



INDEPENDENCE. COMMUNITY. TRUST



**January 11, 2013** 

### Ukraine to answer for accusations of neglect involving baby in prison

BY OKSANA GRYTSENKO GRYTSENKO@KYIVPOST.COM

vol. 18, issue 1/2

Little Denis Korneikov spent the first six months of his life behind bars. His mother gave birth to him after being put in a Kharkiv detention center five months into her pregnancy.

During that time Denis shared all the miseries of life in custody with his mother and more. He had to live in a stifling cell that lacked ventilation. He traveled with his mother to court hearings and was left without any medical care for almost four months, his mother Viktoria Korneikova alleges.

"He had heart problems, bowel inflammation, and a cough," Korneikova told the Kyiv Post, adding that she asked for a doctor, but no medical care was given. Korneikova said she survived only thanks to frequent food deliveries by her mother.

The penitentiary service denied the allegations, saying babies and their mothers receive adequate conditions in detention centers. Officials say they are kept in special cells with hot water and given a special diet.

### **Hacked PR** documents accelerate political war

BY ZENON ZAWADA

A new frontline has emerged in the Ukrainian government's prosecution of opposition leaders.

Prosecutors are building a case against Hryhoriy Nemyria, who served as deputy prime minister under imprisoned former Prime Minister Yulia Tymoshenko, for allegedly using offshore vehicles to pay a British public relations agency to provide services to her Batkivshchyna Party.

Ukraine's election law forbids outside financing of political parties or campaigns. Nemyria, through his lawyer Mykola

Tytarenko, has categorically denied any wrongdoing.

Authorities are basing their case on a website called Nemyrialeaks.com, which appeared in November,  $\rightarrow$  9

# Hundreds of AeroSvit customers have been stuck at airports around the world, including Kyiv's Boryspil Airport (pictured), with delays ranging from hours to days. The abrupt flight cancellations related to the airline's bankruptcy proceedings that started on Dec. 29. (Ukrafoto)

### BY DARYNA SHEVCHENKO

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Maryna Arsenova was out of luck and almost out of cash. When the Ukrainian passenger's Tel-Aviv- Kyiv-Moscow AeroSvit flight on Jan. 8 was cancelled, no hotel vouchers were available and the airline's offices at Ben Gurion International Airport were closed.

Arsenova only had enough money for another plane ticket to get back to Moscow, where she lives, but not enough for a hotel until the scheduled alternate flight.

Employment/Real Estate/Classifieds

cash in Russian rubles, and I knew this will be enough to just get the cheapest ticket for a flight in a couple of days, but how would I stay here without any money at all?" she said.

Then a stranger came to her rescue and gave her \$200 for the added expenses caused by AeroSvit 's flight cancellation. "I learned her name only after I was given the money, just imagine," Arsenova laughs.

Yet not all of the hundreds of Ukrainians who were grounded around the world over the winter

"I knew I only had \$330 and some holidays were laughing about their lion in debt and a value of \$187 mil cancelled flights.

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Many stranded AeroSvit passengers have spent a dozen hours and up to a couple of days in airports waiting for their flights to resume.

The problem is continuing: Aerosvit cancelled 11 flights out of Kyiv scheduled to depart Jan. 10 and 19 flights

Much of the turmoil started on Dec. 29 when the Kyiv Oblast Commercial Court launched court proceedings on AeroSvit's declared bankruptcy. The company has more than \$500 mil-

**CURRENCY WATCH** 

lion. More than 30 flights were then cancelled Jan. 6-Jan.10 between Kyiv and Tel-Aviv, Budapest, Prague, New York, Bangkok, Yerevan, Warsaw and many other destinations. And even more flights have been significantly delayed.

AeroSvit company officials said many airports decided to not service AeroSvit because their officials wrongly thought the airline was declared bankrupt, whereas it had only applied for bankruptcy to reorganize assets.

AeroSvit also denied that  $\rightarrow$  10

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Hr 8.06 to \$1 Jan.10 market rate

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2 News **January 11, 2013** 

# 'The Family,' Akhmetov rise in Cabinet reshuffle

BY YURIY ONYSHKIV

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On Dec. 24, President Viktor Yanukovych reshuffled the government with 10 out of 21 ministers staying, including Prime Minister Mykola Azarov, with others changing positions in the Cabinet. The new government strengthens "The Family," a loose grouping of people believed to be close to Oleksandr Yanukovych, the president's elder son. Many in this informal group hail from from the country's east, including Donetsk Oblast, where the president served as governor.

Billionaire Rinat Akhmetov, Ukraine's richest man and until recently a lawmaker in the pro-presidential Party of Regions, also seems to have strengthened his powers in the new lineup.

Yanukovych also restored the position of Minister of the Cabinet, or minister without portfolio, by appointing loyalist Olena Lukash to the seat. The position existed during President Viktor Yushchenko's tenure, but was later cancelled. Yanukovych also created a new Ministry of Revenues and Duties, which is run by Oleksandr Klymenko who previously chaired the country's Tax Administration.

The so-called "gas lobby," which includes officials believed to be close to billionaire Dmytro Firtash, is also represented. The president has yet to appoint the industrial policy minister.

### **Personal loyalists of President Viktor Yanukovych**



Mykola Azarov, Prime Minister



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Olena Lukash, Minister of the Cabinet

### **Rinat Akhmetov** group



Raisa Bohatyriova,



Volodymyr Kozak, Minister of Infrastructure

of Regional Development, Construction and Housing

### 'The Family' group



Vitaliy Zakharchenko, Interior



Serhiy Arbuzov, First Deputy



Yuriy Kolobov, Minister of Finance





Hennady Temnyk, Minister and Municipal Utilities



Mykola Prysyazhnyuk, Minister of Agrarian Policy and Food



Eduard Stavytsky, Minister of **Energy and Coal Industry** 



Oleksandr Klymenko, Minister of Revenues and Duties

### 'Gas lobby'



Yuriy Boyko, Deputy Prime Minister



Oleksandr Lavrynovych, Minister of Justice



Pavlo Lebedev, Minister of Defense



Oleksandr Vilkul, Deputy

Prime Minister

Leonid Kozhara, Minister of Foreign Affairs



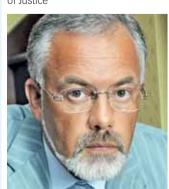
Ihor Prasolov, Minister of

Economic Development and

Natalia Korolevska, Minister of Social Policy



Kostyantyn Gryshchenko, Deputy Prime Minister



Dmytro Tabachnyk, Minister of Education and Science, Youth and



Oleh Proskuriakov, Minister of Ecology and Natural Resources

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- Biotech School for media;
- · ukrainebio.org new website on biotechnology.

### **EDUCATION**

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- · New workshops, seminars and master classes (9) in regions.

### LOBBYING

- · EBA Tax Index;
- Corporate Code of Conduct on Data Protection in IT sphere;
- New Committees (2) in regions.



### **Editorials**

### **Open the sky**

Passengers flying this winter holiday season discovered all the hazards associated with Ukraine's monopolistic economy.

In their case, it was AeroSvit Airlines which carelessly left hundreds of mostly Ukrainian passengers stranded around the world as it entered into bankruptcy proceedings with some \$500 million owed to creditors. Faced with massive flight cancellations and delays, many travelers had nowhere to turn since AeroSvit had closed many of its airport offices, leaving them without hotel vouchers.

AeroSvit customers have long complained about the airline's inferior product, poor customer service and price gouging, all classic pitfalls of a monopoly. Indeed, billionaire Ihor Kolomoisky's AeroSvit and three other local carriers he controls have a 60 percent share of Ukraine's air transport market.

But AeroSvit's latest disregard toward travelers during the peak holiday season has crossed the line

It was a crippling reminder of what happens when the marketplace isn't driven by competition, a feature of this national economy. Surprisingly, Ukraine's anti-trust "watchdogs" – more like lapdogs – don't consider Kolomoisky's carriers to be a monopoly.

As a result, Ukrainian travelers have fewer destination and route options, and often must pay more than their European and U.S. counterparts.

Poor regulation and oligopolies prevail to the detriment of Ukrainian consumers – and the nation as a whole – in big and small ways. A handful of billionaire oligarchs control much of the nation's wealth and resist competition. In everyday consumer life, the lack of competition hurts access to quality car fuel, housing and utility services such as street cleaning, waste management, electricity and gas. Mobile communications, quality wireless Internet, affordable cars and clothing, etc., are all adversely affected.

Ukraine should offer air travelers more flight choices at cheaper prices by adopting multilateral open sky agreements, which Borys Kolesnikov, the former infrastructure minister, failed to do in his three years in office. By reducing government regulation on commercial aviation, flight routes would be liberalized, allowing airlines to fly direct to more cities in the country. Airlines would have the right to fly routes to and from the airports of their choice without restriction on capacity, frequencies and types of aircraft. This in turn would increase tourism revenue for local businesses.

But Kolesnikov said that, until Ukrainians get visa-free travel to Europe, open sky agreements with European countries is off the table. What does he care anyway? Kolesnikov and other rich Ukrainians fly in their own private jets.

Meanwhile, the public will have to continue relying on airline monopolies for which they pay a hefty price.

### **Final word**

The 57-nation Organization for Security and Cooperation in Europe issued its final report on Ukraine's Oct. 28 parliamentary election. Its findings should dispel any illusions by the pro-presidential Party of Regions that the vote met the nation's international commitments for democracy. They did not, and Ukraine's leaders would be wise to heed the criticism, especially as it goes on to chair the OSCE this year. The OSCE's Office for Democratic Institutions and Human Rights "concludes the elections were characterized by the lack of a level playing field, and recommends measures to improve the transparency and impartiality of the election process." Aside from the exclusion of top opposition leaders, led by imprisoned ex-Prime Minister Yulia Tymoshenko, from participating in the election, the report found other problems.

Among the recommendations highlighted in the Jan. 3 report:

- Need for transparency, impartiality and independence of election commissions"
- Strengthening of institutions to prevent abuse of official resources;

  The fact that the state of the st
- Transforming the National Television Company into an independent publicservice broadcaster;
- Full disclosure of sources and amounts of contributions and expenditures.
- Simplified vote tabulation procedures and "publication of detailed preliminary election results by the Central Election Commission on its website, broken down by polling station, prior to the determination of the final election results. The entire report can be found on the OSCE/ODIHR website here: http://www. osce.org/odihr/98578.

Ukraine has two years to go before the next presidential election, which will provide another test of President Viktor Yanukovych's democratic credentials. He has failed most of these tests so far. He appears headed to fail more of them, unless he calls a halt to political persecution and commits himself to democratic institutions.

The final word on the 2012 parliamentary election is that, despite being an unfair contest, voters sent a clear message to Yanukovych that his ruling party is unpopular and should change course for the sake of the nation.



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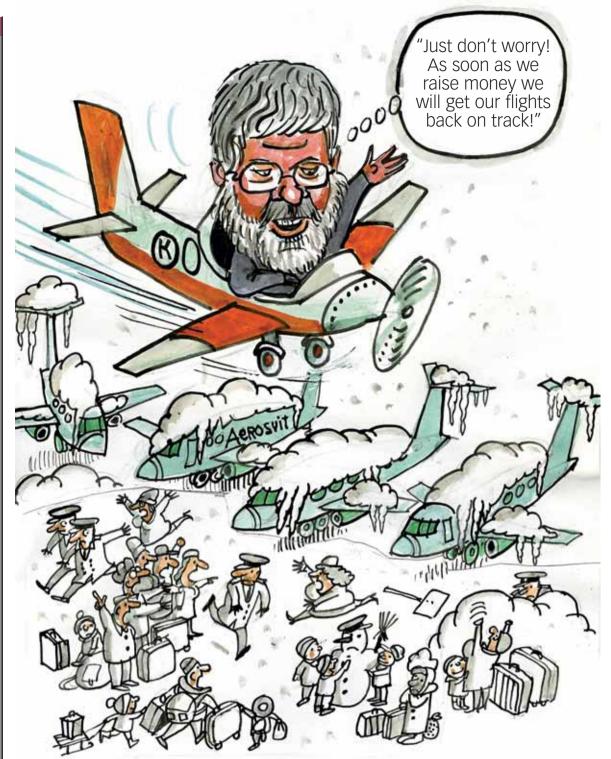
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NEWS ITEM: Ukrainian airlines AeroSvit was forced into bankruptcy on Dec. 29 and is an estimated \$500 million in debt. Still, company representatives blame the news media for distorted information. But it wasn't bad press that bothered passengers and disrupted air travel. AeroSvit cancelled more than 30 flights and left hundreds of passengers stuck in airports around the world. On Jan 9, Deputy Prime Minister Oleksandr Vilkul held talks with Ihor Kolomoisky, the majority owner of AeroSvit. Other carriers, Ukraine International Airlines and low-cost WizzAir helped get some of the stranded AeroSvit passengers home.



NEWS ITEM: Ukrainian Prime Minister Mykola Azarov remains the new-old face of the government. His "new' government will inherit an economy with stagnant growth, \$10 billion in external debt payments coming due, a shaky hrvynia and a teetering banking system. That's a lot for an economy with a gross domestic product of only \$165 billion.

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# 2013 could bring end to Party of Regions



Last year ended with a series of portentous developments for the Viktor Yanukovych regime. And, more and more, it looks like the regime's ready to break down or crack up. Consider the signs.

The almighty Regionnaires (Party of Regions) couldn't even cheat their way to a majority in the new Parliament and, instead, had to settle for what effectively amounts to a power-sharing arrangement with the opposition. Worse, they will now have to deal with a raucous collection of right-wing deputies, the "Svobodites," who will harass and jeer them at every step of the way.

The much-vaunted professionalism of the Regionnaires received two fatal blows, when, first, the government was snookered into signing a billion-dollar deal with an imposter claiming to represent a Spanish energy firm and, second, all the expensive Hyundai trains procured by former Infrastructure Minister Boris Kolesnikov just before the Euro 2012 soccer championships last summer broke down in the harsh Ukrainian winter.

In moves that could impress only Leonid Brezhnev in the final years of his inglorious reign as Communist Party leader, the newly appointed speaker of the Parliament became Viktor Yanukovych's crony from Donetsk, the aging, dull, and thoroughly uninspiring Volodymyr Rybak, while the prime minister's job went to the equally dull and uninspiring incumbent, Mykola Azarov.

The notoriously Ukrainophobic Dmytro Tabachnyk remained minister of education, science, youth, and sport, thereby demonstrating the president's mind-boggling inability to understand that replacing him with anyone would have won him easy brownie points with the electorate.

That two of the brightest, if morally compromised, members of the old Cabinet, Sergiy Tigipko and Valery Khoroshkovsky, have left—the former for parliament, the latter for his business empire—demonstrates, first, that Yanukovych's primary criterion in choosing ministers was not talent or brains, but loyalty and, second, that the pro-regime elites are jumping ship.

Since the new Cabinet consists mostly of Yanukovych loyalists who are beholden to his "Family," the clan run by the president and his two sons, the newly appointed ministers will focus their energies on fulfilling the sultan's wishes, thereby aggravating the



The opening ceremony of the newly elected Ukrainian parliament on Dec. 12 featured a walkout by opposition members to boycott a speech by Ukrainian President Viktor Yanukovych. (Kostyantyn Charpichkin)

regime's hyper-centralization, indecisiveness, incompetence, ineffectiveness and instability.

Because Yanukovych yes-men also control all the most important financial and economic ministries, the Ukrainian economy will continue to decay, while the Family's plundering of the economy will accelerate, perhaps in anticipation of the rapidly approaching end and, hence, the limited amount of time left for untrammeled theft.

All the other seats on the Cabinet went to Donetsk hyper-billionaire Rinat Akhmetov's flunkies, a sign that Yanukovych has formalized his alliance with Ukraine's richest man, accepted that his power base has been reduced to a sliver of the country, the Donbas, and effectively acknowledged that he has no legitimacy among the people or even—no less important—the other oligarchs and elites.

The last-minute cancelation of the Ukrainian president's planned trip to Moscow, the European Union's continued dissatisfaction with his regime, Secretary of State Hilary Clinton's harsh criticism of Ukraine's democratic backsliding, and China's deafening indifference demonstrate that Yanukovych has managed to achieve the near-impossible in international relations: complete isolation.

I could go on, and on, but this brief list should suffice to show that the regime may very well be on its last legs. As shockingly incapable as it was of getting anything right between 2010 and 2013, its incompetence, thievery, and resistance to common sense will probably only grow in the months ahead. As more and more power is concentrated in the Family and its pater familias, the regime will eventually be reduced to an inglorious royal court whose only concerns are self-enrichment and self-preservation. Since Yanukovych loyalists also control the power ministries, the temptation to crack down in order to avert a crack-up will be overwhelming. Cracking down won't work, however, because the vast majority of the population no longer fears the dullards running the country into the ground.

The New Year therefore begins on a hopeful note for Ukraine and its democratic aspirations. The writing is on the wall for the regime. If they'd only read more and steal less, they might even see it.

Alexander J. Motyl is professor of political science at Rutgers University-Newark in New Jersey. This column originally appeared on World Affairs Journal http://www.worldaffairsjournal.org/blog/alexander-jmotyl/2013-end-ukraines-regionnaires and is reprinted with permission.

### VOX populi

WITH OLENA GONCHARO



Why do you think Ukraine is near the bottom of the Economist Intelligence Unit's list of countries where it's better to be born? Ukraine ranks 78th out of 80 countries.



Halyna Terehina, programmer "I feel shame for our politicians but I appreciate my life here in Ukraine. Once I had a chance

to move to the US, but I turned it



Fedir Stepura, pensioner "We didn't choose where to be born. I'm proud to be Ukrainian and I want my grand-

children to live here. Of course we need to fight for better lives. I think those countries in the top of that list just do more for their citizens. But the economy is not the key point in leading a wealthy life."



Lyudmyla Chernova, psychologist "It's a wrong opinion. We are lucky to be born in Ukraine. We're in the center of Europe

where Asian and European genes mixed together – so our women are the prettiest in the world. Ukrainians are very generous and intelligent. We can unite in case of danger and fight to the end. Ukrainians are a very gifted people."



Natalia Bondarenko, accountant "Is it that Ukraine is worse than India? I can't believe it. Comparing to the

European

countries, it may be one of the worst. The Ukrainian economy is at its low point, crime rate is rising and education in Ukraine loses its quality. We didn't feel safe in or country. I wish my children would grow up somewhere in Switzerland."



Feodosia Kizinger, pensioner "The Ukrainian psyche is that we don't appreciate what we have. Our people

are very kind and generous but most of them don't like their motherland. But our politicians only know how to steal."

# Is Ukraine a lazy nation?



Why are well-educated and intelligent Ukrainians in the prime of their lives becoming stay-at-home plankton? And who are these people who don't work, and don't really want to work – at least under typically bad conditions?

They are people like Valentyn, who is living his dream. The 41-year-old man has nothing to worry about. He has half of a private house in one of the district centers in Khmelnytska Oblast. All he has to do to make his ends meet is to regularly visit his bank, where he has a deposit. The amount of money Valentyn has saved allows him to monthly receive interest that is half of the official average salary in the area. In reality, it's a little more than citizens of his city actually earn on average. So he hasn't been working for quite a long time.

According to recent data published by State

# Bad working conditions, low pay prompt young people to stay at home

Statistics Service of Ukraine, almost 12 million people from 15 to 70 years old in the 45-million member nation are inactive. It means that roughly 27 percent of Ukraine's population can't or don't want to work and do nothing to find any job at all.

Some of these people are, of course, students (less than a million), pensioners (up to seven million) and people with disabilities who can't work. But the rest of them – perhaps 10 percent of the population – are inactive during the prime of lives.

Valentyn is an intelligent person who has read hundreds, if not thousands, of books. He is able to

Bad working discuss with solid arguments almost every topic in the world. Nevertheless he doesn't want to find any job.

"Why should I work?" asks Valentyn, who dropped out of his university in the early 1990s and went to work in the street market. "I have enough money to pay the bills."

He spends most of his money on drinking. He doesn't want to build a career, improve his well-being and change his life. "I like the way I live. Of course, I want to have more money. But I don't want to do anything more then I do at the moment. So why should I?" Valentyn explains.

There are a few reasons why Ukrainians like Valentyn don't want to make an effort.

In many cases, the benefits they would get from a job won't cover all the efforts people make. Salaries usually are small, working conditions are bad, the workload is huge and there are often few opportunities for career growth. Nepotism runs high, with relatives or friends of business owners getting promoted.

At the end of the day, employees come home tired and angry with a small amount of money. Going to work for them is more like a habit or a necessity. But there is only a small chance to change your  $\rightarrow$  17

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### - World in Ukraine

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# Indian businesses reach out to Yanukovych during visit

BY MARYNA IRKLIYENKO

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After a more than seven-year pause in top-level contact, Ukraine and India had a lot of catching up to do.

So when President Viktor Yanukovych went to India in December on a fourday state visit to commemorate 20 years of diplomatic relations with India - the first visit by a Ukrainian head of state since Leonid Kuchma made the trip in October 2002 - there was a lot on the agenda. The visit came more than seven years after then-Indian President Abdul Kalam came to Kyiv in June 2005 and met with then-President Viktor Yushchenko.

Yanukovych's Dec. 9-12 visit produced five bilateral agreements -from nuclear safety to legal assistance. Indian businesspeople working in Ukraine followed the trip with great interest, calling Yanukovych's trip a historic visit.

One of them was Mayank Jain, an Indian businessman who has invested in Ukraine. "Both sides, Ukraine and India, were waiting for this visit for a long time," Jain says. "This was sort of getting approval from the top, because in past few years Ukraine has been shifting either pro-Europe or pro-Russia, leaving Asia (behind)."

Like many Indian companies in Ukraine, Jain's Vaishali Group is involved in the pharmaceutical business. Indian medicine is the leader in Ukraine in terms of volume and second in terms of value, after Germany.

"More than a half of export from India to Ukraine is pharmaceutics. This is the strongest part of our business," says Ashok Kumar, member of the Ukrainian-Indian Business Club.

In India, what started as a government program to address domestic medical needs, gradually transformed the nation into one of the world's largest exporters of pharmaceuticals - prompting people to label India "the pharmacy of the world."

However, recently Indian pharmaceutical companies in Ukraine began experiencing pressure from new regulations that affect most Indian companies, according to Jain.

"What has been (happening) the past few years is because Indian pharmaceuticals are challenging (to competitors), there was a lot of lobbying





Ashok Kumar of the Ukrainian-Indian

against Indian medicines, because we by the formal nature of the meetings. the bureaucrats," he says. "In fact, the pharmaceuticals are cheaper because of lower production costs.

Jain said that, while Yanukovych's visit seemed like a perfect time to address the issue, he was disappointed



Mayank Jain of the Vaishali Group

the opportunity for frank discussions with authorities.

"I wish the president had a chance to see the real picture from the real business community and not only (from)



Paresh Tripathi, owner of Himalaya restaurant in Kyiv

sell cheap medicines," he says. Indian He said businesspeople did not have opportunity was not given to business for a direct dialogue with president."

Ashok Kumar from the Ukrainian-Indian Business Club also attended the meetings. He said the gatherings helped to raise the awareness of Indian investors about Ukraine's investment opportunities.

The Ukrainian delegation demonstrated their business and offered a lot of innovational projects, like the Antonov factory," says Kumar. "It's unclear how much investment will come, but for sure there is a much higher expectation among the business community."

Investment, indeed, has been the weakest part of bilateral relations. Trade - which reached \$3 billion last year - is also lopsided in Ukraine's favor, with the nation exporting far more to India than it imports.

Personal connections, however, are strong - and many of them were forged during the Soviet Union, when India prided itself on its policy of nonalignment during the Cold War.

Ukraine's relatively inexpensive and quality education, especially medical, remains a powerful incentive for young Indians to move far from home. As a result, most of the 4,500 Indians in Ukraine are students.

To serve the community, a number of places with Indian cuisine have sprung up in Kyiv. Located in the middle of Khreshchatyk Street, behind Zara store, Himalaya restaurant offers authentic Indian food and more.

Incense sticks, traditional Indian music and hand-carved furniture imported from India all add up to an atmosphere of dining somewhere in New Delhi rather than in Kyiv.

With those offerings, Himalaya restaurant has earned many loyal customers. "We have customers coming to us for the last 10, 12 years regularly," says Paresh Tripathi, owner of Himalaya restaurant. "It was never required from us to have a very big advertisement or big banner, our clientele is very specific, they always find us."

Although the expat community represents the restaurant's main clients, Ukrainians with a taste for Indian food have gradually overtaken the foreigners as customers.

Having run Himalaya restaurant for the last 15 years, Tripathi inevitably fell in love with the city. "Whenever I go to India, I feel like I'm coming home, the same feeling I'm having when I come back to Ukraine," he said.

Kyiv Post staff writer Maryna Irkliyenko can be reached at irkliyenko@ kyivpost.com.



# Business 7

Arunachal Pradesh

# Indian ambassador: Political persecutions 'an internal matter' for Ukrainians

BY MARYNA IRKLIYENKO

IRKLIYENKO@KYIVPOST.COM

Ukraine-India relations recently reached a deeper level with President Viktor Yanukovych's Dec. 9-12 state visit to India, the first by a Ukrainian leader in a decade.

Although then-Indian President Abdul Kalam did visit Kyiv in 2005, a number of issues between the two countries have piled up since then. Among them: troubles that Indian pharmaceutical companies experience in Ukraine and difficulties Indians face in getting visas.

Rajiv Chander, India's ambassador to Ukraine, took an active part in the recent Yanukovych visit. In his interview with the Kyiv Post, he talked about the progress made.

### Kyiv Post: How would you describe India-Ukraine relations?

Rajiv Chander: Excellent and improving. The strongest ties are between the people - that is people-topeople contacts. We have a very strong growing economic relationship. We have reached \$3 billion in trade this year. We have long-standing defense cooperation. We had been cooperating for the last 30-40 years. (Strong ties also include) science, technology and space cooperation.

### **KP**: What results did the recent visit of Yanukovych to India deliver?

RC: I think it was a landmark visit. Both leaders agreed on joint statement which underlines the fact that we now have a comprehensive partnership. We have signed the five agreements:

defense, space, nuclear, standardization of our products and also legal assistance. For example, the defense cooperation agreement - earlier it was just trade...now we're looking at research and development, export to third countries, transfer of technologies and joint production.

The fact that the Ukrainian president was visiting after 10 years, he brought along not only an official delegation, which was very high-powered one, but also we had the defense minister, the foreign minister and couple of other ministers and heads of other regions also, plus the business delegation -- I think it did attract a lot of attention.

### KP: What is the reason for such a seldom state visits between India and Ukraine?

RC: One of the reasons could have been that you had a frequent change of government in Ukraine. If you recall the period of the 2005 to 2009, there were two or three changes of government, frequents changes of ministers. Every government comes and takes some time to settle down and then you establish your contacts and look for (countries) to visit.

### KP: What's the essence of problems that Indian pharmaceutical companies have in Ukraine?

RC: What happened is that there have been changes in the legislation of the Ukraine health sector. Nowadays there's a requirement of a GMP (certificate of quality). (But) for example if your manufacturing process has been certified in the US and Europe and if Ukraine also recognizes European standards, then why should it be that



a welcoming ceremony at Mariyinsky Palace in Kyiv on June 2, 2005. (AFP)

**Pranab** 

Viktor

visit by a

years.

we should go (through the) process of getting a certificate all over again? Legislation is one, second is there is a new registration procedure. In fact the joint statement issued at the level of the president (of Ukraine) and the prime minister (of India) talks about the positive contribution of the Indian pharmaceutical industry to the Ukrainian health sector... so we do hope that that message will (reach) those who make policy and those who implement this policy on the ground.

Rajiv Chander, India's ambassador to

**Ukraine (Dmitriy Serzhantov)** 

### KP: Is India concerned about political persecutions going on in Ukraine and was this question raised during the visit?

RC: We believe it is internal matte of the country. We have no position on the matter. Other countries can take whatever position they do, coming from where they are. The position we have is that it is for the Ukrainian people to decide on what is best for them. And if they feel that there are certain issues which concern them, then the polls are the way to go. That is something I believe has happened recently. (There was) no raising (of human rights issues during the visit.)

### KP: Do Indians still experience troubles getting Ukrainian visas? If so, why?

RC: (They do) and even for short visits. This is what surprises us because we in fact issue something like 500 visas for Ukrainians to go and work in India. So it's not as if it's only one-way traffic. And when we talk about businessmen not getting visas, it seems to us to be very strange. It is difficult to imagine that any businessman would want to use Ukraine as a transit point to go to (the EU) because they can go straight. It's easier to get Schengen visas for the leading (Indian) businessmen than it is to get Ukrainian. We have been assured that this is receiving the legitimate attention of the Ukrainian authorities.

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### KP: Most Ukrainians know very little of India, aside from Goa. What do Indians know about Ukraine?

RC: I would say that, on both sides, perceptions of each other seem to be locked into a time frame which is 20 years old. While India has problems,



than I as

### **INDIA AT A GLANCE**

Territory: 3,287,263 square kilome-

Population: 1.2 billion people as of

**Government type:** federal republic

Head of government: Prime Minister Manmohan Singh (since 2004) GDP (purchasing power parity): \$4.421

GDP per capita (PPP): \$3,700

Main industries: textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, software, pharma-

### **Ukrainian-Indian** economic relations

Trade: \$3 billion in 2012.

**Exports from India to** 

Ukraine: pharmaceutical products, tobacco, coffee, tea, spices, cosmetics, toiletries, silk, etc.

### **Exports from Ukraine to**

India: chemicals, fertilizers, ferrous metals, power equipment (including for nuclear reactors), steel, aluminum,

India's investment in Ukraine: \$18.3 million as of October, 2011 Ukraine's investment in India:

\$1.08 million as of June 2012 Sources: CIA World Factbook, State Statistics Committee

we also have an IT sector which is

exporting almost \$70 billion worth

of exports. We have pharmaceutical

sector which is about to grow to \$20

billion by the end of this decade.

These are areas we need to inform each other. If we persist in stereotypes,

that is not going to benefit anybody.

One of the main tasks that we see

is to promote these people-to-people

contacts, because once you go and see

for yourself that is more convincing

an ambassador or

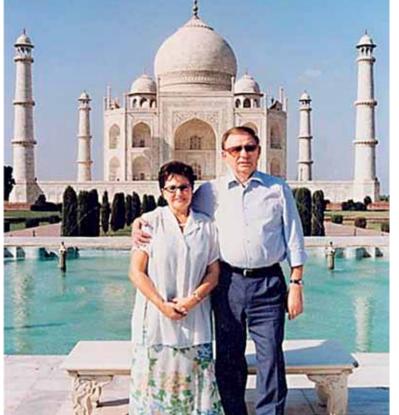
tell you.

body else can

Kyiv Post

staff writer

Maruna



Lyudmyla Kuchma and her husband, former Ukrainian President Leonid Kuchma, pose in front of the Taj Mahal on Oct. 5, 2002, during the last presidential state visit from Ukraine to India until President Viktor Yanukovych's trip in December 2012. (AFP)

# Ukraine's monetary policy is shockingly incompetent

Editor's Note: This column was originally published in Russian by Forbes Ukraine magazine at the following link. http://forbes.ua/opinions/1344648-novomu-glave-nbunelzya-idti-po-stopam-arbuzova. The English version is reprinted here with the author's



Most of the time, the policy of the National Bank of Ukraine has not been very beneficial for the nation and its economy, but the present policy represents a low-water mark.

A central bank is supposed to pursue monetary policy with two primary goals: price stability and economic growth. There are additional subordinate aims, such as a sound financial system, the stability of the banking system, the convertibility of bank deposits, the convertibility of the currency, a predictable exchange rate and the predominance of the domestic currency.

Of all these objectives, the NBU has achieved one – low inflation. Arguably, it is the most important objective, but the current zero inflation suggests it has been overdone at the expense of everything else. The list of failures is disturbing.

The Ukrainian banking system is going from bad to disastrous. At present, Ukraine is unique with its extremely high interest rates of 25-28 percent a year. The interest rates are so high because otherwise capital would quickly leave the country, since nobody believes that the effectively fixed exchange rate is sustainable. The consensus view is that it has to be devalued by at least 10 percent because of the large and rising current account deficit. The prices of and demand for steel are falling and steel continues to dominate Ukraine's exports.

With such high interest rates, many borrowers cannot service their debts. and the non-performing loan ratio is astoundingly high at 40 percent of all loans, and rising. This kills the bank-

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ing system. Most of the large private domestically-owned banks went under in the midst of the financial crisis 2008-9. The Western banks held out during the crisis but now they are fleeing the country. State banks, a couple of oligarchic banks and Russian banks persist, but they are not filling the void.

Absurdly, in the midst of this calamity, the NBU is boasting about the sharp fall in the foreign indebtedness of Ukrainian banks, but that only means that the Western banks are withdrawing their funds from Ukraine, realizing that the country is no longer open for banking business. Furthermore, many Ukrainian-owned banks can no longer obtain foreign credits.

In practice, small and medium-size enterprises in Ukraine have minimal access to bank financing. As a consequence of the weakness of the steel industry and the near absence of financing for small and mediumsized enterprises, output contracted during the second half of 2012. Even Prime Minister Mykola Azarov no longer expects growth in 2013.

Virtually all professional economists urge the NBU to let the exchange rate float more or less freely. Small, diversified and very open economies may peg their exchange rates, but larger economies dominated by cyclical commodity exports, such as Ukraine, need let their exchange rates float.

Rather than accepting the need for a floating exchange rate, the NBU is fighting ever more desperately against devaluation. It has seized monopoly on all payments, possibly eliminating foreign credit cards, such as Visa and Mastercard, and is finally killing off the long-suffering Ukrainian stock exchange, which seems to be about to record another year of a 40 percent plunge.

Another old-style measure has been to demand that half of export revenues get exchanged into hryvnia. That will certainly aggravate the prevalent trans-



fer pricing and connected capital flight to Cyprus.

A truly desperate draft law of an exchange tax of originally 15 percent and now 10 percent on all exchange of currency is being pushed through parliament. This is complete Soviet thinking. Who would transfer any money to Ukraine if this absurd law were passed? Needless to say, all these three legislative novelties are likely to block any financing from the International Monetary Fund.

It is no surprise that the two rating agencies Moody's and Standard & Poor downgraded Ukraine even deeper into junk bond territory in early December. Moody's judgment was devastating. Its key explanation was "a deterioration in the country's institutional strength, against the backdrop of poor policy predictability as well as reduced data transparency."

It complained about "Ukraine's weak track record in carrying out reforms stipulated in the current as well as past IMF programs ... ad-hoc admin-

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istrative measures, in particular on the foreign-exchange market." Specifically, the NBU stopped publishing quarterly updates on external debt redemptions in January 2012.

Is there any silver lining? On a visit to Kyiv after the elections, I asked a couple of wealthy Ukrainian friends what they made money on. They told me that it was all about bonds. They purchased high-quality corporate bonds and had reached returns of up to 40 percent in the last year. Their stories reminded me of Russia in 1997-8 with a pegged exchange rate and enormous bond yields. We all remember how that ended in a devaluation of 75 percent, default on domestic treasury bonds, and a collapse of the bank system.

Ukraine is not in such a bad situation. The state finances are far better and the public debt is much smaller. Yet, the NBU keeps digging a dangerous hole, although it is obvious to all that the current exchange rate is untenable. Ukraine's international currency reserves have shrunk in less than

a year from \$38 billion to \$25 billion, and the capital outflow is accelerating.

At present, the expectation is still a devaluation of 10-20 percent, but as the domestic interest rates are currently skyrocketing, the devaluation expectations may do the same. The more the NBU is reinforcing its draconian currency regulations, the sharper the fall of the hryvnia will be when it comes, and it will inevitably come soon. The devaluation may swiftly rise from 10 to 50 percent, because the NBU has minimized the attraction of the hryvnia.

What should be done? First, let the hryvnia exchange rate float. Second, tighten the budget in order to reduce the devaluation. Third, liberalize currency exchange so that people want to hold hryvnia voluntarily. Fourth, clean up the ever- worse banking sector. Finally, this outstandingly incompetent central bank management should be sacked.

Anders Aslund is a senior fellow at the Peterson Institute for International Peace in Washington, D.











### Officials investigate Tymoshenko aide

→ 1 and which purportedly contains internal documents obtained from Ridge Consulting for the period 2006 to 2011 during and after Tymoshenko's failed presidential bid.

The data trove allegedly includes billing information and expense reports that prosecutors believe provide evidence of financing from offshore zones to the political structures of opposition leader Tymoshenko.

Prosecutors are looking into whether companies registered in offshore zones made deposits into accounts that were set up to pay for public relations services, according to Renat Kuzmin, the deputy prosecutor general of Ukraine. "If this information is confirmed, then that means that the political force was financed in violation of Ukraine's current legislation," Kuzmin said in mid-December.

However, Ukrainian election watchdogs and political consultants say the use of offshore vehicles to finance political parties and campaigns is a widespread practice used by all sides.

Unlimited and nontransparent campaign financing was also a key concern mentioned in the final report on Ukraine's parliamentary election released on Jan. 3 by the Organization for Security and Cooperation in Europe.

"The law does not sufficiently provide for transparency of party funding, for full disclosure of sources and amounts of campaign expenditure, or for proportionate and dissuasive sanctions for violations of campaign funding provisions," read the OSCE report. "In addition, the absence of public campaign financing and the lack of spending limits caused many contes-

tants to rely on the support of wealthy individuals or business interests."

Among those directly implicated is Nemyria, Tymoshenko's top foreign policy adviser, who is alleged to have served as the main conduit between offshore bank accounts and Ridge Consulting. Nemyria is consistently named as the client in the dozens of Ridge Consulting invoices revealed on Nemyrialeaks.

Tymoshenko's Batkivshchyna Party says that Nemyrialeaks is merely the latest tactic in a steady campaign being conducted by the ruling Party of Regions to destroy the political party.

Moreover, another website has recently surfaced that purportedly includes the emails of Eugenia Tymoshenko, the ex-prime minister's daughter. The website zhuzhaleaks. com shows written exchanges between Eugenia Tymoshenko and personal contacts, including her ex-husband Sean Carr and numerous associates involved in releasing her mother from prison, including Neil Pattie of Ridge Consulting, and Jim Slattery, a six-term U.S. congressman and Washington, D.C. lobbyist.

Nemyria's lawyer added that his client has fully cooperated with authorities in their probe.

"Kuzmin says that Nemyria is evading questioning at the Prosecutor General's Office," Ukraine General Newswire quoted Tytarenko on Dec. 27. "This allegation is untrue, because Nemyria came to the Prosecutor's General Office for questioning as soon as he received the notification in a legal way."



Former Deputy Prime Minister Hryhoriy Nemyria

An indication of Nemyrialeaks' state sponsorship is the widespread attention state-controlled press has paid the issue, including aggressive promotion by pro-government blogger and talking head Viacheslav Pikhovshek, an ally of the administration of President Viktor Yanukovych.

"This site is from the hands of Bankova technologists and is obviously oriented towards discrediting Batkivshchyna," said Otar Dovzhenko, a Lviv-based media watchdog and political blogger.

It remains unknown who is responsible for the Nemyrialeaks site and how the alleged documents were obtained from Ridge Consulting, which has yet to confirm or deny their validity.

However, in an interview with state news agency Ukrinform in November, Ridge Consulting's Pattie, whose name appears on billing information, said that he had worked for Batkivshchyna until October 2011.

In the same interview he said he was aware that some company documents related to Ridge Consulting and Batkivshchyna were made available to the press

"I knew that certain documentation or information regarding accounts was made available on websites," Pattie told Ukrinform. "I acted in accordance with the law and in accordance to standard practice. I have nothing to hide. I acted ethically"

Taras Kuzio, a political scientist alleged in the Nemyrialeaks documents to have been paid by the Tymoshenko campaign for writing articles, indicated that at least some of the documents are legitimate when informing the Kyiv Post that some of them were stolen from Ridge Consulting.

"The stolen and doctored docs are part of this campaign by the Prosecutor General's Office, a complete tool of Soviet-style political repression, now bent on closing the Batkivshchyna Party," said Kuzio. "I understand that some of the information is accurate and some of it fictitious. What I do know is that the information was obtained illegally by a hacker from a British-based computer and is subject to a police criminal investigation in the UK."

A Kyiv district court ruled in early December that Nemyria, a current member of parliament, was acting illegally, and required him to name the source of funding. The Prosecutor General's Office then questioned Nemyria in mid-December. In remarks that day, Kuzmin estimated Nemyria handled \$100 million in payments for public relations services.

Volodymyr Fesenko, board chairman of the Penta Center for Applied Political Research, noted that by smearing Nemyria, his lobbying efforts on behalf of Tymoshenko in the West will have been neutralized.

### 'Nemyrialeaks' casts spotlight on PR war with paid opinion pieces

### BY ZENON ZAWADA

Among those alleged to have been exposed by the 'Nemyrialeaks' scandal has been Taras Kuzio, a fellow at Johns Hopkins University in Washington, D.C. who is among the world's most prolific writers on contemporary Ukrainian politics.

Invoices allegedly issued by Ridge Consulting Ltd., a British public relations agency, that were sent to Hryhoriy Nemyria, former Prime Minister Yulia Tymoshenko's foreign policy adviser and current lawmaker, indicated that Kuzio was paid to write political articles, including opinion pieces, between February 2010 and March 2011.

Separately, in company operating expense reports, Ridge Consulting allegedly made 21 payments to Kuzio from July 2009 to October 2011 totaling some \$20,000 as a subcontractor.

During this time, leading Englishlanguage publications on Ukraine, including the Kyiv Post, published Kuzio's writings on Ukrainian politics, which had been submitted under the guise of independent analysis from a scholar at an American university. In an invoice dated Feb. 11, 2010, Ridge Consulting allegedly released an opinion piece written under Kuzio's name

Kuzio declined to comment on the invoices, stating that documents appearing on Nemyrialeaks had been "stolen and forged." He declined to comment on whether news publications had published the materials for which he was paid.

Yet he reportedly admitted to being paid by Ridge Consulting to write political articles when confronted in mid-November Ukrinform, a state news

"Yes, I wrote materials, I wrote articles ...," Kuzio told Ukrinform, which published the comments in a Nov. 13 article. "I wrote two articles a month and that's all ... on elections, on the political situation in Ukraine."

He claimed he was acting as a journalist when submitting the materials.

Yet Kuzio has spent much of the last decade identifying himself as an academic, not as a journalist.

"Why not?" he asked Ukrinform, regarding the receipt of payments to write political articles as a journalist. "I wrote what I wanted to."

Editors, including at the Kyiv Post, had suspected Kuzio of getting paid by Tymoshenko because his opinion pieces were overwhelmingly in her favor. When confronted by numerous editors, including Kyiv Post chief editor Brian Bonner, Kuzio denied working for Tymoshenko's political campaign.

Bonner said that the newspaper asks all contributors to disclose any potential conflicts of interests in the taglines that accompany their opinion pieces, but noted it is hard to prove who is on whose payroll.

He said that the newspaper discontinues publication of opinion pieces if editors become convinced that the writer is not disclosing major conflicts of interest. For example, Bonner said he stopped publication of opinions written by American Anthony Salvia, director of the Ukrainian Institute in America, because Salvia refused to disclose the organization's financial backers.

"That refusal, combined with his almost hagiographic writings in favor of President Viktor Yanukovych, led me to conclude he is working for someone with the pro-presidential Party of Regions," Bonner said. "The issue is disclosure, not political alliances. We regularly publish opinions from government and Party of Regions officials, as well as opposition politicians. But the reader knows what they are getting in those cases."

That Ridge Consulting allegedly served as one of Kuzio's employers reveals a tactic often used in politics, observers said, which involves using an intermediary agent to commission public relations materials that enables the seemingly independent writer or speaker to deny any links to the ultimate client.

Indeed, leaders in the Party of Regions have turned to public relations firms at a rate far exceeding the Batkivshchyna Party and its members, including Global Communications, Burston Marsteller hired by Rinat Akhmetov and APCO hired by Oleksandr Feldman, among others

And according to alleged emails by Washington, D.C. lobbyist Jim Slattery made available on Zhuzhaleaks.com, APCO, Skadden and Podesta Group were named as public affairs companies hired by the Party of Regions do work for them.

Zenon Zawada, a former Kyiv Post chief editor, is a freelance journalist in Kyiv.

"Nemyria is the main driving force in conducting Tymoshenko's defense in the West and entirely outplays his Party of Regions opponents in this field." said Fesenko.

Elmar Brok of the European People's Party, which has a partnership agreement with Batkivshchyna, came to Nemyria's defense, stating that his prosecution will only dig the Ukrainian government in deeper disfavor with the EU and even undermine the potential signing of the Ukraine-EU Association Agreement in 2013.

Besides criminal prosecution of individuals, the investigation could result in Tymoshenko's Batkivshchyna Party being denied official registration and being forced to reorganize, said

Yet that would only serve as the latest example of selective criminal prosecution given that the Party of Regions is widely known to have been financed from its offshore sources, said Oleksandr Paliy, a veteran political observer and author.

"The Party of Regions has existed

thanks to its offshore savings, particularly in Cyprus, the source of most of Ukraine's foreign direct investment where money is laundered then repatriated in avoidance of taxes," he said. "I don't exclude that Tymoshenko did something similar, but it's simply ridiculous for the Party of Regions to pursue charges against her for that."

In turn, the Batkivshchyna Party has urged the Prosecutor General's Office to investigate the financing of the Party of Regions.

"I would advise [Kuzmin] to review the offshore accounts of Rinat Akhmetov, Boris Kolesnikov, Dmytro Firtash, as well as the accounts from where money is transferred to pay for his trips abroad with Party of Regions money," said Serhiy Sobeliev, first deputy chair of the Batkivshchyna parliamentary faction, referring to businessmen widely considered to be financial sponsors of the Party of Regions.

Zenon Zawada, a former chief editor of the Kyiv Post, is a freelance journalist in Kyiv.



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# AeroSvit angers customers

→ 1 Boryspil International Airport and other airports in Warsaw, Moscow and elsewhere stopped providing services to the airline due to nonpayments.

"AeroSvit makes payments for services to Boryspil in full accordance with the schedule agreed with the base airport," an AeroSvit statement released on Ian. o said.

The Infrastructure Ministry, meanwhile, pledged to bring the situation under control.

"All passengers that purchased (AeroSvit) tickets have to be serviced by the airline, or get compensated," reads the ministry's Jan. 9 statement issued after meeting with airline officials. The statement also suggests that some of the ailing airline's flights will be taken over by its competitor Ukraine International Airlines.

Nonetheless, hundreds of passengers were stuck in airports around the world and unable to return home.

Customers said that the delays were compounded by Aerosvit's lack of service and courtesy

"No one warned about the flight delay in advance, so we discovered the 12-hour delay only at the checkin counter at the airport since the board indicated there was no delay in the flight," says Nataliya Bugayova, a Ukrainian traveler from the United



Passengers affected by AeroSvit flights delays and cancellations line up outside the airline's offices at Boryspil International Airport to ask for compensation and hotel vouchers. (Ukrafoto)

States, who was supposed to return to Kyiv on Jan.6 from New York.

Bugayova continued: "Thank God I had friends to stay with in New York, because they said that New York hotels no longer accept AeroSvit hotel vouchrs." Bugayova, who returned to Kyiv on Jan 7, added that she will not fly with the airline anymore.

However, most Ukrainians don't have much choice.

Ukrainian businessman and AeroSvit

owner Ihor Kolomoisky has virtually monopolized Ukrainian air travel, owning also Dniproavia, Donbassaero and Windrose, which combined gives him up to 60 percent control of Ukraine's air transport market. According to Forbes Ukraine, billionaire Viktor Pinchuk has 24.99 percent of shares in AeroSvit.

Ukrainian law considers a monopolist anyone that has at least 35 percent market share.

"It is really hard to prove 35 percent market share if there are different private and legal individuals who officially own the company," says lawyer and aviation expert Andriy Guck. "Kolomoisky doesn't own the company personally that's probably why he was able to pass the monopoly checks."

Additionally, Kolomoisky controls Ukrnafta, which produces aviation fuel and has monopoly share in Ukraine's aviation fuel market. "The aviation fuel business gives him a chance to manipulate and monopolize Ukraine's skies even if he doesn't reach the full monopoly in air transport," Guck says.

AeroSvit passengers have long complained about receiving poor service from the airline even before the bankruptcy.

"I don't remember AeroSvit being very reliable before, they always had these delays and cancellations, but now they have just crossed the line," says Maryna Ivashko, a Ukrainian who studies in Germany.

Ivashko came to the Warsaw airport

on Jan. 6, Christmas Eve for Orthodox Christians. She had planned on being home in a couple of hours, but was told at check-in that AeroSvit no longer exists and that its assets belong to LOT airlines. Ivashko was told her plane ticket was not valid so she had to spend an additional 300 euros for another flight home.

The three affected travelers with whom the Kyiv Post spoke say they tried but never succeeded to reach AeroSvit to ask for compensation.

"In the airport we were told not to rely on that, because the company is buried in debts and simply has no money to repay our expenses," says Arsenova. "I didn't try much, but I believe people have spent days in the airport trying."

AeroSvit was founded in 1994, and is based in Boryspil International Airport. The airline serves 80 routes to 34 countries including transcontinental flights. It operates a fleet of 28 aircrafts.

Kyiv Post staff writer Daryna Shevchenko can be reached at shevchenko@kyivpost.com.

### **Hotline for Aerosvit customers**

Ukraine's Foreign Ministry has launched a hotline meant to connect Ukrainians affected by AeroSvit's difficulties with airline representatives. Ukrainian citizens abroad are asked to contact the country's diplomatic missions or the ministry directly via the hotline +38 (044) 238 1657, fax +38 (044) 253 1124 or e-mail cons\_or@mfa.gov.ua.

# Lawsuit heats up battle between Kvit, Tabachnyk

BY OKSANA FARYNA

The National University of Kyiv-Mohyla Academy filed a lawsuit against Ukraine's Ministry of Education to defend university autonomy and contemporary standards of higher education.

With a lawsuit filed on Jan. 3 in the Regional Administrative Court in Kviv, the nation's oldest university challenged the decision by the Education Ministry led by Dmytro Tabachnyk to cancel so-called crossover admissions into the university's master programs. The crossover admissions allowed students to pursue a different field of study than in their undergraduate

Serhiv Kvit, president of Kviv Mohvla Academy explained in a blog that, according to recent regulations of the ministry, a graduate with a bachelor's degree in physics can only apply to a master's program in physics, and a history student to a master's level studies in history. According to the same rule, a financial adviser does not have the right to apply for a program in economic theory, and a specialist in culture cannot cross over to philosophy, and so on.

"This absurd approach violates multidisciplinary and mobility strategies which are practiced in the European Union's sphere of higher education and in Russia, and negatively influence the educational process and the quality of higher learning," Kvit wrote in his blog. "Nowhere in the world, except in Ukraine, is a master's program applicant asked what bachelor's degree he or she has. What is needed is just to pass successfully entrance exams."

The next day, after the lawsuit was



Graduates of the Kyiv Mohyla Academy, recognized as one of Ukraine's most prestigious universities. (UNIAN)

filed, Ministry of Education, Youth and bachelor's program. Though, in practice Sport responded to Kvit on its official it meant that students had few chances

"It is impossible to prepare a master's in nuclear energy from a bachelor's in philology," the statement read. "Regarding this, the ministry emphasizes that admission to master degree's program qualifications of individuals, who previously gained bachelor or specialist degree program qualifications in any other field of study or specialization, has no legal grounds."

Re-established in 1991, Kyiv Mohyla Academy gained a strong reputation for its Western approach to the education process. In particular, its students had a right to choose any subjects they want to study apart from taking obligatory courses.

In 1996, the university introduced its first Western-style master's degree program. It happened two years earlier than the same programs were launched nationwide. Since then students had an option to apply for a master's program regardless of their specialization on the to pass the entrance exams to programs that differed radically from their previous specialization. To enter a related program was much more realistic and many students used that option.

In 1998, a Soviet-style principle of direct correspondence between bachelor's and master's degree program qualifications was introduced in the Ukrainian universities. Kyiv Mohyla Academy, however, enjoyed its vast autonomy and managed to bypass this restriction. Things changed after Dmytro Tabachnyk was appointed educational minister in early 2010.

According to Kvit, during the last two-and- half years, Tabachnyk has attempted to eliminate the requirement of English as a second working language at the Kyiv Mohyla Academy and to rewrite the statutes of the university.

Kyiv Mohyla students took an active part in numerous anti-Tabachnyk pro-



**Kyiv Mohyla Academy President** 

country with a demand to dismiss the minister famous for his controversial statements about Ukrainian history and culture and cuttings in some universities.

Since 2011, Tabachnyk's ministry canceled state scholarships for Mohyla School of Journalism, one of the best master's programs in media in the country. The decision was based on the fact that Kyiv Mohyla Academy does not have a bachelor's program in journalism therefore the ministry won't finance its master's program.

"Masters do not come from the air." Tabachnyk commented his decision, according to the news web site

The conflict between the controversial minister, despised for what many regard as his Russophile views, and the university has had dramatic moments. On Sept. 22, 2011, Daria Stepanenko, a student of Kyiv Mohyla



**Education Minister Dmytro** 

tests which popped up all over the Academy, slapped Tabachnyk's face with a bouquet of flowers during the summit of educational ministers of the Commonwealth of Independent States. University officials and students later said, however, that Stepanenko acted on behalf of herself and not the university.

At the end of 2012, the Ministry of Education issued a decree on conditions of admission to universities for 2013, which canceled the ability to "cross over" to master's programs. The management of the university failed to negotiate amendments to the decree and went to court soon after Tabachnyk was reappointed educational minister at the end of 2012.

"The farcical reappointment of Dmytro Tabachnyk as minister of education will inevitably lead to the further degradation of Ukrainian higher education," Kvit claimed.

Kyiv Post staff writer Oksana Faryna can be reached at faryna@kyivpost.com.



### Going Out Guide

Both new and well-known jazz, classical and pop music compositions

will be performed by Ukraine's best known a capella band ManSound

The band is expected to present its new album Acapellissimo as well

as perform a series of Christmas hits with their own interpretation.

Mikhnovetsky, who was inspired by Grammy-winning American a

ManSound. Jan.20. National Tchaikovsky Academy of Music.

in National Tchaikovsky Academy of Music on Jan. 20.

ManSound was created in 1994 by composer Volodymyr

**ManSound** 

capella Take 6 man band.

4 p.m., 7 p.m., Hr 100-250 @

Friday, Jan.11

Classical music

Works of Caccini, Bach, Schubert,

Puccini, Tchaikovsky (piano,

organ). House of Organ Music. 7:30

De Espana Venge, Works of Rossini.

Lune, Bizet, Gimenez (guitar). National

Movies

Jack Reacher (action). Kyiv. 12 p.m.,

2:30 p.m., 7:15 p.m. 9:40 p.m. Hr

The Hobbit: An Unexpected

Journey 3D (fantasy). Kyiv. 4 p.m.

Elles (drama). Kinopanorama. 11

a.m., 1 p.m., 3 p.m., 7 p.m., 11 p.m.

Live music

Mad Heads Ukrainska & Red

Rocks (rock hits). Docker Pub. 10

Vasva Club and Whistlin' Dixie

(country rock). Docker's ABC. 10 p.m.

Mama Mia (disco). Art Club 44. 10

Kuku-Chanel. Divan. 8 p.m. Free 4

Clubs

Trance Illumination, Saxon, 11

p.m. Hr 20-40 for females, Hr 25-50

**Deep Generation.** Mantra. 11 p.m.

Women Heaven (male erotic show).

Egoist. 11 p.m. Hr 25 for female, Hr

Christmas Meetings. Disco Radio

**Theaters** 

Oniskin, Foma (premiere), Drama &

Comedy Theater on the left bank of

Until Mother Did Not Come

(comedy). Molody Theater. 7 p.m.

Chasing Two Hares (operetta).

Operetta Theater, 7 p.m. Hr 80-150 9

**Shows** 

Tantciuiut Vsi Christmas Show (So.

Philharmonic. 7 p.m. Hr 40-80

p.m. Hr 20-80 2

35-65 😢

Hr 40-50 2

Hr 30 - 50 6

p.m. Hr 100 🕕

Hr 75 🕗

p.m. Hr 50 3

for males 6

50 for males @

for males @

Hr 50-90 8

10 p.m. Hr 60 fc

Dnipro. 7 p.m. Hr 70-120 4

Free **B** 

see address in the box below and on the pull-out map.

Comments and tips are welcome. Email the lifestyle team at ls@kyivpost.com

For tickets online, please visit kvytky.ua, parter.ua, freedomhall.com.ua, bilethouse.com.ua, karabas.com, or biletik.ua.

Dnipro. 7 p.m. Hr 40-70 4

Theater. 7 p.m. Hr 40-70 🔞

p.m. Hr 200-400 2

under 7) 🚯

110-350 👽

35-65

Hr 40-50 2

Hr 30 – 50 🔞

9:30 p.m. Free 0

ABC. 10 p.m. Hr 30 2

Ordinary Story (drama). Molody

Shows

Ukrainski Barvy (vocal and instru-

mental ensemble). Freedom Hall. 8

Miscellaneous

Angel's Diary (New Year exhibi-

tion). Parsuna Gallery. 10 a.m. - 6

The Flowers Of The Snow Queen

(flower exhibition). Spivoche Pole. 9

a.m. - 9 p.m. Hr 25 (Free for kids

Christmas And New Year

Holidays At Hutsulshchyna (photo

exhibition). Ivan Honchar Museum.

Human Body Exhibition. NSC

Olimpiyskyi. 10 a.m. – 7 p.m. Hr

Wednesday, Jan.16

**Classical music** 

Christmas Evening in Baroque-

Style. Works of Bach. House of

**National Symphony Orchestra** 

of Ukraine Playing Mozart,

Beethoven, Schoenberg. National

Movies

Jack Reacher (action). Kyiv. 12 p.m.,

2:30 p.m., 7:15 p.m. 9:40 p.m. Hr

The Hobbit: An Unexpected

Journey 3D (fantasy). Kyiv. 4 p.m.

Elles (drama). Kinopanorama. 11

a.m., 1 p.m., 3 p.m., 7 p.m., 11 p.m.

**Live music** 

Rockin' Wolves (rock). Docker Pub.

The Magma (pop rock). Docker's

Philharmonic, 7 p.m. Hr 20-100

Organ Music. 7:30 p.m. Hr 20-80 2

10 a.m. – 5:30 p.m. Free 🜖

### Shows

150-650 9

Orchestra. Tolstoy restaurant-club. 10 p.m. Hr 200 @

Christmas Concert. Artist's House.

### Miscellaneous

Angel's Diary (New Year exhibition). Parsuna Gallery. 10 a.m. - 6

of Christmas Paraphernalia. Pyrohovo Folk Open-Air Museum. 11 a.m. Hr 5-20 6

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids under 7) 📵

Christmas And New Year Holidays At Hutsulshchyna (photo exhibition). Ivan Honchar Museum. 10 a.m. – 5:30 p.m. Free 📵

Olimpiyskyi. 10 a.m. - 7 p.m. Hr 110-350 🍪

### Sunday, Jan.13

### Classical music

It's Christmas Today. Revutsky Men Choir Chapel, Nina Matvienko (soloist) performing Carrols. National Philharmonic. 7 p.m. Hr 45-90 1

### Movies

Jack Reacher (action). Kyiv. 12 p.m., 2:30 p.m., 7:15 p.m. 9:40 p.m. Hr

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 4 p.m. Hr 40-50 😢

Elles (drama). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 7 p.m., 11 p.m. Hr 30 − 50 📵

### Live music

Tsvit Kulbabi & Rock Four (rock covers). Docker Pub. 9 p.m. Hr 50 1 More Huana (cover band). Docker's

ABC. 10 p.m. Hr 50 2 Soyuz 44 (jazz jam session). Art Club

44. 10 p.m. Free 63

### Clubs

R'n'B Boom. Forsage. 11 p.m. Hr

Old New Year. Ajour. 9 p.m. Free before 11 p.m., Hr 100 for males after 11 p.m. 🚳

### **Theaters**

Schweik (drama), Ivan Franko Theater. 7 p.m. Hr 20-200 1

Curious Mrs. Savage (comedy). Lesya Ukrainka Theater. 7 p.m. Hr 25-120 2

Sylvia (lyric comedy). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 50-80 4

The Dove (tragic comedy). Molody Theater. 7 p.m. Hr 50-90 8

### **Shows**

X-Factor. Zhovtnevy Palats. 7 p.m. Hr 150-650 9

### **Miscellaneous**

Angel's Diary (New Year exhibition). Parsuna Gallery. 10 a.m. - 6 p.m. Free 🚳

Exhibition of Christmas Paraphernalia. Pyrohovo Folk Open-Air Museum. 11 a.m. Hr 5-20 6

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids under 7) 📵

Christmas And New Year Holidays At Hutsulshchyna (photo exhibition). Ivan Honchar Museum.

10 a.m. - 5:30 p.m. Free 1 Human Body Exhibition. NSC

Olimpiyskyi. 10 a.m. - 7 p.m. Hr 110-350 3

### Monday, Jan.14

### Classical music

Organ works of Bach and Mendelssohn. House of Organ Music. 7:30 p.m. Hr 30-100 2

Works of Rameau, Telemann, Auber, Souk, Brahms, Sarasate, Ysaye, Saint-Saëns, Ravel, Glazunov. National Philharmonic. 7 p.m. Hr 40-80 **1** 

### Movies

Jack Reacher (action). Kyiv. 12 p.m., 2:30 p.m., 7:15 p.m. 9:40 p.m. Hr

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 4 p.m.

Elles (drama). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 7 p.m., 11 p.m. Hr 30 − 50 📵

### Live music

Animals Session (classic rock). Docker Pub. 9:30 p.m. Free 1

Chill Out (disco rock). Docker's ABC.

Alex Fantaev & Friends (drums). Divan. 8 p.m. Free 4

### **Theaters**

Ukrainka Theater. 7 p.m. Hr 20-200 2 Generals In Skirts (comedy). Koleso Theater. 7 p.m. Hr 70 63

p.m. Free 🚳

Paraphernalia. Pyrohovo Folk Open-Air Museum. 11 a.m. Hr 5-20 6

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. – 7 p.m. Hr 110-350 🚱

### Tuesday, Jan.15

### **Classical music**

Iryna Kalynovska, Volodymyr Koshuba, Olga Dmytrenko Playing Pachelbel, Bach, Reger, Wagner (organ). House of Organ Music. 7:30 p.m. Hr 30-100 2

National Academic Symphonic Orchestra Playing Babadzhanyan, Pakhmutova, Khrennikov, Blanter, National Philharmonic. 7 p.m. Hr 45-90 1

### **Movies**

2:30 p.m., 7:15 p.m. 9:40 p.m. Hr 35-65 2

Journey 3D (fantasy), Kviv. 4 p.m.

a.m., 1 p.m., 3 p.m., 7 p.m., 11 p.m.

### Live music

ABC. 10 p.m. Hr 20 2 Bohdan Humeniuk Quartet (jazz).

Vlad Karashchuk & Anna Kuksa

(pop, jazz, funk). Divan. 8 p.m. Free 4

### **Theaters**

Theater, 7 p.m. Hr 15-150 1

Napoleon and Corsican (comedy). Lesya Ukrainka Theater. 7 p.m. Hr 15-120 2

Comedy Theater on the left bank of

Nazad Shliahu Nema (folk rock). Art Club 44. 10 p.m. Hr 30 3

Jazz Wednesday with JT Fresh. Divan. 8 p.m. Free 4

### **Theaters**

Zorba The Greek (premiere), Ivan Franko Theater. 7 p.m. Hr 20-200 1 Night Of Love (drama). Koleso

Bayadera (operetta). Operetta Theater. 7 p.m. Hr 20-60 9

Theater, 7 p.m. Hr 70 8

### Miscellaneous

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids under 7) (b)

Christmas And New Year Holidays At Hutsulshchyna (photo exhibition). Ivan Honchar Museum. 10 a.m. – 5:30 p.m. Free 🜖

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. - 7 p.m. Hr 110-350 🚱

### Thursday, Jan.17

### Classical music

Works of Mozart, Vivaldi, Bach, Piazzolla, Bossi, Blanko (organ, piano). House of Organ Music. 7:30 p.m. Hr 20-80 2

Rachmaninoff Tribute. Works of Rachmaninoff (piano, violin, vio-Ioncello). National Philharmonic. 7 p.m. Hr 45-90 1

### Movies

New Year's Eve (comedy). Kinopanorama. 7p.m. Hr 40 🜖

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 4 p.m. Hr 40-50 2

Elles (drama). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 7 p.m., 11 p.m.

### **Live music**

Chill Out (disco rock). Docker Pub. 9:30 p.m. Free 0

Dyadya Vasya. Docker's ABC. 10

# **Through Jan.27**

### Flowers of Ice Queen

Discover the fairytale atmosphere at Spivoche Pole where the flowers of the Ice Queen went on display on Jan. 2.

The exhibition features 10 compositions made of natural flowers covered with a layer of water to give them the appearance of an ice sculpture. Each sculpture represents the district of Kyiv where it was made and is illuminated in the evening.

Apart from that, a series of concerts featuring Ukrainian folk bands will be held on Jan. 13, 19 and 25th on Spivoche pole. Flowers of the Ice Queen. Through Jan. 27. Spivoche Pole. 9

a.m. – 9 p.m. Hr 25, free for kids under 7 🕒

### You Think You Can Dance). Zhovtnevy Palats. 7 p.m. Hr 120-650 9 Miscellaneous

Angel's Diary (New Year exhibition). Parsuna Gallery. 10 a.m. - 6 p.m. Free 🚳

Exhibition Christmas Paraphernalia. Pyrohovo Folk Open-Air Museum. 11 a.m. Hr 5-20 3

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids

Jan.20

under 7) 📵 Christmas And New Year Holidays At Hutsulshchyna (photo exhibition). Ivan Honchar Museum.

10 a.m. – 5:30 p.m. Free 🕄 Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. - 7 p.m. Hr 110-350 🚱

Saturday, Jan.12

Classical music Christmas Evening in Baroque-Style. Lyatoshynsky Classical Music Ensemble Playing Handel, Purcell, Schutz. House of Organ Music. 7:30

p.m. Hr 30-90 2 **Christmas Concert.** Traditional Carrols and Psalms. National Philharmonic. 7 p.m. Hr 40-80

### Movies

Jack Reacher (action). Kyiv. 12 p.m., 2:30 p.m., 7:15 p.m. 9:40 p.m. Hr 35-65 😢

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 4 p.m. Hr 40-50 😢

Elles (drama). Kinopanorama. 11 a.m., 1 p.m., 3 p.m., 7 p.m., 11 p.m. Hr 30 – 50 📵

### Live music

Kozak System and Crazy Train. Docker Pub. 10 p.m. Hr 75 1

Mad Heads Ukrainska & Beefeaters. Docker's ABC. 10 p.m.

Wake Up (covers). Art Club 44. 10 p.m. Hr 50 🔞 Druge Sontse & Loreleia. Divan. 8

### Clubs

p.m. Free 4

Old New Year. Fiesta. 10 p.m. Hr 30 **ⓑ** 

Drunk Santa Night. Bionica. 11 p.m. Hr 30-60 **1** 

Sexy Disco 90s. Seven Music Club. 11 p.m. Free for females, Hr 70 for males 2

### Theaters

Frederick Or Crime Boulevard (premiere). Ivan Franko Theater. 7 p.m. Hr 15-120 **1** 

The Cherry Orchard (drama, based on Anton Chekhov play). Lesya Ukrainka Theater. 7 p.m. Hr 15-120 2

Pickled Aristocrat (Ukrainian-British fantasy). Molody Theater. 7 p.m. Hr 50-90 3

Welcome To Ukraine (premiere). Operetta Theater. 7 p.m. Hr 80-120 9

X-Factor. Zhovtnevy Palats. 7 p.m. Hr

Oleg Skrypka & Le Grand

6 p.m. Hr 120 @

p.m. Free 🚳

Human Body Exhibition. NSC

The Follies of Love (farce). Lesya

### Miscellaneous

Angel's Diary (New Year exhibition). Parsuna Gallery. 10 a.m. - 6

Exhibition Christmas

under 7) 📵

### Arsenii Kotliarevsky Tribute.

Muslim Magomayev Tribute. Gulyaev, Feltsman.

Jack Reacher (action), Kviv. 12 p.m.,

The Hobbit: An Unexpected Hr 40-50 2

Kinopanorama, 11 Hr 30 − 50 📵

Tres Deseos (latino party). Docker Pub. 9:30 p.m. Free 1 Inzhyr (rock disco, blues). Docker's

Art Club 44. 10 p.m. Free 6

Urus-Shaitan (the tale about Sirko Cossack Ataman, Chevalier d'Artagnan and the Turkish Sultan). Ivan Franko

26 Rooms (based on Anton Chekhov play 'Wood Demon''). Drama &



### **Soviet shorts**

A selection of animated shorts by Soviet filmmaker Yuri Norstein will be screened on Jan. 12 at Pecherska Gallery in Kyiv.

The program includes Hedgehog in the Fog (1975) awarded best animated movie ever on animation festival in Tokyo in 2003, Tale of Tales (1979) awarded best animated movie ever in 1984, The Fox and the Hare (1973), The Heron and the Crane (1974), and The Battle of Kerzhenets (1971).

Soviet Shorts. Jan. 12. Pecherska Gallery (9 Lavrska St.). 4

Hobot & Co. (rockabilly). Art Club

Acoustic Set by Kostya (5 Vymir).

### Theaters

Anna Karenina (drama). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 40-70 4

**Torchalov** (premiere). Theater. 7 p.m. Hr 50-90 8

My Fair Lady (musical based on George Bernard Shaw's Pygmalion). Operetta Theater. 7 p.m. Hr 50-100 9

### **Miscellaneous**

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids

Christmas And New Year Holidays At Hutsulshchyna (photo exhibition). Ivan Honchar Museum. 10 a.m. - 5:30 p.m. Free 🜖

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. – 7 p.m. Hr 110-350 🚱

### Friday, Jan.18

### Classical music

Christmas Evening in Baroque-Style. Works of Bach, Buxtehude, Pachelbel, Daken (organ). House of Organ Music. 7:30 p.m. Hr 30-100 2

### Movies

The Hobbit: An Unexpected Journey 3D (fantasy). Kyiv. 4 p.m. Hr 40-50 2

### Live music

Motor'rola Chumaki & Mama Mia (rock, Italian disco), Docker Pub. 10 p.m. Hr 75 🕕

Ot Vinta & Red Rocks (rock hits). Docker's ABC. 10 p.m. Hr 75 2

MJ Project (disco). Art Club 44. 10 p.m. Hr 50 3

Bikfordov (indie). Divan. 8 p.m. Free 4

### **Theaters**

The Marriage of Figaro (comedy). Ivan Franko Theater. 7 p.m. Hr 20-200 1 Trees Die Standing (drama). Lesya Ukrainka Theater. 7 p.m. Hr 15-120 2

Playing Chonkin (comedy). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 50-80 4

Satisfaction (based on William Shakespeare's novel 'The Merchant of Venice'). Molody Theater. 7 p.m. Hr 50-90 8

The Decameron (erotic comedy). Operetta Theater. 7 p.m. Hr 120-650 **9** 

### Miscellaneous

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids

Christmas And New Year Holidays At Hutsulshchyna (photo exhibition), Ivan Honchar Museum, 10 a.m. - 5:30 p.m. Free 📵

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. – 7 p.m. Hr 110-350 🚱

### Saturday, Jan.19

### **Classical music**

Christmas Evening in Baroque-Style. Works of Bach, Buxtehude, Handel, Soler (organ). House of Organ Music. 7:30 p.m. Hr 30-100 2

Christmas Concert. Works of Handel, Tchaikovsky, Reger, Faure, Christmas Songs. National Philharmonic. 7 p.m. Hr 40-80

### Live music

Ot Vinta & Beefeaters, Docker Pub. 10 p.m. Hr 75 1

Tabula Rasa & Crazy Train. Docker's ABC. 10 p.m. Hr 75 2

Wake Up (disco). Art Club 44. 10 p.m. Hr 50 3

Petr Kamennih & Drugie Dyadi (swing, reggae, folk). Divan. 8 p.m.

### Theaters

Mrs. Minister (comedy). Lesya Ukrainka Theater. 7 p.m. Hr 15-120 2 Opiskin, Foma (premiere). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 70-120 4

The Gypsy Baron (premiere). Operetta Theater. 7 p.m. Hr 80-150 9

Am I Crazy? (tragicomedy). New Theater On Pechersk. 7 p.m. Hr 60 @

### **Shows**

Kvartal 95. Freedom Hall. 8 p.m. Hr 800-2500 2

### Miscellaneous

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids under 7) (5

Christmas And New Year Holidays At Hutsulshchyna (photo exhibition). Ivan Honchar Museum. 10 a.m. - 5:30 p.m. Free 60

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. - 7 p.m. Hr 110-350 🚱

### Sunday, Jan.20

### Classical music

Kamerata Kviv National Ensemble Playing Strauss. Piazzolla, Vilensky, National Philharmonic. 7 p.m. Hr 45-90 1

### **Live music**

Alexander Ivanov & Partizanskie Vytivky (rock). Docker Pub. 9 p.m. Fee to be announced

Tex-Mex Company. Docker's ABC. 10 p.m. Hr 75 2

Soyuz 44 (jazz jam session). Art Club 44. 10 p.m. Free 3

Nasluhu (funk, hip hop). Divan. 8 p.m. Free 4

### **Theaters**

The Marriage (based on Nikolay Gogol's novel). Ivan Franko Theater. 7 p.m. Hr 15-150 **1** 

Too Married Taxi Driver (comedy). Lesva Ukrainka Theater. 7 p.m. Hr 20-200 2

Corsicanian (historical anecdote). Drama & Comedy Theater on the left bank of Dnipro. 7 p.m. Hr 50-80 4

Macbeth (opera), Opera Theater, 7 p.m. Hr 10-200 6

### Shows

ManSound. National Tchaikovsky Academy of Music. 4 p.m., 7 p.m. Hr 100-450 4

Aleksandr Ivanov and Rondo Band. Docker Pub. 9 p.m. Hr 300-

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### Miscellaneous

The Flowers Of The Snow Queen (flower exhibition). Spivoche Pole. 9 a.m. - 9 p.m. Hr 25 (Free for kids under 7) 📵

Christmas And New Year Holidays At Hutsulshchyna (photo exhibition). Ivan Honchar Museum. 10 a.m. - 5:30 p.m. Free 60

Human Body Exhibition. NSC Olimpiyskyi. 10 a.m. - 7 p.m. Hr

### Oleg Skrypka & Le Grand Orchestra

interpretation of traditional Ukrainian vechornytsi (celebrations featuring Ukrainian folk songs and dances).

Conducted by Oleg Skrypka, famous Ukrainian singer, leader of legendary rock band Vopli Vidopliassova Le Grand Orchestra band dressed in Ukrainian national costumes will perform folk songs, well-known pop hits and Soviet movies soundtracks in their own interpretation on Jan.12 in

Kyiv's Tolstoy Restaurant-Club.

Founded in 2004 by



Skrypka, Le Grand Orchestra has already become one of the most successful Ukrainian ethno bands. Critics often compare its style with Tom Waits orchestra and Goran Bregovic orchestra.

Oleg Skrypka & Le Grand Orchestra. Jan. 12. Tolstoy Restaurant-Club. 10 p.m. Hr 200 @

### **Addresses of venues**

Classical Music National Philharmonic of Ukraine 2 Volodymyr Uzviz St., 278-1697

filarmonia.com.ua/en ❷House of Organ Music 77 Velyka Vasylkivska St.,

organhall.kiev.ua School of Jazz and Pop Art 7-A Chelyabinska St., 517-6188

National Tchaikovsky Academy of Music 1-3/11 Horodetsky St. 279-1242 operna-nmau.kiev.ua

26 Kostyantynivska St., 205-5951 zhovten-kino.kiev.ua

elyka Vasylkivska St. (former Chervonoarmivska). 234-7381

kievkino.com.ua Kinopanorama 19 Shota Rustavelli St.,

287-3041 kinopanorama.com.ua Budynok Kino

6 Saksaganskogo St., 287-6780 O Ukraine

5 Gorodetskogo St., 2796750, 279 8232 kino-ukraina.com.ua Outdoor cinema

31 Nyzhnioyurkivska St. http://kinokombo.blogs-

! For more schedules visit kino.ukr.net/cinema/kiev/

 Docker Pub Heroyiv Dnipra, 537-1340 docker.com ua

2Docker's ΔRC abc docker com ua 3 Art Club 44 club44.com.ua

ODivan 2 Bessarabskaya Square, festrestdivan.com.ua

22 Verhniy Val St. 067-433-0433 bochka.ua

6 Route 66 87/30 Zhylyanska St. 584-3865 www.route66.com.ua Clubs

128 Borschahovska St., 277-4747

bionicaclub.com.ua 2 Seven Music Club 1G Saksahanskoho St 205-4451

se7en.com Party Room armivska), 093-815-1468

Cinema Club 1 Enthusiastov St. 295-5854

Saxon Club 4 Trutenko Onufriy St., 257-4070 saxonclub.com.ua

**6**Dorothy Pub 16/43 Saksahanskoho St., pubdorothy.com.ua

Sky Bar Velyka Vasylkivska St. (former Chervonoarmiyska), skybar.com.ua

Sullivan Room sullivanroom.kiev.ua

Forsage 51A Harmatnaya St. 406-7600 forsageclub.com.ua ©Prime Club 8 Nauky Av., 524-2209 primeclub.in.ua **⊕**Crystal Hall

288-5069 crystalhall.com.ua **@**Arena Entertainment 2A, Basseynaya St.

492-0000 arena-kiev.com/eng Mantra 4 Basseynaya St., 504-2555

mantra.di ⊕ Egoist
 124/140 Gorlovskaya St.,

223-3633 egoist-club.com.ua 115D Horkogo St., 353-7685

fiesta.im **G**Golden Gate pub. 15 Zolotovoritska St.

goldengatepubkiev.com Vegas

44 Shchorsa St. 063-772-4972 **®** Museum Le Club 221-1101

museum-club.com Allegro Hall
 Pobedy Ave., (Nivki) Park) 237-9209 067-443-4439

allegro.net.ua ② D'Lux 3 Grushevskogo St. 200-2991 dlux.com.ua

2 Club To Be First 17 Moskovskaya St 280-13-22 club-cbf.com.ua

4 Home 2 Perova Blvd., 558-2545, 383-7738 home-club.kiev.ua Green Theatre

2 Park Alley

093 5912514

1 Dneprovsky Spusk,

avalon.ua/en SXIIB Club 12 Frunze St., Thu-Sat 417-2546 myspace.com/xlibclub

7494

**ॐ** Vodka Bar Maidan Nezalezhnosti, Globus mall, 2nd line, 371-1102 vodka-bar.com.ua

3 Leontovicha St., 234-

→ TransForce 28B Moskovskvi Ave. 221-8981 SharpeiMoskovskyi Ave.

390-1712 sharpei.ua Disco Radio Hall 32 Moskovsky Av. 428-7388

**Theaters** ●Ivan Franko Ukrainian Drama Theater 3 Ivana Franka Sqr., 279-5921

ft.org.ua Lesya Ukrainka Russian Drama Theater Khmelnytskogo St., rusdram.com.ua

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Ostrich farm

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Yasnohorodka village,

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 Museum of Books and Publishing of 21, Building 9, Ivana Mazepy St. 280-7976 vuam.org.ua

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200-0760 greter-art.com Atmasfera 360 57/3, Velyka Vasylkivska

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Camera photo gallery 22 Prorizna St Olmace Plage Hydropark metro stop 232-2244

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http://www.nasha-karta.

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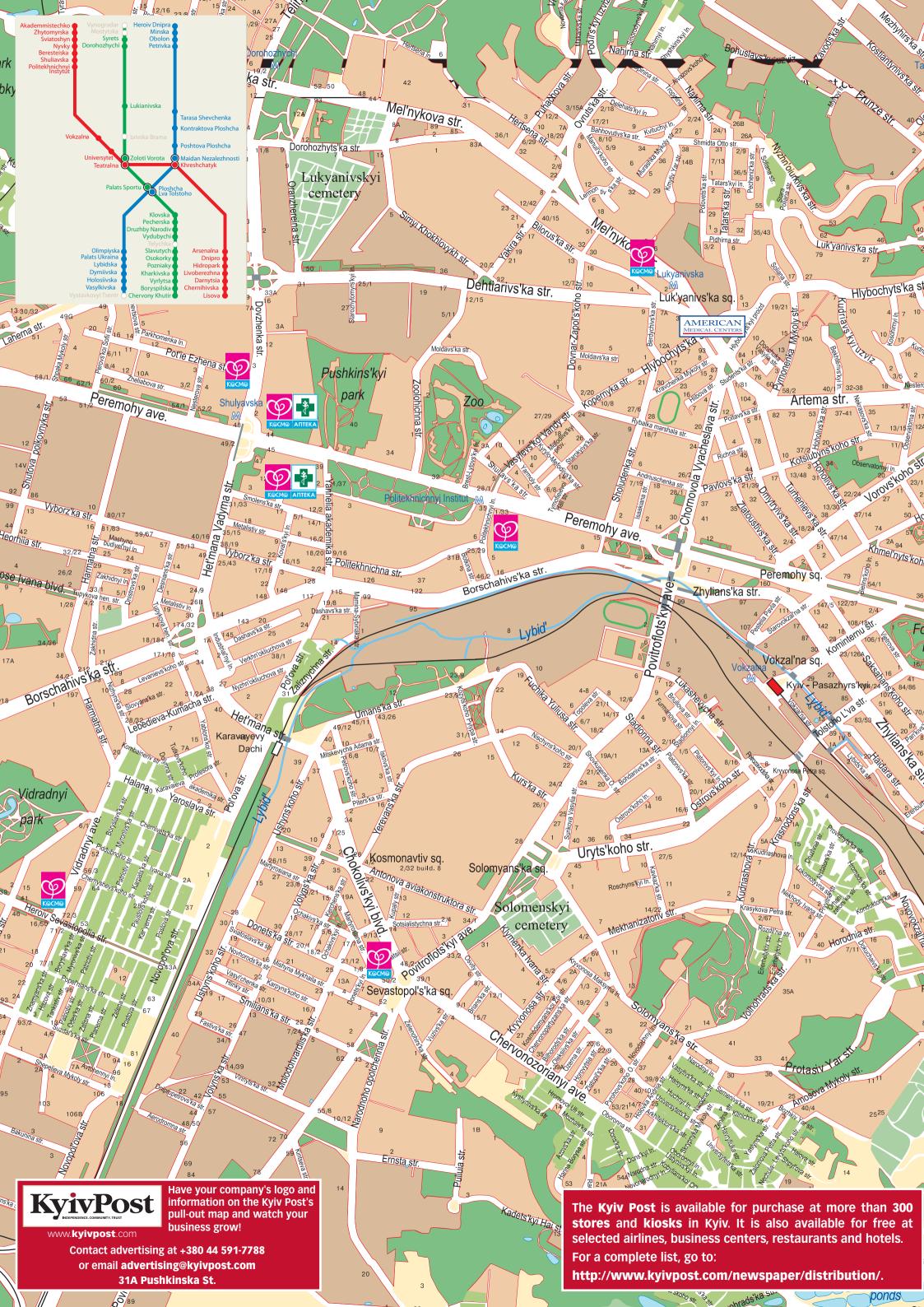
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# The dead-end 2013 Cabinet is not what Ukraine needs



President Viktor Yanukovych's resolutions for 2013 must have been to make no progress in anything, except perhaps the wellbeing of his family. If his intention is any different, then it's hard to explain the new appointments to the Cabinet of Ministers that came today.

"This is a Cabinet of stagnation," says Hlib Vyshlinsky, deputy head of GfK Ukraine, a market research company.

The Cabinet, which until now had 18 members, is changing in structure, and it's not yet clear what it will look like by the time the president's press service has finished posting his new appointments on the official website.

But that's not the biggest news. The Cabinet is now heavily dominated by representatives of "The Family," a loose grouping that is associated with Oleksandr Yanukovych, the president's older son. Predominantly, its members are from eastern Ukraine.

While not much more was expected, the appointments suggest even more clannishness of the type that will keep "The Family" firmly in control of the budget. In this grouping however, there are no clear people seen as able successfully negotiate with the International Monetary Fund, European partners and even with Russia.

The new Cabinet also has very few public figures whose political and economic views would have been open for scrutiny. The two obvious exceptions are Leonid Kozhara, who replaced Kostiantyn Gryshchenko as foreign minister and Natalia Korolevska, who has replaced Sergiy Tigipko as social policy minister.

Kozhara was the chief foreign relations expert in the Party of Regions, while Korolevska ran a losing election campaign as leader of Ukraine Forward, a populist party that pretended to be opposition and even talked about impeachment to Yanukovych ahead of the Oct. 28 election. Her party program was an amazing amalgam of populist ideas and slogans, with no particular ideology attached.

### **Cosy places for 'Family'**

One of the most noticeable trends in the new Cabinet is the strengthening of the position of Yanukovych loyalists.

Prime Minister Mykola Azarov, who is often viewed as a relatively neutral figure in Ukraine's Kremlinology, has now found himself surrounded by people who are viewed as the close circle of Oleksander Yanukovcyh in most key positions

Serhiy Arbuzov, the highest placed representative of "The Family," has moved from the Central Bank to the Cabinet as first deputy prime minister. He was considered by many as a potential candidate for prime minister after Azarov was dismissed in early December, but instead was appointed to a less prominent position.

It's not yet clear who will replace him at the National Bank, a key position in the upcoming negotiations with the IMF, with which Ukraine needs to find common ground next year. Ukraine is due to pay off more than \$10 billion in foreign debt, more than half it to the IMF itself.

The new Cabinet will also have a Ministry for Income and Duties, which will be headed by former chief tax collector Oleksandr Klymenko. It's not clear what that ministry will be like, but it will mostly likely combine the tax service and the customs service, something that has been rumored for a long time. In other words, this is the ministry that will control most of the money coming to the state budget.

The other key ministry dealing with money remains in the same hands as Yuriy Kolobov keep his job as finance minister. He is actually considered competent, but too tied in with "The Family."

Eduard Stavytskiy moved up from being ecology minister to industrial policy minister, a more powerful ministry. According to media investigations, Stavytskiy was a crucial figure in the scheme that allowed to privatize Mezhyhirya, the vast real estate north of Kyiv that now belongs to Yanukovych through a series of offshore companies.

Stavytskiy's former adviser Oleg Proskuriakov has taken his place as ecology minister. He formerly headed the State Geology Committee. Both crucial agencies for the new gas extracting businesses set up by Oleksandr Yanukovych in the past few years.

Vitaliy Zakharchenko keeps his job as interior minister, which has received additional funding in the otherwise cash-strapped 2013 budget.

### Akhmetov gets share

Rinat Akhmetov, the nation's richest man and long-time president's ally and financial backer of his Party of Regions, has improved his standing in the new Cabinet also. Igor Prasolov, former head of Systems Capital Management, Akhmetov's flagship company, and a former member of parliament, is now minister for economic development and trade.

Several officials from the eastern Ukrainian city of Dnipropetrovsk, who have also had close ties with Akhmetov, received jobs in the new Cabinet. Oleksandr Vilkul, former governor of the region, was appointed deputy prime minister. His appointment has received a mostly positive feedback from the expert community. Hennadiy Temnyk, the former deputy of Vilkul, is now minister for utilities.

Korolevska, the social policy minister who replaced Tigipko, is also considered close to Akhmetov. Her ministry controls the accounts of all social funds (including the infamous and ever-indebted Pension Fund), where every Ukrainian makes payments from their wages.

### **Other interests**

Yuriy Boyko, a representative of a different clan, the so-called RosUkrEnegro group (which includes the chief of the presidential administration Serhiy Lyovochkin, gas and chemicals tycoon Dmytro Firtash and owner of Inter TV channel Valeriy Khoroshkovskiy), has strengthened his position in the new Cabinet. Boyko moved up to become deputy prime minister from his previous position as energy minister, despite featuring in international corruption scandals recently.

Pavlo Lebedev, a former deputy from Party of Regions, with a lot of business interests in Sevastopol, Crimea, was appointed defense minister. He seems to have no experience in defense of any sort, but some analysts said he was also close to Firtash. Olena Lukash, former adviser to president and his representative in the Constitutional Court, is Minister of the Cabinet, a newly created (or, rather, restored) ministerial job. She is associated with the group of Borys Kolesnikov, a former deputy prime minister who has lost his job as deputy prime minister for infrastructure, possibly in part because of the recent failures of his pet project Hyundai trains, which have disrupted railway communication across the nation.

However, Volodymyr Kozak, former head of state railway monopoly Ukrzaliznytsia, has replaced Kolesnikov as infrastructure minister. He comes from Zaporizhya, and worked in Donetsk, and his appointment comes as a surprise, considering the recent railway failures.

Leonid Kozhara, a former Party of Regions deputy who was in charge of foreign relations, will now replace Kostyantyn Gryshchenko, whose daughter works for Boyko, as foreign minister. Gryshchenko will become a deputy prime minister, but his area of responsibility remains unclear. His appointment was also viewed as evidence of strengthening of the RosUkrEnergo group.

Dmytro Tabachnyk returns as education minister, Oleksandr Lavrynovych keeps his job as justice minister and Raisa Bogatyriova remains health minister. Mykola Prysiazhniuk also remains agriculture minister with expanded powers. Tabachnyk seems to be the only clearly pro-Russian figure in the new Cabinet, indicating that no breakthroughs are likely on that front, either.

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# Prison officials deny mother's claims of human rights abuses in detention

she was pregnant she was kept in a cell with 30 prisoners that didn't have enough beds so they had to take turns sleeping. After giving birth to Denis she was given a basement room with small windows that had mold on the walls and lacked hot water.

Only after Korneikova filed a complaint with the European Court of Human Rights through her lawyer did Denis receive a medical examination during which a number of sicknesses were revealed. He was given treatment for the ailments. Ukraine is one of the top five complainants at the European Court of Human Rights, the court's chairman Dean Spielmann recently told Deutsche Welle.

After the complaint, Viktoria and Denis were transferred to a better-equipped cell. And she was released on her recognizance in a November court hearing where she faced charges of assault. Her next court hearing is scheduled for February.

"On the day when we took him (Denis) from prison we couldn't wake him up. I told my mother, 'look how long he sleeps in the fresh air,'" Viktoria said. "Then I saw a blush on his cheeks for the first time."

Gennadiy Tokarev, Viktoria's lawyer, said the conditions she suffered are a clear human rights violation.

"No matter who is this mother, moreover her guilt hasn't been proven yet, but there's a child, who got into such circumstances, where nobody was responsible for his health and even life," Tokarev said.

After the European court demanded an explanation from Ukraine on this case, the penitentiary service, prosecution and even the Health Ministry prepared numerous responses, all stating that prison conditions were satisfactory.

"We made a special check, there is an investigation on the spot," said Igor Andrushko, spokesman of the State Penitentiary Service of Ukraine. "We received the official response saying that the actions of our personnel toward this woman prisoner were local."

Not so, says Yevhen Zakharov, head of the Kharkiv Human Rights Group.

"Doctors, the administration of the detention center – they all are lying about what happened," Zakharov said. "We need to give evidence proving that everything was the way we are saying, which is very hard to do since



Viktoria Korneikova and her baby son, Denis, in the visiting room of the Kharkiv detention center. The mother alleges that prison officials neglected her newborn's health needs. (Courtesy)

she was kept in a closed institution."

The detention center provided the European court with Korneikova's statement that living conditions were good. She, however, retracted this statement, saying prison officials forced her to write it.

Zakharov said Korneikov at least has strong evidence of mistreatment. After being checked by a pediatrician after his birth in May 2012, Denis was without medical supervision until September, which can be proven by his empty medical record for this time period.

Tokarev says that Korneikova also filed a complaint to the European court against the prison guards, who allegedly chained her hands and feet during delivery. Korneikova said she hasn't specified the compensation amount she will ask from Ukraine over this ordeal.

"Nothing would make up for the health losses of me and my child," Korneikova said, adding that due to the difficult child delivery, her vision has become impaired.

The new mother is trying to arrange for her parents to have legal guardianship over Denis in case she gets sent back to prison. She does not want her baby to be sent to a state-run orphanage. Korneikova said she also fears reprisal by detention center officials if she is imprisoned again.

She also said that her case is not unique. She said other women give birth in detention centers and suffer the same horrible living conditions. "But being in the system, they are all scared to complain," Korneikova said.

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# How to return \$80 million to Ukraine for the Boyko tower



Shock is the best word to describe my reaction to the composition of Ukraine's new government. There are many reasons for it, and one of them is because one of the new deputy prime ministers in Ukraine is possibly being investigated for embezzlement and laundering money through a state company which was under his watch as energy minister.

The activities of this state company, called Chornomornaftogaz, and its patron, deputy prime minister Yuriy Boyko, are being investigated in Latvia, a member of the European Union.

The criminal investigation, which is taking place in Latvia, deals with the purchase of an offshore drilling rig, which has now made history under the nickname of "Boyko tower." The reason for Latvia to investigate the case is because this is the nation where false owners of the fictitious firm Highway Investments Processing LLP live and work (but actually, they are homeless bums, according to various investigations).

This is the very company which sold the rig to Chornomornaftogaz, making an impressive \$150 million on the deal. And the money received in this unorthodox manner was allegedly laundered through the Latvian Trasta Komercbanka.

The state purchased the Singapore-made rig in 2011 for \$400 million through the shady intermediary, while identical ones from the supplier, Keppel Corporation, sold for only \$250 million each. Boyko, however, has denied any wrongdoing and has told journalists that the remaining \$150 million went for extra equipment.

It was Ukraine's opposition who alerted the Latvian law enforcers to the schemes that involved both Ukrainians and Latvians. We have been working for more than a year to probe this case

When the first news of the drilling rig scam came out, I was asked by imprisoned ex-Prime Minister Yulia Tymoshenko to take charge of the investigation in this case. We received copies of contracts between Chornomornaftogaz and Highway Investments Processing LLP, as well as all accompanying agreements, payment orders, packets of documents from the participants of a staged tender, and so on.

These papers raised a number of awkward questions to a whole range of officials in the oil and gas sector, and a comparison of official information with the results of journalistic investigations allowed us to see the full picture, a very ugly and, we believe, criminal one.

Unfortunately, Ukraine's general prosecutor's office, where I had send my inquiry as a parliament deputy, failed to see any signs of criminal



An offshore drilling rig known as "Boyko tower" was bought Chornomornaftogaz, a state Naftogaz subsidiary for \$400 million. Critics say it should have cost only \$250 million. (yuzhnoukrainsk.net)

activities in this drilling rig deal. We had to turn to other law enforcers, whose sights are not quite so blurred.

Unfortunately, Ukraine's general prosecutor's office, where I had send my inquiry as a parliament deputy, failed to see any signs of criminal activities in this drilling rig deal. We had to turn to other law enforcers, whose sights are not quite so blurred.

Tymoshenko, along with deputy Serhiy Vlasenko and myself, appealed to Financial Action Task Force (FATF), an inter-governmental body developing and promoting policies to combat money laundering, as well as law enforcement agencies of the countries whose residents featured in this business deal. We have received several positive responses from agencies who are studying the case within their areas of competence.

Latvia was central in this scandal, thus the nation's law enforcers have the most work to do. I have passed on our materials to the general prosecutor's office of the republic. The key unit interested in this case is the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity (the Control Service).

Its experts have studied all my documents carefully, and decided to give the green light to a formal investigation. The service sent the materials on to the interior ministry, the state police and the criminal police department to "decide on criminal proceedings under the Criminal Law section 195 part 3 (laundering of criminally acquired financial resources on large scale)," according to

a letter sent to me by Head of the Control Service Viesturs Burkans in April.

Soon the criminal police department, which is a part of the state police in Latvia, started a criminal case and investigative procedures, in which I also took park. Also, the police arrested the account of Highway Investments Processing LLP in Trasta Komercbanka, where money for the drilling tower was transferred. This objective investigation is something I would like to thank the Latvian government, general prosecutor and control service for.

The connection between Trasta Komercbanka and the group here in Ukraine that is usually called the RosUkrEnergo group has been investigated by journalists in Ukraine. Boyko, who as energy minister oversaw Chornomornaftogaz, is a part of it

Although the Latvian police has not released the names of the Ukrainians featuring in the investigation, it's clear that top managers of the energy ministry, state company Naftogaz Ukrainy and its daughter company Chornomornaftogas are a part of it

According to an agreement between Ukraine and Latvia on legal assistance, these people will soon have to be questioned by the Latvian investigators, and Ukraine's general prosecutor's office has to ensure that it happens, despite its potential unwillingness to do it.

The question now is whether the government and its pet prosecutors will ignore the laws and all international obligations. But they have too long ignored internal laws, the ruling of European Court for Human Rights, and the opinion of the international community (the Tymoshenko jailing is the case in point).

The probability of such a development increases now, when the government loses out on the European integration front and increasingly looks towards the east. And, in any case, my communication with Latvian investigators has given me enough evidence that Ukraine's prosecutors are not exactly rushing to cooperate.

Of course, having no opportunity to question the high ranking Ukrainian participants, the investigators will be limited in what they can do. However, even in those circumstances the Latvians will be able to follow up on some leads, in particular, follow the trail of money from the arrested account of Highway Investments Processing LLP.

However, in any case, the prospects of Ukraine's commen are not so bright. Even if our own prosecutors fail to cooperate, these people will end up under a sort of a house arrest: as soon as any one of them attempts to leave the country (particularly going west), they will be called in for questioning with local prosecutors, who will be more willing to cooperate with the Latvian colleagues.

So, even now we can assume that the group of Ukrainian officials involved in the scam with the Boyko towers, will be restricted in their ability to travel to the European Union.

Another important aspect of the story with the arrest of the account is the prospects of returning to Ukraine more than half the money, or more than \$80 million, which is 20 percent of the contracted cost of the drilling equipment.

The pre-payment of 80 percent was transferred earlier, which is proved by the copies of payment orders that I have. The rest, according to the contract and the additional agreement, would have to be paid by Chornomornaftogaz after the signing of the acceptance protocol for the rig. But before that happened, the account of Highway Investments Processing LLP was arrested.

That's why the Ukrainian government and law enforcers, as well as the president, who happens to be the head of the National Committee for Fighting Corruption, should be developing a mechanism for returning the arrested money to the state budget of Ukraine.

When launching an investigation into the deal involving Chornomornaftogaz, we meant to not only expose it, but return to Ukraine at least a little of what was taken. I have to say that we remain optimistic about this goal after communicating with the Latvian side.

The textbook case of the Boyko tower, will hopefully end with the victory of good over evil. This will happen because in the modern world bank transfers do not just vanish from records without a trace, and because no political regime remains forever.

Ostap Semerak is a former parliament deputy and a member of the United Opposition Batkivshchyna bloc

### New government sign of Yanukovych weakness



On Christmas Eve, Ukraine's President Viktor Yanukovych finally appointed a new government after the parliamentary elections on Oct. 28. Essentially, this government consists of only two oligarchic clans, the Yanukovych family and Rinat Akhmetov, Ukraine's richest man. It appears even less likely than the previous government to govern, to ease Ukraine's international isolation and to improve Ukraine's financial situation.

This delay of almost two months indicates

his problem in appointing a new government. Moreover, two of the 23 cabinet posts were left vacant. Yet, rather than reaching out, Yanukovych has further narrowed his already so slim power base.

The government formation can best be explained in terms of clan competition. The Yanukovych family clan made a significant gain from five to nine cabinet members out of a total of 21, but the big winner was Rinat Akhmetov, who jumped from two to six ministers. Everyone else was marginalized.

Two loyalists of gas trader Dmytro Firtash stayed in the government, but they were kicked upstairs as deputy prime ministers (former Minister of Energy Yuri Boiko and former Foreign Minister Kostyantyn Hryshchenko), while three relatively independent loyalists of Yanukovych

stayed on (Prime Minister Mykola Azarov, Justice Minister Oleksandr Lavrynovych and Education Minister Dmytro Tabachnyk).

Before the October elections it was widely rumored by the young friends of businessman Oleksandr Yanukovych, the president's older son, that they would take over the government. Chairman of the National Bank of Ukraine Serhiy Arbuzov would become prime minister and Interior Minister Vitaliy Zakharchenko presidential chief of staff, but neither of them achieved what they wanted.

Admittedly, Arbuzov became first deputy prime minister, which is naturally interpreted as him being the crown prince. But the two most recent first deputy prime ministers (Andriy Klyuev and Valery Khoroshkovskiy) lost out from that senior but ultimately powerless position. Zakharchenko

staved interior minister. Finance Minister Yuriv Kolobov and Agriculture Minister Mykola Prysyazhniuk also retained their jobs, while former Minister of Ecology Eduard Stavitskiy advanced to minister of energy and Aleksandr Klimenko, head of the state tax administration was promoted on his post to become Minister of Revenues and Duties. Thus Yanukovych keeps his control over finance and agriculture, while expanding into energy. Similarly, Yanuovych keeps direct control over the Interior Ministry. the Defense Ministry, even if he switched minister of defense, and the security services. He also appointed his loyalists to foreign minister, Leonid Kozhara (who like Hryshchenko is a career diplomat), and Olena Lukash as his minister of the Cabinet administration.

The big change was the reinforcement  $\rightarrow$  17

# Back Story: Where is Genghis Khan when we need him?



Ukraine needs a modern-day Genghis Khan. For all of his bad publicity over the ages, the fellow was a game-changer.

I am not referring to his reputation as a world-class plunderer, but as a revolutionary and rather civic-minded leader who brought together the disparate tribes of the Mongolian steppe, promoted freedom of religion, modernized warfare, and, relatively speaking, was decent to the conquered.

Oh, sure, he slaughtered the leaders of the vanquished, but generally disbelieved in slavery and had boundaries when it came to women and children. He assimilated the conquered into his own tribal families, thereby creating loyalty and a close-knit government group. He ran a tight, efficient ship.

Were he alive today, I don't think Genghis Khan would need an International Monetary Fund bailout. He would have one of the most promising countries - one blessed with natural resources and well-educated people - humming along, to the envy of Ukraine's neighbors.

I have often felt the great Khan of the 12th century got a bad public relations rap, partly because his name sounded so fearful - unlike another Turkic/Mongol, Tamerlane (Timur the Lame), who had this musical sounding handle but was one mean invader.

I realize this assessment is subjective. After all, both these guys started life by killing their older brothers, which most child psychologists would say is not a

A few months ago, I wrote a column based on fable in which Ukraine's President Viktor Yanukovych had an epiphany. While touring the grounds of his palatial mansion, he heard a voice which he at first attributed to his dog, Sparky. It said ephemerally, "You don't need all this."

With such a sign, Yanukovych did a double-somersault and became, in essence, the founder of modern Ukraine. His good deeds were so remarkable the people tore down the Defender of the Motherland statue and one resembling Ukraine's fourth president was erected.

Yanukovych became a modern day George Washington, minus the bad teeth and powdered wig.

In this wacky fable, Yanukovych released former prime minister, Yulia Tymoshenko from prison, saying that while she's probably guilty of something, no one should go to jail for making a bad deal with the Russians.

# He killed, but he also was a great visionary leader

He closed the deal on the European Union, but backed away from a NATO agreement

I received a lot of comments on that column, most derisively dismissing it and me as a dreamer who was obviously under the influence of a legal beverage or, perhaps, illegal weed. My only point was the first honest president of Ukraine who wants to leave a legacy for his grandchildren will be revered by history.

Perhaps my belief is based on the fact that I am 67 years old, been through several careers and even a little money, and am quite satisfied with the fate that I will never own a Bentley or anything more elegant than my five-year-old Toyota Prada. Ok, perhaps a little Pollyanna also, but I enjoy my illusions.

In that column, I made the fanciful assumption that a legacy carries with it more riches than any official can steal, and that Ukraine's sorry leadership to date had placed the bar so low that a reasonably honest fellow could jump over it from a flat-footed standstill while in heavy combat boots.

But it takes a certain type of leader for this: The howling crowd suggested that I was nuts (a debatable assumption) because Ukraine's history did not lend itself to this sort of leadership metamorphosis. After 70 years of communism, the chatter was that it was simply not possible.

Bull pucky. That's probably the same line on Genghis from tribal naysayers. It simply takes someone with a big idea who wants to do the right thing - for his children, his grandchildren, for Ukraine and for his place in this country's long and storied history.

It takes a visionary like Egypt's late Anwar Sadat, who said, yes, I can bring Israel and the Arabs together at least for a short time with the Middle East Peace Accords. It takes a Hannibal who says, hell yeah, I can cross the Alps and take on the Romans on their own territory - with elephants.

It takes a Martin Luther King who says, "I have a dream."

It takes a Genghis Khan

It takes a real leader.

Kyiv Post CEO Michael Willard can be reached at willard@kyivpost.com.



### Aslund: New Cabinet lacks competence, political base to solve Ukraine's problems

 $\rightarrow$ **16** of Akhmetov's representation in the cabinet. Previously, he had only two loyalists in the cabinet, deputy prime ministers Borys Kolesnikov and Raisa Bohatyreva. Kolesnikov departs, while Bohatyreva stays as minister of

But Akhmetov's people march into the government taking over five economic posts. Dnepropetrovsk Governor Oleksandr Vilkul took Kolesnikov's job as deputy prime minister for infrastructure. His deputy Hennadiy Temnyk became minister of regional development, housing and utilities. Akhmetov's former CEO Ihor Prasolov became became economic and trade minister, and the head of the state railways Volodymyr Kozak became infrastructure minister. Finally, Natalia Korolevska, who headed a fake opposition party in the elections that failed, became social policy minister.

This government formation does not bode well for the president. It faces three big tasks: to govern, to break Ukraine's foreign isolation and to salvage the country from a vulnerable financial situation. There is little reason to believe that it can solve any of these three tasks

First, this is a government of only two oligarchic clans, the Yanukovych family and Akhmetov. It could have reached out to three other clans -Klyuev, Firtash and the Communist Party, whose support Yanukovych needs for a parliamentary majority.

To judge from the government for mation, Klyuev and the Communists have obtained nothing, while the Firtash faction remains in marginal posts.

Former heavyweight ministers with a standing of their own have departed. seemingly at their own will: Deputy Prime Minister Serhiy Tyhypko, Economy Minister Petro Poroshenko and Emergency Situations Minister Viktor Baloha.

At present, Yanukovych's Regions Party has only 208 seats out of 450 in the parliament. With this government formation he has not broadened but narrowed his power base. The questions are whether he will be able to hold a majority in parliament and whether this government can govern.

Second, there is no reason to believe that this government will have any greater success in breaking its isolation in foreign policy.

The European Union will continue to demand that Yanukovych release former Prime Minister Yuliya Tymoshenko, and this seems to be what the president is least keen on

Russian President Vladimir Putin demands that Ukraine joins the Customs Union for any significant cooperation, but the main loser from the Customs Union, which would block a free trade agreement with the EU, is Akhmetov.

The IMF will demand not only substantial gas price increases and a freer foreign exchange policy, which Arbuzov has opposed more than anybody else. It does not help that hardly anybody but Gryshchenko and Kozhara speak English in the new government, fewer than in the old government with internationally respected personalities such as Poroshenko and Khoroshkovskiy. Thus, this government is likely to dig itself into an even deeper international hole than the previous one

Finally, this government is unlikely to do anything to improve Ukraine's financial situation. The possibly most harmful policy pursued has been the draft law on a foreign exchange tax of first 15 percent and later 10 percent that Arbuzov pushed so hard. Fortunately, Azarov has so far blocked it.

Arbuzov has also severely aggravated Ukraine's already excessive currency regulation and maintained an over-valued exchange rate of the hryvnia so that everybody expects a devaluation of at least 10 percent in 2013, but it can become much more because the currency market has been drained by the regulatory policies of the National Bank. If steel and coal prices continue to be low, Ukraine can face a serious financial crisis, essentially caused by incompetent economic policy.

This government formation is quite perplexing. With its narrow base and limited competence, it is likely to weaken the president's standing both in the parliament and in Ukrainian politics at large. Has Yanukovych overestimated the strength of his hand, or have other political forces concluded that they had better stay away from him and his government? Regardless which is the case, this government appointment is a sign of the increasing weakness of the Yanukovych presidency.

Anders Aslund is a senior fellow at the Peterson Institute for International Economics and author of "How Ukraine Became a Market Economy and

### Kravets: Many Ukrainians just don't want to work

 $\rightarrow$  5 future. So if they could afford it, they wouldn't work at all.

Another explanation is that nowa-

days some Ukrainians are simply lazy. When his father died, Oleksandr from Kyiv inherited an apartment near the center of the capital. It has been rented for years and currently helps his family to pay the bills. During the 29-year-old's life, Oleksandr has worked for about three or four years. He lives with his wife, two daughters and his mother – a pensioner – who works full-time and brings the rest of the family income. Indeed, he's a good example of being lazy.

A survey made by the Institute for Demography and Social Studies of The National Academy of Sciences of Ukraine in late 2009 showed that even those who work have little or no intentions of working hard.

According to its results, only 11 percent of Ukrainians from 30 to 49 years old who had any kind of job were willing to find additional part-time job. The rest of the people didn't want to increase their incomes even though the survey was taken in the middle of the crisis, when salaries were cut across all industries and regions.

Ukrainians are fed up to the teeth with poor local-style management practices and inadequate business owners and their families. They are dreaming about their own businesses. According to a poll made last summer among 700 registered users of hh.ua online recruitment agency, 82 percent of Ukrainians have been thinking about running their own business. Almost 67 percent are attracted to the idea of owning a business. However, only 15 percent of those who have been thinking about becoming business owners have actually tried to start them. Ukrainians don't like to be managed, but can't manage to become their own bosses.

Oleksandr is willing to start a business as well. He's dreaming about opening a small food shop, but reluctant to act.

"I want to earn good money, buy a good car and a house in Crimea. But all these circumstances are against me," he explains. He would probably succeed if someone did the start-up for him and left him to manage it, since

he's really smart and educated. But, unfortunately for Oleksandr, this is not the way that life works.

As the old saying goes, you can lead a horse to water, but you can't make it drink. Regarding Oleksandr and many others like him, a man can have all the opportunities in the world, but you can't make him use them. So Oleksandr prefers to be an apathetic human being and a henpecked husband.

What life could be better for him? Andriy Kravets is a freelance writer

Kyiv gets an oldfashioned barber

 $\rightarrow$ 20



Play | Food | Entertainment | Sports | Culture | Music | Movies | Art | Community Events

**January 11, 2013** 

www.kyivpost.com



### BY ANASTASIA FORINA

In Ukraine, January is a month of celebrations. After the New Year and Christmas holidays, the old New Year is coming up on Jan. 14. The New Year was marked on this day in Ukraine in accordance with the Julian calendar, until the Gregorian one was officially implemented in 1918 – more than 300 years after others adopted it.

While the holiday time has changed, the tradition remains. These days a lot of Ukrainian cities are hosting festivals for any taste and budget. The Kyiv Post found these five events for those seeking to spend another holiday weekend in a cheerful atmosphere.

### **Rock-Kolyada Music** Festival in Lviv (Jan.13)

The ancient Ukrainian traditions with modern flavor are what Rock-Kolyada (carol) Music Festival has been featuring every year on Jan. 13 in Lviv since 2009. This year, Ukrainian ethnic rock bands DrymbaDaDzyga and Astarta from Kyiv, KoraLLi from Ivano-Frankivsk and Yorvi Klots from Lviv are expected to perform Ukrainian carols in their own modern ethnic rock-style interpretation.

### Rock-Kolyada festival (Lviv)

8 Shevchenko Ave.

Hr 100, Hr 90 (if reserved in advance), Hr 400 (\$50) Kyiv-Lviv return ticket (train) For reservations call (0322) 236-7069 http://rockkolyada.org/

### **Red Wine Festival in** Mukachevo for lovers of good wine (Jan.12-14)

More than 200 Ukrainian grape growers are expected to participate in the annual Red Wine Festival traditionally held in Mukachevo (Zakarpatska Oblast) between Jan. 12 and 14. A special jury and taste panel will be choosing the best wines. Guests of the event will have a chance to try and, of course, buy the wine. Several concerts featuring modern Ukrainian rock bands Without Limits and Roch-H as well as theatrical performances by carolers are also in the fastival program.

### **Red Wine Festival (Mukachevo)**

City center (between Peace square and central library building)

For concert venues and more information about the festival go to http://www. mukachevo.net

10 a.m. - 9.30 p.m., 10 a.m. - 6 p.m. (Sunday)

Free, Hr 400 Kyiv-Mukachevo return

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WITH OLGA RUDENKO

# New 'Anna Karenina' is delicate to classic

Going to the theatre to watch "Anna Karenina," I was skeptical about it. I carried with me a bad impression from another collaboration by director Joe Wright and actress Keira Knightley, "Pride and Prejudice" from 2005.

However, the British team turned out to be much more delicate with the Russian classic novel by Leo Tolstoy than it was with Jane Austen's piece.

Published in Russia in 1878, "Anna Karenina" is mostly known as a tragic story of a married noblewoman who leaves her husband for a lover, and later, devastated by jealousy, throws herself under the train. Beyond that, the novel is a huge study of the Russian mentality and culture, although Wright's screening focuses on Anna's story only, leaving other storylines behind.

Wright's movie makes the story as unnatural as possible, and does that on purpose. All the action takes place in what looks like an old classic theatre, small and lavishly decorated. Its stage, backstage and parterre all become filming locations. This is an unexpected, but brilliant multitask metaphor. In the beginning of the novel, Karenina is shown on the stage or in the parterre of the theatre, but at the end, when she comes close to suicide, she goes to the scaffold above the stage, looking down at people.

Anna is played by Keira Knightley, 27, whose unusual face was proved multiple times to fit in costume dramas perfectly. And what is more important, Knightley now controls her expressions and they are not too emotional, as they used to be in "Pride and Prejudice," where the actress played Elizabeth Bennet.

Knightley is at least the 28th actress to play Karenina in a screen version of a novel, while huge line of her predecessors includes Vivienne Leigh and Greta Garbo. Knightley's Anna is tender, passionate and desperate, very close to Tolstoy's original character.

Actually, the whole movie is surprisingly close to the text of the novel. Changes by British playwright Tom Stoppard, simplify and shorten the story, but don't really change it much.

The biggest change is probably the reduction of Konstantin Levin's role in the movie. While Tolstoy made Levin, a young esquire, as important as Anna herself, presumably using him as a mouthpiece for his own views and  $\rightarrow$  21

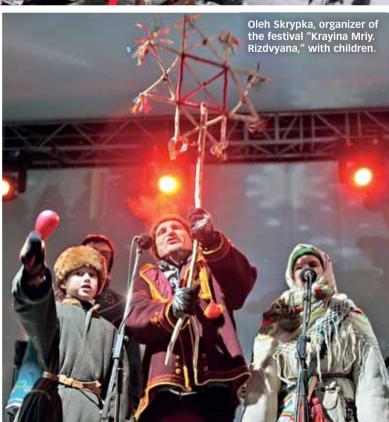


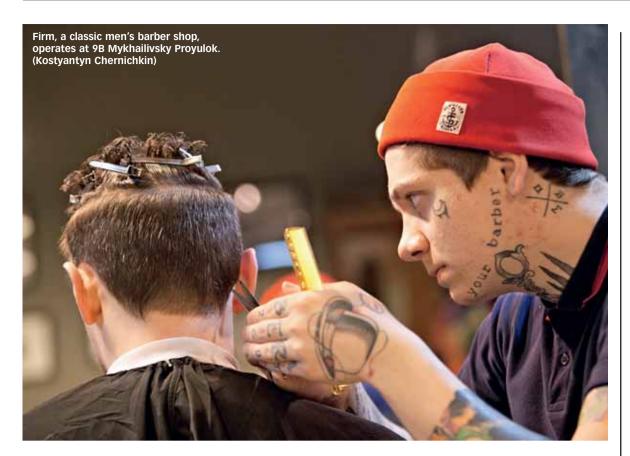


The two-day winter festival "Krayina Mriy Rizdvyana 2013" (Dreamland-Christmas version) is organized by singer Oleh Skrypka. The Jan. 7-8 event takes place at Kyiv's Mamaeva Sloboda, an outdoor ethnic museum designed as a traditional Cossack village. The Vertep (Christmas play) performance includes folk music, cossack dancing, workshops in traditional crafts, entertainment for children and adults and food prepared outdoors to create a Christmas atmosphere amid the chill. (Photos by Ganna Bernyk)









# Shave, haircut for Hr 100 at old-fashioned barber shop

BY DENIS RAFALSKY

RAFALSKY@KYIVPOST.COM

This is no place for women. Strictly speaking, they can come in if they want, but they won't be served. But they can watch their men get a classic hair cut in this American-style barber shop, called Firm, which recently opened on 9-B Mykhailivskiy Provulok.

Located in the basement of a century-old house, Firm has a pleasant and warm feel to it, partly created by oak paneling. A big comfy sofa beckons one to slouch while waiting your turn. Popular American magazines and complimentary adult beverages like whiskey and beer help to kill time.

Firm is hoping to be more than just a place for a classic hair cut and a shave. It wants to be a cool hangout spot, a contemporary male haunt.

Anton Maksakov, owner of Firm, is sure that his new barbershop will lure men with its friendly, fun and classy

"In Kyiv, there are no available men's [places]. No club or just a nook where a guy seeking escape from his wife or girlfriend can sit alone, collect his thoughts. And have a quality haircut, of course!" says Maksakov, a 32-year-old owner of an advertising agency. Along with colleague Borys Zelenkevych, he 100. The owner feels that the price is decided to fill the niche.

There used to be a time when there were plenty of such places in Kyiv. In czarist times, barbershops or tsyryulni were common. There is even a monument in Kyiv to remind us of that. Perhaps, the most famous fictional barber is Svyryd Golokhvastov, who stands on his bronze knee on Andriyivskiy Uzviz, holding the hand of his fiance. They are characters of Mykhailo Starytsky's famous play called "Chasing two hares."

In the Soviet Union, barber shops disappeared and gave way to unisex hair salons. So, in a way, Firm is reviving an old tradition.

If a man needs a manicure, pedicure or piercing, this is not the place to come. It's haircut, or shave, or to fraternize with the barber and friends and chew the fat – and the customers seem to like the options, says Maksakov.

"There are chaps we have become feels this is very European. friends with. For them, visiting the barbershop becomes a habit. Being regular customers, they can drop in for a good chat over a cup of tea," Maksakov savs.

Cuts are not cheap, starting from Hr 100. A beard or moustache trim, or a shave with a straight razor is also Hr justifiable because the service the shop offers is so far exclusive in Kyiv.

Maksakov, is the only investor in the company, and does not disclose figures. He says he read a lot about the business before starting it, and found little

So far, the flow of customers is unpredictable. The two barbers that were initially supposed to work on different shifts, sometimes have to come in together. Other times, even one sits idle.

However, Maksakov is not put off and plans to open a men's accessories and cosmetics shop in Firm. It will become another proof of Firm's masculinity: no unisex items and fragrances will be on sale, it's real men's

Little finishing touches also are coming soon: shelves will be installed to store the razors and beer mugs of regular customers, for example. Maksakov

"It's very important that our tomer feels that Kyiv is a European city, that there is a place where he has a clear feeling that he is in Europe. We propagandize the European essence of Kyiv," he says.

Kyiv Post staff writer Denis Rafalsky can be reached at rafalsky@kyivpost.com

### In Ukraine, New Year's celebrations last through Jan. 14

### →18 Malanka Ethnographic Festival in Chernivtsi (Jan.13-14)

Malanka Ethnographic Festival will take place in a small town of Vashkivtsi in Chernivetska Oblast on Jan. 13-14. It is traditionally held on the Old New Year's Eve. The holiday got its name after the Roman Saint Malania whose day is celebrated on

Dressed up male residents of the town will perform in a colorful theatrical show featuring the main characters Malania and Vasyl (Ukrainians mark the Day of Saint Vasyl on Jan. 14) as well as pirates, police officers, firefighters and even some politicians.

They will sing carols, greet the guests and residents of the town and put on comic performances. The celebrations will start at 8 p.m. and run through the night. Early morning the participants of the festival will go to the local river to send the scarecrow to the bottom that symbolizes the old year gone.

### Malanka Ethnographic Festival (Vashkivtsi)

8 p.m.

Free, Hr 360 Kyiv-Chernivtsi return

To get to Vashkivtsi take Chernivtsi-Vyzhnytsia intercity train No.0952 (around Hr 15), it's just an hour trip from Chernivtsi

http://www.vashkivtsi.com/malanka Ukraine's biggest Malanka fest will take place in Chernivtsi on Jan.15 involving more than 600 participants from Chernivtsi as well as neighboring regions and countries. For more information go to http://malankafest.

### **International Jazz** Festival in Cherkasy (Jan.11-13)

Three days of jazz await the visitors of the 25th International Jazz festival happening in Cherkasy between Jan.11

and 13 in the Musical and Dramatic Theatre of Taras Shenchenko.

This year the line up includes Afro Free band from Poland, POZitive Orchestra from Russia, Cherkasy Jazz Quintet, Fusion Trio and many others from Ukraine. The concerts start at 6 p.m. and end with jam sessions held in Hosudar restaurant.

The visitors will also have chance to enjoy the jazz photos by Ukrainian photographer Fedir Lazarenko on display in the theatre.

### **Cherkasy Jazz Days**

Cherkasy Musical and Dramatic Theatre of Taras Shevchenko 234 Shevchenko Blvd.

6 p.m. Hr 30, Hr 160 Kyiv-Cherkasy return ticket (bus)

http://www.rada.cherkassy.ua/

### **Old New Year** celebrations in Kyiyska Rus Park (Jan.12-13)

For those who will stay in Kyiv celebrations in Kyivska Rus Park is a good opportunity to spend the coming holiday weekend.

The visitors will have chance to go for a sleigh ride on a horsed sledge, enjoy theatrical shows performed by park's horse theatre and visit the Father Frost residence.

Moreover, mass lie in the snow flash mob will be held and the guests of the park will be offered to compete in making the biggest snow ball.

### **Old New Year celebrations**

Kvivska Rus Park

Kopachiv village, Kyiv Oblast

1 p.m.

Hr 80, free for kids under 16

Marshrutkas will be taking people to the festival grounds every two hours from Vydubychi metro stop (Hr 20). The first one departs at 10 a.m.

www.parkvivrus.com

Kyiv Post staff writer Anastasia Forina can be reached at forina@kyiv-

**KyivPost** 



Residents of Krasnosilsk in Chernivetska Oblast celebrate Malanka holiday on Jan.13, 2012. This year, Malanka Ethnographic Festival is happening in Vashkivtsi in Chernivetska Oblast on Jan.13-14 in western Ukraine. (Evheniv Maloletka)





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during the gala concert after national



Natalia Popova wins the gold at the home championship and will represent Ukraine at

the European figure skating championships in 2013 in Zagreb.





# Film Critic: This movie offers a refreshing take on Anna Karenina

→ **18** discourses, in Wright's movie he and his sweet love story only serves as a contrasting background for Karenina's passionate affair.

And passionate it was. The movie's special treat is original soundtrack written by Dario Marianelli, an Academy Awardwinning composer. His intense and sensual music adds even more theatricality to the affair of Karenina and Count Vronsky.

No sign of miscasting can be found in the movie. Domhnall Gleeson is natural in the role of young and confused Levin, and his past as Bill Weasley in Harry Potter series doesn't strike the

The actor choice for the Vronsky part was quite risky. Aaron Taylor-Johnson, 22, is mostly known for his main role in the "Kick-Ass" comedy. He did well with a hard task of persuading everyone that Anna could be attracted to him while being married to Jude Law - that's who plays Alexey Karenin. Also it might be hard for fans to see Law as an unattractive and boring middle-aged man, he did well making viewers think that's what he is as Karenin.

Kyiv Post staff writer Olga Rudenko can be reached at rudenko@kyivpost.







Pact is seeking qualified candidates for the position of GRANTS OFFICER for the five-year USAID-funded project "Improving HIV/AI (MARPs) in Ukraine".

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  Knowledge and practical skills in program 1C 8.2
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- A minimum of 3 years working experience in accountancy, preferably in European companies

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E-mail: hoc.kyiv@mea.gov.in and India@indianembassy.org.ua

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The successful candidate will have a minimum of 7 years in a similar position working with international organizations or donors, will be fluent in Ukrainian and English, will be result-oriented, self-motivated and able to work independently.

Please send your CV and a cover letter to comm@pravovakrayina.org.ua. Deadline for submission of applications is January 24, 2013. Only successful candidates will be contacted.



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