereignty over the temporarily occupied territories of Donetsk and Luhansk oblasts” is adopted, it needs some additional work.

Here is what should be done:

First. Define the specific dates of Russia’s aggression in Crimea and Donbas. Precise determination of the start of military expansion is important politically, legally and historically.

Second. Article 6 of the bill orders the Cabinet of Ministers to monitor the human rights situation in the occupied territories, document cases of their violation, make them public and inform international observers. Based on this, consolidated demands for Russia are to be formulated. However, it does not say anything about the

SBU, prosecutor’s office, military intelligence. Security agencies have already collected an extensive body of testimony and evidence. Why not include foreign experts, legal firms in this work as well?

Third. Article 10 states that the permit system along the confrontation line that delineates the occupied territories (movement of people, goods) shall be determined by the Head of Joint Operational Headquarters as approved by SBU and the Ministry of Temporarily Occupied Territories. But this is the same hole Ukraine has already fallen down many times. We have been talking about smuggling, corruption, shady

schemes, etc. in the ORDLO area for while now. In this situation, we have to introduce a temporary (until these territories are freed) state border regime, instead of memos from the Headquarters’ Head.

Full [text](#)

*Co-director of Foreign Policy and
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Mykhailo PASHKOV*



National Security and Defence

GODS OF WAR: CHANGES IN UKRAINIAN ARTILLERY IN THE PAST YEARS

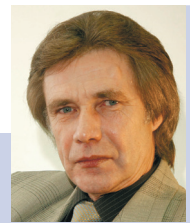
On November 3, Ukraine celebrated the Day of Rocket Forces and Artillery. Ukrainian artillery soldiers made an immense contribution to stabilising the situation in the ATO area back in 2014. These forces

are traditionally called “the god of war”. Approximately 90% of all fire missions in Donbas are carried out by the artillery, as it is currently the most powerful way to strike the enemy.

A lot of effort is being invested into restoring artillery’s combat capacities, but with the limited budget it is hard to reach its full power. Before 2014, rocket forces and artillery suffered major losses as new equipment and ammunition were not purchased, while the old ones were being sold. Starting from 2014, naturally, due to Russia’s aggression, a lot of effort has been invested into restoring the prior fighting capacities of these forces.

Full [text](#)

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



THE ONLY WAY TO ENSURE THE INTRODUCTION OF A UN PEACEKEEPING MISSION IN DONBAS IS TO RECOGNISE RUSSIA AS A PARTY TO THE CONFLICT

Only recognising Russia as the aggressor will help Ukraine ensure that a UN peacekeeping mission is introduced in Donbas. However, we have to realise that bringing peacekeepers to Donbas is a rather complicated task. Many see an insurmountable obstacle in Russia's veto power at UN Security Council. And, obviously, Russia will stand against a peacekeeping mission. But it is possible to get around it. Article 27 of UN Charter states that a party to a dispute cannot be a part of a vote on related issues. So the only way to ensure the introduction of a UN peacekeeping mission in Donbas is to recognise Russia as a party to the conflict. At least, that is the only option I see.

We can have Russia recognised as aggressor through UN General Assembly. This is a hard, but possible task. In order for a decision to be approved,

it has to be supported by three quarters of General Assembly members. To introduce UN peacekeepers in Donbas, Ukraine's effort alone is clearly not enough. We need the support of Western countries. They could do some foreign policy awareness work for the General Assembly members to support us. Most difficulties are expected to arise, however, during the discussions of the peacekeeping mission's mandate. It can be a peace enforcement operation, or a peacekeeping mission. There are different options. And few countries are ready to contribute their troops for these operations.

[Full text](#)

*Director of Military Programmes
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Mykola SUNHUROVSKYI*

Economy

HOW MUCH DO MAJOR UKRAINIAN ENTERPRISES PAY IN TAXES

Gradual stabilisation of Ukraine's economy and intensification of business processes have had a positive effect on the dynamic of tax revenues from the TOP-100 enterprises – there has been a 39% increase in the first six months of 2017 compared to the same period in 2016.

State Fiscal Service of Ukraine (SFS) data shows prior instability in tax revenue dynamics, and for some enterprises – a drop in tax revenues paid to the state budget in 2014–2016, due to a decline of business activity, a drop in production volume, a decline in exports. This was primarily caused by the exacerbation

of the military conflict in the East of the country and the scaling down of trade relations with Russia. However, in the first half of 2017, we already see a major improvement in tax payments from a number of enterprises.

[Full text](#)

*Expert of Economic
Programmes
Kateryna MARKEVYCH*



KEY SECTORS THAT FORM UKRAINE'S GDP

Any economic sector, be it industry, agriculture, transport, trade, or construction, is unique and important from the standpoint of development of national economy, while progress in each of them defines the road that the country has taken.

According to data published by the State Statistics Service of Ukraine, in the 1st quarter of 2017, the



sectors that contributed most to the overall GDP (38.8%) were the manufacturing and the extractive industry, trade and transport. This is not surprising, as it is widely known that a large portion of domestic and foreign investment is used for the development of extractive (mainly, extraction of natural gas) and manufacturing industry (food and chemical industry, metal industry), as well as for wholesale and retail trade.

In terms of state budget, demonstrating the tendency towards an increase in tax proceeds, the largest shares of revenues in the Consolidated Budget of Ukraine came from the abovementioned industries. According to data published by SFS, in the 1st quarter of 2017, extractive industry enterprises paid UAH 28.7 billion, which is 71.2 % more compared to the 1st quarter of 2016, manufacturing industry – UAH 28.4 billion (a 10.6 % increase), wholesale and retail trade – UAH 18.3 billion (a 13.7 % increase).

[Full text](#)

Expert of Economic Programmes Kateryna MARKEVYCH

IMF CAN WITHHOLD UKRAINE'S FUNDING PRIOR TO ELECTIONS

International Monetary Fund is likely to withhold Ukraine's funding in the framework of the four-year EFF cooperation programme in the spring of 2018, as many international financial institutions do 8-9 months prior to elections in the country, to which they provide support.

Ukraine has made a number of steps that indicate the beginning and further progress of reforms. This includes reforming the healthcare system, pension reform, and, of course, the budget. It is good that the budget was submitted to the Verkhovna Rada on time, but along with this, the procedure and nature of budget approval discussions are not yet clear.

Note: IMF Executive Board has approved the allocation of USD 17.5 billion to Ukraine in the framework of the four-year "Extended Fund Facility (EFF)" programme on 11 March 2015.

[Full text](#)

*Director of Economic Programmes
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Vasyl YURCHYSHYN*



Energy Sector

UKRAINIAN NUCLEAR ENERGY SECTOR NEEDS TO DIVERSIFY ITS NUCLEAR FUEL SUPPLY

Ukraine continues to diversify its supply of nuclear fuel. In the recent international energy forum Open Energy Week 2017, First Vice President of SE NNEGC "Energoatom" Oleksandr Shavlakov stated that this year the company intends to purchase 17 nuclear fuel batches, including 11 batches of TVEL fuel and 6 – produced by Westinghouse. The situation with nuclear fuel supply to Ukraine is fully predictable and rather optimistic.

Ukraine's strategy course towards diversification of nuclear fuel supply proved to be efficient. Cooperation with Westinghouse in this area will be intensified, as diversification of nuclear fuel supply is necessary for our nuclear energy sector, and Ukraine is not the

only country going for such diversification. Westinghouse's share in Ukraine's market is expected to grow annually.

[Full text](#)

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



MINISTRY OF ENERGY AND COAL INDUSTRY HAS TO CREATE REQUIREMENTS SPECIFICATION FOR THE DEVELOPMENT OF ENERGY STRATEGY IMPLEMENTATION ROADMAP

Development of a roadmap for implementing the Energy Strategy of Ukraine until 2035 has to start with the Ministry of Energy and Coal Industry creating a corresponding requirements specification.

It is critical to understand, what the ministry expects to see in the roadmap. Then, a Coordination Council is to be created, which will be comprised of representatives of the relevant ministry, experts and ministries responsible for strategy implementation.

"Energy Strategy of Ukraine Until 2035" developed with participation of Razumkov Centre's experts was

adopted by the Cabinet of Ministers in August 2017. It contains three stages and is designed to create pre-conditions for Ukraine's energy independence, reform gas and electricity markets, significantly increase production of own energy resources, and increase the green energy share up to 25%, until 2035.

[Full text](#)

*Director of Energy Programmes
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Volodymyr OMELCHENKO*

Foreign Policy

UKRAINE'S PATH TO THE EU: EASTERN PARTNERSHIP SUMMIT PREDICTIONS



On 24 November 2017, 5th Eastern Partnership summit will take place in Brussels. Partner countries will take stock of what has been achieved in terms of responsibilities they have undertaken in European integration, and will also discuss how to further strengthen cooperation in this framework.

After ratification of Association Agreements with three partner countries (Ukraine, Georgia and Moldova) and approving visa-free travel for Ukrainian and Georgian nationals in 2017, there is a need to define new ambitious cooperation goals with the EU.

In the Annual Address of the President of Ukraine to the Verkhovna Rada “On Ukraine’s Domestic and External Situation” as of 7 September 2017, Petro Poroshenko defined the following goals of strategic long-term cooperation between Ukraine and the EU: joining the Schengen area, EU Customs Union, EU Energy Union, entry into force of the Common Aviation Area and the Digital Single Market.

According to the Ukrainian Head of State, reaching these goals will ensure sectoral integration with the

EU, which will make Ukraine’s EU membership only a matter of time.

Full [text](#)

*Expert of Foreign Policy
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Viacheslav HOLUB*



WHAT DO RUSSIAN OPINION SURVEYS SHOW?

Everyone in Russia and outside of it is already used that Putin’s actions have the support of 86% Russians (this number can only vary within several percent). So many sociology experts have a logical question – what do these numbers show?

Those Ukrainians, who lived in the Soviet Union times, remember a similar situation, when one and the same person could be telling jokes about Brezhnev among friends, and in a short while was already on the podium of the party meeting praising the “governing and guiding role of the Communist Party” with apparent sincerity.

Russians’ readiness to change their (openly stated) opinion to the opposite one is very well demonstrated by how quickly they changed their attitude to Russia’s military intervention in Syria in the fall of 2015. Levada-Center’s studies conducted soon after Russia brought its troops into this country showed that Russians’ standpoint on the possibility of their military forces participation in the Syrian conflict changed since the

beginning of the military operation. Survey results published in early October 2015, showed that 47% of respondents started thinking that “Russia should support Bashar al-Assad in his fight against the “Islamic State” and Syrian opposition”, and only 28% – that Moscow should not interfere in the conflict. Whereas, in the September survey (i.e. less than a month prior to the fact of military interference), not more than 14% of Russians were in favour of the idea of providing “direct military support” to Bashar al-Assad’s government.

As opposed to preparations for the “Ukrainian campaign”, Russian propaganda did not create an ideological background for the population to start believing that Russia should interfere in the Syrian conflict, so until the very last moment, most Russians believed: “we’ve got nothing to do with this”. But several days of television programming praising the wisdom of Russian leaders regarding the deployment of troops sufficed for the population at large to start expressing an opposite opinion. And it would be wrong to believe that the TV truly changed their minds so quickly. It was simply made clear to them, which point of view was currently the right one, and how they were to answer questions should they be paid a visit by sociologists.

Full [text](#)

*Deputy Director of the Sociological
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Mykhailo MISHCHENKO*



THE SEVEN COLOURS OF BUNDESTAG. AN AFTERWORD TO GERMANY’S ELECTIONS

On Sunday, September 25, German citizens made their choice. News that the far-right populist party “Alternative for Germany” (hereinafter – AfD) will be the third largest faction in the Bundestag in 2017-2021, filled the headlines. However, German parliamentary election results are interesting not only from this perspective.

First of all, for the first time in 70 years, German citizens elected seven political parties to the

parliament. Secondly, populism is represented not just by the far-right AfD, but also by the far-left “Die Linke”. Thirdly, Bundestag will have one more party with more extensive experience of populist rhetoric – Alliance 90/The Greens (B’90/Grüne). This political force, together with the “Die Linke” party, very much supports, for instance, a maximum increase of social programmes and state interference with the economy. Lastly, besides the well-known Social Democratic

Party (SPD), Christian Democratic Union (CDU) and Christian Social Union (CSU), Free Democratic Party (FDP) headed by Christian Lindner is now also in the Bundestag. Its representatives aim to advocate for the interests of the most affluent German business segments (transnational in nature) and actively support globalisation and liberal values in Germany. In the previous Bundestag (2013-2017), FDP did not have a single mandate as it failed to overcome the 5% barrier, and also because none of the German liberals were able to get the so-called direct mandate – i.e., win at least in one territorial electoral district. This

time, again, German citizens did not support a single liberal locally, but due to a massive national media campaign, FDP did get through to the parliament.

Full [text](#)

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



Social Policy

SCHOOL EDUCATION REFORM MUST BEGIN WITH IMPROVING THE QUALITY OF EDUCATION OF FUTURE TEACHERS

Joining global educational space means that Ukraine must bring the content of its education in agreement with modern demands. First and foremost, this concerns secondary education – the cornerstone of any country's educational system and the prerequisite for next stages of successful education and self-education throughout a person's entire life.

The current state of education in Ukraine will eventually lead to poorly educated adults, who will



join the army of the unemployed or cheap workforce. We must focus on the lack of infrastructure for secondary education, starting with the insufficient number of spaces in kindergartens, up to poorly equipped secondary schools. This concerns not just the laboratories, computers, high-speed internet, equipment for physics, chemistry, biology and other science classes, but also the availability of proper textbooks, which are not there at the moment – not physically, but content-wise, as well as properly trained teachers. So, school education reform must begin with improving the quality of education of future teachers, then – making sure they are paid decent wages, after which we can start reforming school education proper.

Full [text](#)

Scientific Consultant on Social and Humanitarian Issues Liudmyla SHANHINA



CABINET OF MINISTERS TO INTRODUCE A 45+ QUOTA

Prime Minister Groyzman declared that the number of employees who are 45 y.o. and over in companies and enterprises has to be not less than 4% of the total number of employees. This regulation is part of the recently approved pension reform and is mandatory for employers.

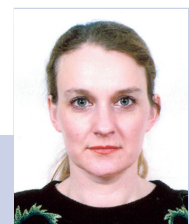
Older age groups have trouble finding employment in Ukraine. They are socially vulnerable and have trouble competing in the labour market, and, therefore, should have government support. The thing is that, in the past several decades, Ukraine's labour market structure has significantly changed. A lot of businesses have closed down. The demand for many professions has drastically decreased. For instance, the profession of an engineer used to be rather prestigious once, and now it is hard to find a job as one. Thus, a person does have higher education and work experience, but there is no demand for their knowledge and skills. Of course, there are professions that are still relevant. For

example, many medical professionals are working up to the age of 70-80 y.o., because well-educated doctors with specialised training are in demand.

There is a concern, however, that this government measure will not be effective. Large enterprises already employ older age groups, therefore, their quota positions are already filled. As for small businesses, they can try to go around this norm: hiring people only on the contractual basis, not through employment agreements; asking employees to register as individual entrepreneurs; or going from the legal plane to the illegal altogether.

Full [text](#)

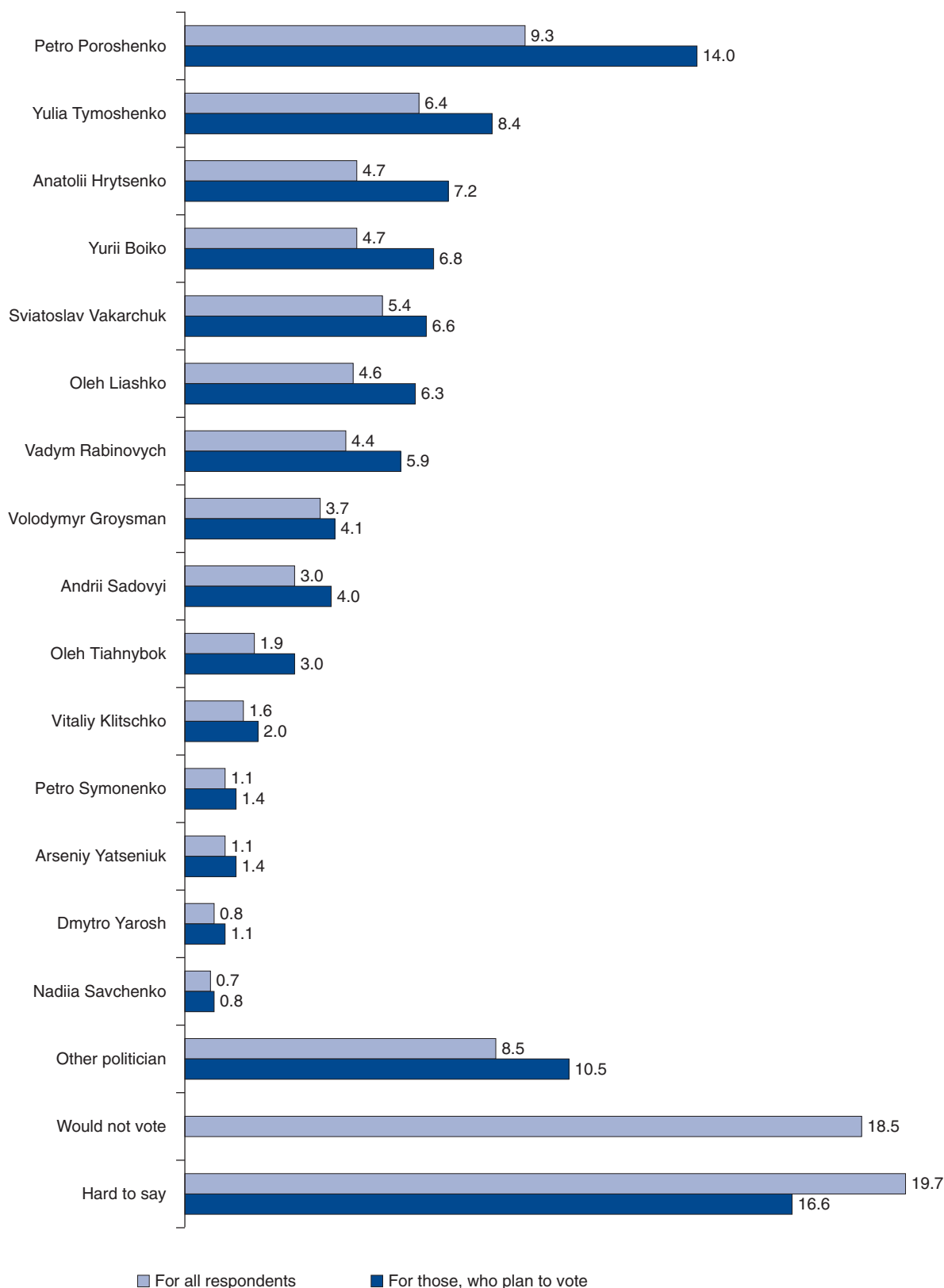
Leading Expert of Social and Gender Programmes of the Razumkov Centre Olha PYSHCHULINA



The study was conducted by the sociological service of the Razumkov Centre on 6-11 October 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 the sample does not exceed 2.3%.

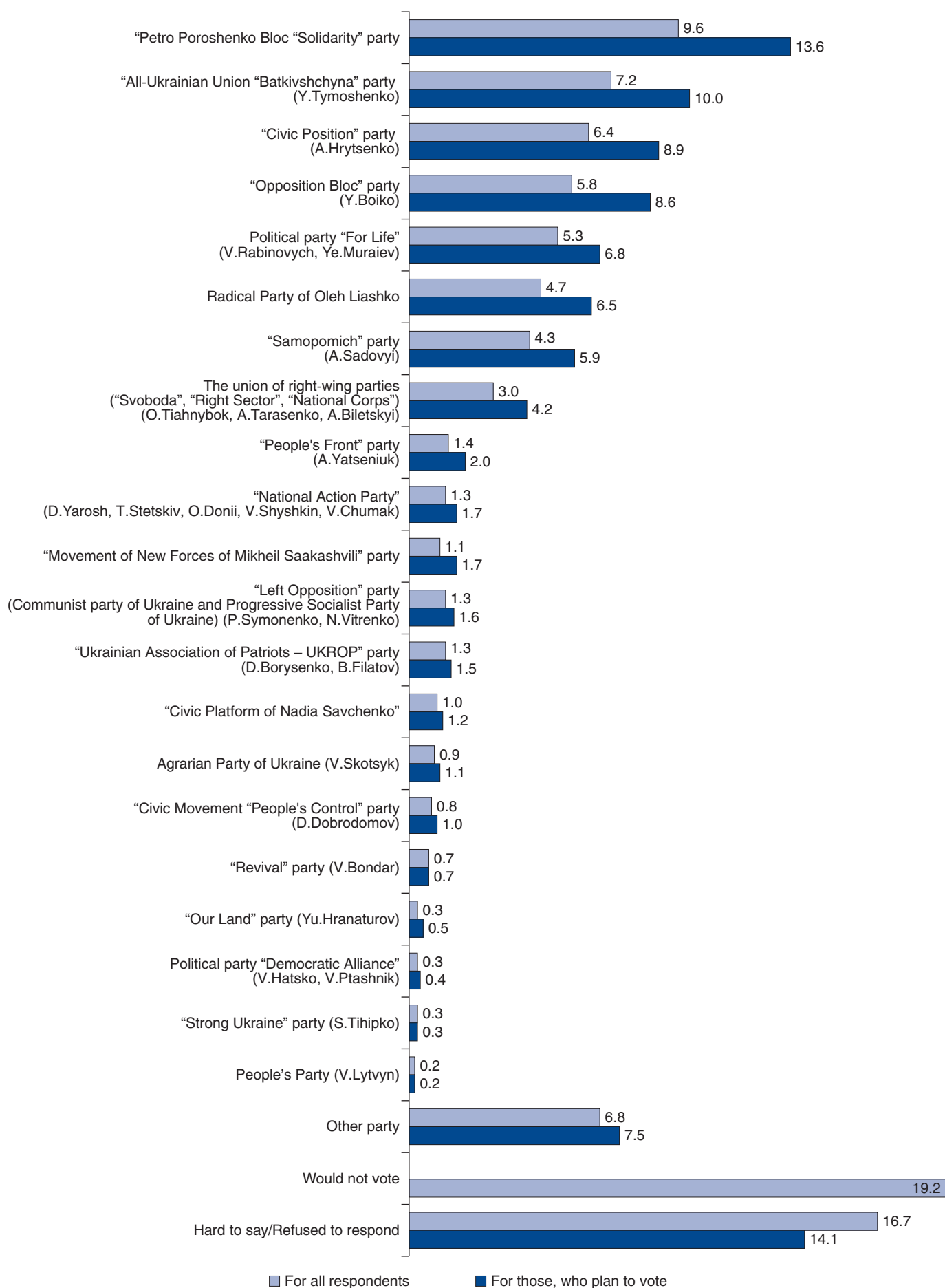
For more details on the results of opinion polls conducted by the Razumkov Centre, go to our website at <http://www.razumkov.org.ua>.

If elections of the President of Ukraine were to take place next Sunday, who would you vote for?
% of respondents



**If elections to the Verkhovna Rada of Ukraine were to take place next Sunday,
which party would you choose among the following?**

% of respondents



Razumkov Centre Events

RAZUMKOV CENTRE PUBLISHED A PRINT VERSION OF ITS STUDY “INDEX OF CURRENT ECONOMIC CAPACITY: A COMPREHENSIVE EVALUATION OF THE SOCIO-ECONOMIC SITUATION IN UKRAINE”.

Analytical study “Index of Current Economic Capacity” is the first step towards creating and using a comprehensive index that would help determine current socio-economic dynamics, compare it to previous periods, find choke points, which would allow to improve the socio-economic situation using economic policy methods.

The index uses traditional markers, such as salaries, imbalances in housing and utilities sector, as well as some long- and mid-term markers and indices, – in particular, people’s resources in the banking system.

Later, we also plan to take into consideration socio-economic state evaluations that are hard to assess statistically, namely, surveys.

[*More information on the study can be found at*](#)

RAZUMKOV CENTRE TOOK PART IN A GLOBAL THINK TANK ALTERNATIVE FACTS FORUM IN WASHINGTON D.C.

On 2-3 November 2017, Deputy Director General – Director of Political and Legal Programmes of the Razumkov Centre Yurii Yakymenko took part in the global think tank forum “Policy Studies vs. Alternative Fact Studies: Will Think Tanks Fall Victim to the “Guerrilla War” of Ideas?”, which took place in Washington D.C.

The forum was organised by the Think Tanks and Civil Societies Program of the University of Pennsylvania and the Getlio Vargas Foundation (Brazil), with support of the Brookings Institution and the Woodrow Wilson International Center for Scholars (USA). The event was attended by approximately 50 leading think tanks from 25 countries.

The focus of discussion was on the increasing influence of such things as “alternative facts, fake news, misleading information campaigns, post-truth politics” on the public policy and social discourse in domestic and foreign policy.

Yurii Yakymenko was a panellist in discussion “The Impact of “Subversive Technologies” on Politics and



Political Process”, where among other panellists were experts with previous experience of work in government institutions of their respective countries – Jennifer Psaki (Carnegie Endowment for International Peace, USA), Winfield Boerckel (RAND, USA), José Luis Chicoma (Mexico), Natalia Salazar (Columbia). The discussion centred on assessing the practical impact of fake news and misleading information campaigns on specific countries’ domestic and foreign policy and the stability of their government institutions.

While in Washington D.C., Yurii Yakymenko met with Ambassador Extraordinary and Plenipotentiary of Ukraine to the USA Valerii Chaly.

[*More information on the study can be found at*](#)

RAZUMKOV CENTRE HELD A PROFESSIONAL DISCUSSION “STRUCTURAL TRANSFORMATIONS IN GLOBAL ECONOMY: CHALLENGES FOR UKRAINE”

On 25 October 2017, Razumkov Centre held a professional discussion “Structural Transformations in Global Economy: Challenges for Ukraine”.

Among the participants were representatives of legislative and executive authorities, scientists, government and independent experts from Ukraine, as well as representatives of foreign embassies and international organisations.



After presentation of the analytical report, participants discussed the following issues:

- long-term changes in Ukraine’s economic structure in the context of global economy: advantages and disadvantages
- key trends in current transformations of global economy: what do they mean for Ukraine?
- modernisation of Ukraine’s economic structure and ensuring its proper place in the global economy: priorities and instruments for strategically aimed economic policy.

[*Structural Transformations in Global Economy: Challenges for Ukraine / Analytical Report*](#)

Discussion video is available here:

<http://razumkov.org.ua/novyny-tsentru/vidbulas-fakhova-dyskusiia-strukturni-transformatsii-u-svitovii-ekonomitsi-vyklyk-dlia-ukrainy>

VIKTOR MUSIIAKA AWARDED THE HIGHEST HONOUR OF UKRAINIAN BAR ASSOCIATION

On 9 October 2017, Ukrainian Bar Association awarded its highest honour – Distinction of Ukrainian Bar Association “For Honour and Professional Dignity” to Scientific Consultant of the Razumkov Centre Viktor Musiiaka.

Each year, this award is presented to the legal practitioner with perfect reputation and major professional achievements.

Mr. Musiiaka is an author of the text of Ukrainian Constitution, Scientific Consultant of the Razumkov Centre, Deputy Head of the Constitutional Commission, Professor at the Department of Specialised Legal Sciences at the National University of Kyiv-Mohyla Academy, Candidate of Legal Sciences, Professor.

9TH INTERNATIONAL CONFERENCE “REFORMS OF UKRAINE’S SECURITY SECTOR: ACHIEVEMENTS, LESSONS LEARNED, PROSPECTS”

9th International Conference “Reforms of Ukraine’s Security Sector: Achievements, Lessons Learned, Prospects” took place on 10-11 October 2017. The conference was organised by the Razumkov Centre and the Geneva Centre for Democratic Control of Armed Forces (DCAF) in the framework of “Monitoring of Governance Challenges in the Security Sector of Ukraine” project, implemented with financial support of Netherland’s Foreign Affairs Ministry.

This conference was a final public event at the end of the two-year project, the goal of which was to create various possibilities to facilitate reform and development of democratic governance in Ukraine’s security and defence sector.

The goal was not so much to finalise the project, as to assess the results of security sector reforms, compare them against the declared three years ago strategic goals, identify most significant problem areas, and propose possible ways of dealing with them.

[Conference video is available here](#)

PARTICIPATION IN THE INTERNATIONAL ROUND TABLE

International round table “Before and After Elections – Does the Populism Recede?” took place on 4 October 2017. The round table was organised by Konrad Adenauer Foundation Office in Ukraine and the Embassy of the Republic of Austria in Ukraine.

Deputy Director General – Director of Political and Legal Programmes of the Razumkov Centre Yuriy Yakymenko participated in the event and gave a speech on Populism as a Typical Feature of Modern Multiparty System in Ukraine.

In his report, Mr. Yakymenko defined the main features of the “Ukrainian version” of populism, its typical manifestations in the work of political forces at different stages of party system formation, social and political reasons for it.

PARTICIPATION IN SCIENTIFIC CONFERENCE “POLITICAL PARTIES AND ELECTIONS: UKRAINIAN AND WORLD PRACTICES”

On 21 October 2017, scientific conference “Political Parties and Elections: Ukrainian and World Practices” took place in Lviv (in memory of Yuriy Romanovych Shveda). The conference was organised by Philosophy School Politology Department of Ivan Franko National University of Lviv.

The conference was attended by Deputy Director General – Director of Political and Legal Programmes of the Razumkov Centre Yuriy Yakymenko, who presented Razumkov Centre’s publication “Transformation of Party System: Ukraine’s Experience in the European Context”, sharing his conclusions and assessments regarding the development of multi-party system in Ukraine at its different stages and certain study methodology questions.

[For more information on the conference, click here.](#)

MEETING THE DIRECTOR OF THE NATO INFORMATION AND DOCUMENTATION CENTRE IN UKRAINE BARBORA MARONKOVA

On October 31, Razumkov Centre hosted a meeting with the Director of the NATO Information and Documentation Centre in Ukraine Barbora Maronkova.

Razumkov Centre was represented by the Co-director of Foreign Policy and International Security Programmes Oleksii Melnyk, Director of the Sociological Service Andrii Bychenko, Lead Expert of Political and Legal Programmes Viktor Zamiatin and Expert of Foreign Policy and International Security Programmes Viacheslav Holub.

The discussion revolved around priorities in NATO-Ukraine cooperation for 2018, NATO’s support of reforms, as well as new forms of cooperation between NATO Office in Ukraine and NGOs. Ms. Maronkova stressed the need to share the work of Ukrainian think tanks with EU officials.

EXPERT DISCUSSION WITH BRITISH MILITARY ADVISOR RUPERT SMITH

On 25 October 2017, an expert discussion took place at the Razumkov Centre involving a leading expert, senior security and defence advisor, retired British Army General, Rupert Smith.

The discussion was attended by representatives of NSDC, Ministry of Defence, Ministry of Foreign Affairs, experts of the Razumkov Centre and other NGOs. Main topics of discussion included possibilities of conflict prevention and resolution, prospects and appropriateness of introducing a peacekeeping mission in Donbas, and the issue of providing international security guarantees to Ukraine.