30th Anniversary of Ukraine's Independence: State of Politics and Economy

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The political, economic and social life of Ukraine has undergone significant changes over the past 30 years. Russian and foreign experts often have different opinions about the impact of these changes on the republic and its inhabitants. The authors of the working paper paid particular attention to the main aspects of state life and identified the main trends in the development of Ukraine during the years of its independence.

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Foreword

Efim Pivovar

It has already been 30 years since the entire post-Soviet space came to see new states on the political map. If one assesses this period of their political and economic history, social and humanitarian development as a whole, it should be noted that the events of the past thirty years obviously stand out in terms of their drama, intensity, polarization of public opinion, nature of diverging political processes in particular regions as well as given the open armed hostilities that broke out in the southeast of Ukraine. This is true, even if one compares them with the far from favorable political and economic realities of many neighboring post-Soviet states.

For a long time, the political, economic and social life of the Ukrainian society, the country's political elites and oligarchic clans have been in the focus of the Russian expert community, and our working paper is no different in this respect. However, this study has both common features for such publications, and certain characteristics, which should also be mentioned separately.

Certainly, there is no unanimity among Russian experts in their assessments of certain phenomena and events that have taken place in Ukraine over the past 30 years, while this is hardly possible. The reader will easily be convinced of this when reading the chapters of the working paper. At the same time, RIAC's authors paid their attention to a number of critical areas of public life in Ukraine, which makes it possible to outline the picture in general terms, since they have identified a number of key subjects for understanding the current situation.

A special focus is given to the various areas of independent Ukraine's foreign policy in the first two chapters of the publication. The foreign policy paradigm of Ukraine is primarily to be considered, although V. Mironenko, one of the authors, concedes that some experts question whether such a paradigm, in fact, exists, arguing that the country operates with foreign policy strategies of other states and is "controlled from the outside."

The contributor highlights several stages in the formation of the foreign policy paradigm of the modern Ukraine, paying special attention to the period following 2014. At the same time, he believes—although this, in our opinion, is not indisputable—that Ukraine managed to avoid obvious failures, even if its foreign policy debut was not a triumph.

The focus of the article by E. Chimiris is the so-called European idea, which is one of the foreign policy vectors of independent Ukraine. In our opinion, the author rightly emphasizes that "the tragedy of Ukraine lies in the deepening of the existing split that occurred due to an attempt to coin a single national idea for regions that are very different in socio-cultural terms." These discrepancies and conflicts have not yet been overcome, and it was the European idea that was usurped by the radical part of Ukrainian society to be exploited by the Ukrainian elites for their own purposes, primarily to promote Euro-Atlantic integration, including the country's unconditional and decisive membership in the European Union and

NATO without regard to any conditions and circumstances. The current political situation in Ukraine in the context of "its aspirations for Europe" has not become uniting for the entire population of the country.

A. Gushchin's article deals with Ukraine's domestic policy and the peculiarities of the electoral processes in the country. The author notes that "year 2019 was largely a milestone in the modern history of Ukraine." He explores the critical features of the evolution of the political party system of the state in the 1990s and 2000s as well as the characteristics of the domestic situation after the Euromaidan of 2014.

The 2019 presidential elections in Ukraine demonstrated, on the one hand, a sharp weakening of the confidence of the Ukrainian society in the authorities, and, in effect, showed a protest vote, and on the other hand, reflected a more active participation of the youth electorate in the campaign. Alexander Gushchin provides specific data confirming this conclusion. When describing the results of the 2019 parliamentary elections, he acknowledges that a parliamentary majority of the ruling Servant of the People (Sluha narodu) party has formed—for the first time in Ukraine's modern history. Besides, summing up the outcome of local elections, A. Gushchin is correct to note that the "main winners" are "the regional elites and their political projects."

The decentralization and public administration reform is important for further development of events in Ukraine at the regional level. This is the subject of the article penned by D. Bogatyrev. He describes two aspects of the reform, namely budgetary decentralization and administrative-territorial transformations, which resulted in the creation of new regional management units, the so-called the united territorial communities (UTCs).

With budgetary decentralization, sources of revenue for local budgets were increased. However, a clear minority among the newly formed administrative units as of 2020 are self-sufficient in terms of filling the budget, and most of them remain subsidized.

In this regard, the author stresses that the united territorial communities, which own 2 million hectares of government-owned farmland under the new edition of the Land Code, will be able to actively start selling a significant share of these lands to replenish the budget, given its underfunding.

The next chapter of the working paper, written by Alexander Levchenkov, is devoted to the historical policy of modern Ukraine. The author correctly emphasizes that "the historical policy of Ukraine has never been the subject of such influence and fierce discussions in the Russian expert community as in the post-Euromaidan period."

At first, V. Zelensky's rise to power was attributed to hopes for positive changes in foreign and domestic policy as well as to the socio-political discourse at large—hence, to the historical policy of Ukraine. However, no such changes have occurred. On the contrary, a complete denial of the positive things in the common past of Ukrainians and Russians has begun even under P. Poroshenko, and

the trend is gaining momentum as the project of "Ukraine as Anti-Russia" is implemented.

The problems of the historical policy of modern Ukraine are closely connected with the subjects considered by Anton Naychuk in his article "30 Years of the Ideological Policy of Ukraine: How Has It Changed?" The author points to the fault lines in the society, with his analysis based on certain ideological guidelines of various political forces of the country.

The chapter written by M. Borodenko covers the current state of the Ukrainian economy. The entire period after 2014, the country's leadership declares its unconditional course towards economic integration with the European Union and the breakdown of trade and economic ties with Russia. A large number of sanctions and trade restrictions were introduced, as well as interaction in industrial production was terminated. Trade in seven years has decreased more than fourfold. However, the growth of mutual trade between Ukraine and the EU grew very insignificantly, and Ukrainian goods did not "conquer the European market." At the same time, the rupture of trade and industrial ties with Russian enterprises led to the loss of the market for many branches of Ukrainian industry, and they are actively being replaced by goods from the EU on the local market. The author rightly notes that "as a result, there is an ongoing process of deindustrialization of the country, which aggravates the socio-economic crisis."

In conclusion, I would like to note that the articles presented in this working paper demonstrate relevance of the problem, which remains in the focus of both the expert and academic communities.

A Ukrainian Odyssey: Between Scylla and Charybdis

A brief overview of Ukrainian foreign policy

Viktor Mironenko

The act, adopted on August 24, 1991, not only proclaimed the state sovereignty of Ukraine, but also told the whole world about the birth of the Third Ukrainian Republic. High expectations were pinned on it, but were they justified? There is hardly a definite answer to this question. A country that had just become a de jure subject of world politics was to become such a de facto in conditions when both the state of which it was a part and the European security system and world order were collapsing. "Our Ukrainian individualism and anarchism allow us to hope that the ice will break, behind which it will be easier to find a flow that will lead somewhere," wrote M. Popovich.[1] Indeed, the ice has broken, but it is not yet entirely clear where the political flow is heading.[2]

The article examines only one of the elements of this process, namely the formation of a foreign policy paradigm according to the T. Kuhn's concept of "paradigm shift".[3] It should be said straight away that we do not share the opinion that Ukraine does not have such a paradigm, that the country copies foreign policy practices of other states and is controlled from the outside.[4] Indeed, however, Ukrainian foreign policy is conceptualized by the method that Y. Harkabi called "tactization of strategy."[5] Under this method, tactics anticipated strategy, and external impulses changed their valence, while colliding and intertwining with internal ones. Politics is the art of organizing large living spaces. The political vanity of suddenly acquired sovereignty and hasty state building that prevails in Ukraine does not in any way allow to form a general or at least shared by the majority of citizens idea of how this space should look,[6] which V. Zelensky recently described as "Ukraine of Dreams".[7]

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[1] Miroslav Popovich: It's Too Bad We're Being Forced to Choose Our Future On the Edge of the Grave // Argument. 10.01.2016.
URL: http://argumentua.com/stati/miroslav-popovich-ochen-plokho-chto-nas-zastavlyayut-vybirat-svoe-budu-shchee-na-krayu-mogily (in Russian).

[2] Mironenko, Viktor. Ukrainian Transit. Situational Analysis Experience / V. Mironenko. — Moscow: IE RAS, 2020. — P. 99. (in Russian).

[3] Kuhn, Thomas S. The Structure of Scientific Revolutions / Thomas S. Kuhn. — Moscow: Progress, 1977. — P. 11. (in Russian).

[4] The Ukrainian Crisis: International Rivalry and the Limits of the Strength of the State / Edited by Nikolay Silayev and Andrey Sushentsov. — Moscow: Ves Mir, 2020. — P. 280.

[5] Haaretz: Israel Has No Strategy or End Goal in Gaza, and That's the Problem // UNIAN. 17.05.2021.
URL: https://www.unian.net/world/haaretz-u-izrailya-net-strategii-ili-konechnoy-celi-v-gaze-i-v-etom-problema-no-vosti-mira-11422291.html? (in Russian).

[6] Minakov M. Development and Dystopia. Studies in Post-Soviet Ukraine and Eastern Europe. ibidem (Stuttgart), 2018. 280 p.

[7] President of Ukraine: My Main Goal Is A Country That Is on Top // President of Ukraine. 20.05.20201.
URL: https://www.president.gov.ua/ru/news/prezident-ukrayini-moya-golovna-meta-krayina-yaka-na-visoti-68557 (in Russian).

Furthermore, the political self-identification of Ukraine destroyed the previous one, which had been united with the Russian self-identification for a long time.[8] This caused a reaction, which was followed by a response. From this chain of real and often far-fetched threats and suddenly emerged private and corporate interests disguised as national interests, the paradigm that we are looking at was formed.

There is simply no need to talk about the paradigm in relation to the first (Ukrainian People's Republic—UPR) and second (Ukrainian Soviet Socialist Republic—Ukrainian SSR) republics. Several periods can be distinguished when analyzing the Third Republic. The first period was enthusiastic and chaotic, and was related to the first years of Ukraine's independence. The next stage was relatively calm and the longest one and included the first and second presidential terms of L. Kuchma (1994–1999, 1999–2004). The next period was internally contradictory and rough and coincided in time with the presidencies of V. Yushchenko (2005–2010) and V. Yanukovych (2010–2014). And finally, the last two stages, when the leaders of the country were P. Poroshenko (2014–2019) and V. Zelensky (from 2019), respectively. The emphasis will be put on these time periods.

Shaping the foreign policy paradigm

The external framework of the foreign policy paradigm of the Third Republic was set out in the Alma-Ata Protocols: the inviolability of territory and borders, equality, non-interference, the peaceful settlement of disputes, respect for human rights and freedoms, including the rights of national minorities.[9] The only parameter whose observance by Ukraine could be questioned was the rights of national minorities. Indeed, the problem exists, although until 2014 there were no major excesses on this basis, let alone bloodshed. It was present at the domestic level until politicians began to address it.

The foreign policy vector of Ukraine was set by the 1993 resolution of the Verkhovna Rada "On the main directions of Ukraine's foreign policy." It was determined primarily by the objective need of the country to keep all doors open and all ways accessible. Ukraine refused to consider anyone as an enemy a priori (Section II, part 3), although not refusing a certain degree of participation in other, compatible with the main, integration projects (III.A), and also recognized the special nature of relations with the Russian Federation (III.1. a). [10] Later, the Russian direction was strengthened by the so-called grand treaty (The Treaty on Friendship, Cooperation, and Partnership between Ukraine and the Russian Federation).[11]

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8 Hai-Nyzhnyk P., Chupriy L., Fihurnyi Y., Krasnodemska I., Chyrkov O. Aggression of the Russian Federation against Ukraine: ethnonational dimensionand civilizational confrontation. Saarbrücken (Germany), LAP Lambert AcademicPublishing, 2018. 229 p.

9 Alma-Ata Declaration // Electronic Fund of Legal, Regulatory and Technical Documents. 21.12.1991. URL: https://docs.cntd.ru/document/1900101 (in Russian).

10 On the Main Directions of Ukraine's Foreign Policy // Verkhovna Rada of Ukraine. 20.07.2010. URL: http://zakon2.rada.gov.ua/laws/show/3360-12 (in Ukrainian).

11 Treaty on Friendship, Cooperation and Partnership between Ukraine and the Russian Federation // Verkhovna Rada of Ukraine. 01.04.2019. URL: https://zakon.rada.gov.ua/laws/show/643_006 (in Ukrainian).

L. Kuchma managed to keep both within these external frameworks and in this direction. He hesitated for a long time, and only towards the end of his presidential term announced European integration not just as a priority, but as a pressing policy concern. V. Yushchenko preferred to leave as much political space as possible.[12] He also hesitated for quite a long time, and only being impressed by V. Putin's Munich Speech on February 10, 2007, decided on a serious course alteration. As a result, Ukraine has applied to join NATO, and the further Russian-Georgian armed conflict strengthened this intention. It was then that the idea of the futility of the status of a neutral country was first expressed.[13] Therefore, the U.S.-Ukraine Charter on Strategic Partnership was signed on December 12, 2008.[14] However, both of these adjustments were not a "paradigm shift" in the understanding of T. Kuhn, rather it was a change of priorities within it.

The presence and invariability of the foreign policy paradigm of the Third Ukrainian Republic was confirmed under V. Yanukovych, who directly stated this in his inaugural speech.[15] A certain political reverse, which was indicated in the law "On the Principles of Domestic and Foreign Policy," was of symbolic importance, just as the decision to cancel the constitutional reform or the law "On the Principles of the State Language Policy"[16] were signals of political revenge. V. Yanukovych's foreign policy pursued a completely different goal, which was to ensure his re-election for a second term. To achieve it, he was maneuvering, and, if we use naval terminology, was tacking. On the one hand, the Kharkiv Pact was concluded and political games with Russia took place, and on the other hand, an active preparation of the European Union-Ukraine Association Agreement was underway.[17]

It remains unclear what prompted him to refuse to sign the association agreement. Despite the drama, the subsequent events, namely the massive protests that resulted in an uprising in the capital and led to the flight of Yanukovych from the country, were not a paradigm shift, but rather evidence of its existence. The attempts of V. Yushchenko and V. Yanukovych not even to replace the paradigm, but to adjust it in accordance with their own interests, led to two transformational crises, and to the fact that Ukraine found itself between Scylla and Charybdis in its Odyssey.[18] Externally, Ukraine was between major players with opposing views. Internally, the country was torn between the categorical, in our opinion,

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[12] Message of President of Ukraine Viktor Yushchenko to the Verkhovna Rada of Ukraine on Internal and External State of Ukraine // Verkhovna Rada of Ukraine. 16.05.2008. URL: https://zakon.rada.gov.ua/laws/show/n0013100-08 (in Ukrainian).

[13] Internal Transformations and External Threats // Den. 05.07.2008.
URL: https://day.kyiv.ua/uk/article/podrobici/vnutrishni-transformaciyi-ta-zovnishni-zagrozi (in Ukrainian).

[14] US-Ukraine Charter on Strategic Partnership // Verkhovna Rada of Ukraine. 19.12.2008.
URL: https://zakon.rada.gov.ua/laws/show/840_140 (in Ukrainian).

[15] Inauguration. Inaugural Speech of the President of Ukraine Viktor Yanukovych 2010. 25.02.2010.
URL: https://constituanta.blogspot.com/2014/10/2010_26.html (in Ukrainian).

[16] The Law of Ukraine "On the Principles of the State Language Policy" // LIGA:ZAKON. 21.11.2013.
URL: https://ips.ligazakon.net/document/t125029?an=2&ed=2013_11_21 (in Ukrainian).

[17] Azarov, Nikolai. "Ukraine at the Crossroads. Notes of the Prime Minister" // Nikolai Azarov. — Moscow: Veche, 2015. — P. 511 (in Russian).

[18] Ermolaev, Andrei. The Second Transformation Crisis // Strategic Group Sofia. August 2019.
URL: http://project705127.tilda.ws/vtoroj-transformazionij-krizis (in Russian).

imperative of freedom and the need to restrict this freedom in the midst of war. As M. Minakov wrote, the post-Maidan Ukrainian elite, on the one hand, declared its adherence to European liberal values, and on the other, called for unity and discipline, alluding to the war.[19]

Between Scylla and Charybdis

P. Poroshenko and V. Zelensky acted within the framework of the created paradigm, but each in his own way, overcoming the consequences of the policy of his predecessor. In a conversation with the Ukrainian journalist D. Gordon, A. Venediktov, speaking of V. Zelensky's attempts to overcome the social split on the issue of foreign policy directions, successfully joked: "With such an acceleration, the braking path will be very long." And it really turned out to be.[20]

For both presidents, the Russian leadership's approach in the winter of 2014 and its actions left little political space. Poroshenko's position was more difficult as he had to operate in the hot phase of an undeclared war. He could only try to open all the possibilities in the West after the doors in the East were slammed. And he partially succeeded in doing this. Thus, the EU-Ukraine Association Agreement was concluded, Ukraine became part of the Deep and Comprehensive Free Trade Areas, and visa-free entry for Ukrainian citizens to the countries of the European Union was also established. This mitigated to some extent the consequences of the severance of economic and political ties with Russia. The process of rapprochement between Ukraine and the EU has accelerated, and their ties have strengthened. It seems that the changes that have taken place in the economic, political and legal fields have made the process irreversible, at least in the foreseeable future.

On June 6, 2014, a summit of the four countries in the so-called Normandy Format was held in Benouville, France. In September, with the participation of the OSCE, the leaders of the four countries agreed on a set of measures to resolve the conflict, which was later confirmed by the UN Security Council. This helped to keep the conflict simmering, but did not result in a final settlement. Apparently, Russia views the Minsk Agreements as a "hybrid world," that is, as a diplomatic confirmation of the military defeat of the armed forces of Ukraine. In turn, Ukraine does not consider itself defeated, and the loss of a part of its territory as final. In this regard, Kyiv finally renounced its non-aligned status and adopted the law "On Amendments to Certain Laws Concerning the Foreign Policy of Ukraine." In February 2019, both goals together, European integration and NATO membership, were proclaimed constitutional norms. P. Poroshenko is accused that as president he tried to solve this problem quickly and mainly by force, paying insufficient attention to its internal political aspects, civil dialogue, and a complete reconstruction of the governance system.

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[19] Minakov M. Development and Dystopia. Studies in Post-Soviet Ukraine and Eastern Europe. ibidem (Stuttgart), 2018. 329 p.

[20] Personally Yours / Dmitry Gordon // 18.05.21 // Youtube. 18.05.2021.
URL: https://www.youtube.com/watch?v=LSWaunE_xso (in Russian).

V. Zelensky's foreign policy is both a complex and a simple topic for analysis, since so far it has only been outlined in general terms, and not fully formed. Achieving peace was proclaimed to be his main task. "We are not the ones who have started this war. But we are the ones who have to finish it," he said in his inaugural address.[21]

V. Zelensky fired a number of people from the diplomatic corps and gave up the meticulous control over the Ukrainian Foreign Ministry, carried out by his predecessors. This encouraged the country's foreign ministry to start pursuing a more proactive and consistent policy. Although Zelensky was involved in a political scandal in the USA, the results of the presidential election made this embarrassment almost a victory. The United States has taken a more definite position in relation to Ukraine and its conflict with Russia. The European Union, obsessed with internal problems and the fight against the pandemic, as always looked closely at the so-called newcomer, and reacted poorly to Kyiv's calls to accelerate the process of Ukraine's European integration.

In Russian-Ukrainian relations, it was possible to revive the forgotten Normandy Format, prevent an escalation of the conflict, as well as to separate the belligerents from the contact line and exchange prisoners. However, the hope for understanding and a frank conversation with V. Putin at the Paris summit in December 2019 did not materialize, which put V. Zelensky in a difficult situation. Two clauses of the Minsk Agreements on holding elections in the noncontrolled territories and on a special status to the country's war-torn eastern regions were and remain unacceptable for the Ukrainian president. "If I agree to do this, you will talk with another president," he said in Paris, addressing V. Putin.[22]

It seems that, on the whole, the young president "managed to avoid obvious failures," even if his foreign policy debut was not a triumph.[23] Zelensky's firm intention to conduct a dialogue with Russia, even if, as he said at a recent press conference, there is only one percent of the chance of success remaining, gives some hope.[24]

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Let's take stock of this very brief analysis of the foreign policy of the Third Ukrainian Republic and its last two presidents. It seems that its foreign policy para-

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[21] Inaugural Speech of the President of Ukraine Volodymyr Zelensky // President of Ukraine. 20.05.2019.
URL: https://www.president.gov.ua/ru/news/inavguracijna-promova-prezidenta-ukrayini-volodimira-zelensk-55489 (in Ukrainian).

[22] "You'll Talk with Another President!" Zelensky Responded Sharply at the Meeting in Paris // OBOZREVATEL. 11.12.2019.
URL: https://www.obozrevatel.com/politics/budete-%2520razgovarivat-s-drugim-prezidentom-zelenskij-rezko-otvetil-na-vstreche-v-parizhe.html (in Russian).

[23] The Year of Zelensky's Diplomacy: What Ukraine's Foreign Policy Gained and Lost under the New President // Evropeyskaya Pravda. 20.05.2020.
URL: https://www.eurointegration.com.ua/rus/articles/2020/05/20/7110114/ (in Ukrainian).

[24] President of Ukraine: My Main Goal Is A Country That Is on Top // President of Ukraine. 20.05.20201.
URL: https://www.president.gov.ua/ru/news/prezident-ukrayini-moya-golovna-meta-krayina-yaka-na-visoti-68557 (in Russian).

digm was formed under the influence of both the objective needs of society and the state, and external circumstances and influences. It is largely consistent with the imperatives of Ukraine's internal development and the external environment in which it finds itself. It is unlikely that this paradigm can and will be changed, even in the case of a regime change. Like any other course, it has constants and variables. Constant values include territorial integrity, political independence in the choice of integration directions and means of ensuring security. Variables include the ratio of these vectors and the intensity of work on each of them.

Facing the need to form its foreign policy paradigm almost from scratch under the destruction of the prior world order, Ukraine thus refutes many ideas about the appropriate organization of living space, international relations and the role of the national state in them. In this case, the former hierarchical political systems clearly and sharply collided with the network structures coming to replace them, resulting in hard influence with a soft approach, and the past with the future.

The integral goals that have defined Ukraine's foreign policy, namely European integration and collective security, have persisted under different presidents. However, despite all efforts, their achievement did not come close as before. EU and US policy towards Ukraine continues to be characterized by very declarative support with continued detachment and an unwillingness to sacrifice anything to solve the so-called Ukrainian problem.

One of the main objectives of Ukrainian foreign policy has been and remains, on the one hand, overcoming the deep contradiction of the simultaneous formation of acquired state sovereignty, on the one hand, and European and even Euro-Atlantic integration, on the other. Neither the administration of P. Poroshenko nor V. Zelensky has managed to break out of this vicious circle. Ukraine's political strategy has a tangible need to reconsider the balance between domestic and external development factors, especially current political issues. This nourishes the hope that assessments of challenges and opportunities to respond to them are becoming more appropriate and there is an understanding that the emerging ad hoc regime of the Third Ukrainian Republic has exhausted itself and one increasingly speaks of "the second stage of the post-Soviet transformation."[25]

In its transformation, Ukraine has reached a point that can hardly be overcome by palliatives. The country has plunged into a deepening crisis and went through it too long. But despite the time lost and the mistakes made, there remains the possibility of a radical reset of the system, both from above and below. V. Zelensky maintains a relatively high level of confidence and is apparently willing to make foreign policy more effective within a persistent paradigm.

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[25] Ermolaev, Andrei. The Second Transformation Crisis // Strategic Group Sofia. August 2019.
URL: http://project705127.tilda.ws/vtoroj-transformazionij-krizis (in Russian).

European Idea in Ukraine: Identity Trap and Way Out Through Institutional Solutions

Ekaterina Chimiris

Recently, the main discussions regarding Ukraine have been reduced to a limited range of issues: "Ukraine and Russia will never be together" and "Ukraine wants to join the West, but no one is waiting for it there." The tragedy of Ukraine lies in the deepening of the existing split that occurred due to an attempt to create a single national idea for very different in socio-cultural terms regions. Both these contradictions and internal conflicts have not yet been overcome.

This case is not unique if we look at Ukraine through the prism of a divided society. There are few states with homogeneous populations in the world, as there are hidden or overt contradictions everywhere. The main issue is to deal with this diversity politically. Unfortunately, Ukraine's political and intellectual elites have chosen the path of a rather radical exclusive nationalism, essentially denying some groups the right to full acceptance and civic consciousness. This has resulted in an acute conflict in the east of the country and a difficult economic situation.

The European idea was effectively usurped by Ukraine's nationalists, while other groups were excluded from this configuration. Such groups include, for example, the predominantly Russian-speaking residents of the southeast of the country, who have had great difficulty parting with their Soviet legacy. Thus, the elite abandoned the consensus model, opting for an easy way of using highly simplified models that had already been developed by the first ideologues of Ukrainian nationalism. And to reinforce the effect, Russia was designated as the "enemy" who allegedly threatened these values.

How Ukraine's elites exploited the "European idea"

Russian public discourse has reinforced the perception that 2004 was a watershed year for Ukraine. November 22, 2004, can be considered the beginning of a chain reaction of mass demonstrations against electoral improprieties and fraud in the 2004 presidential vote. The events were controversially covered by the press and analysts, and it is still difficult to find neutral research on the developments. Western media and NGOs have assessed what has gone down in history as the Orange Revolution as the birth of civil society and a political nation in the country,[26] as well as a movement towards consolidated democracy. [27] In Russian sociopolitical journalism and scholarship, the phenomenon of the Orange Revolution is most often understood as an aggressive intrusion by American and European forces into Ukrainian politics and, as a consequence, as an interference

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[26] Nemyria H. The Orange Revolution: Explaining the Unexpected / eds. Emerson M., Aydin S. Democratization in the European Neighborhood. CEPS, 2005. PP. 53-63.

[27] Kuzio T. Everyday Ukranians and the Orange Revolution / eds. Salund, Andreas & Michael McFaul. Revolution in Orange. The Origins of Ukraine's Democratic Breakthrough. 2006. PP. 45-69; Aslund A. How Ukraine Became a Marcet Economy. PIIE, 2009. 345 p.

in Russia's geopolitical interests.[28] In any case, the events of 2004 marked the beginning of an era of political instability and, as a result of several conflicts and crises, led to Euromaidan in 2014.

The political elites did not try to resolve the situation through dialogue in all these events. On the contrary, they actively exploited existing socio-cultural splits. As of 2004, three main models of perception and assessment of political reality could be distinguished in Ukraine, namely the conditionally centrist, nationalist and eastern Ukrainian, which is now referred to as pro-Russian.

Before the Orange Revolution, L. Kuchma's centrist model prevailed, while during the revolution two other models, represented by V. Yushchenko and V. Yanukovich, clashed. Centrists in Ukraine are one of the most amorphous groups in terms of ideology. Moreover, researchers divide them into centrist rightists, who split from the People's Movement of Ukraine (Rukh) and joined L. Kravchuk, supporting his project to build an independent state; and centrists, who were concentrated around L. Kuchma and represented the oligarchic parties. Initially, Ukrainian nationalists were not homogeneous. The Rukh movement is considered by researchers to be a moderate nationalist movement, which easily found a compromise with the centrists. However, there are also fierce ethnic nationalists, such as the Ukrainian National Assembly and others. An inclusive program of civic nationalists has prevailed and cooperated with the centrists since independence.[29]

Yushchenko's policy was focused around his Ukrainian cultural and historical roots. Thus, a mobilization symbol was used which had a great impact on a particular part of the country's population. It was about endowing him with attributes of the messiah who came to save his people: "the leader behind whom the people rose is a preacher", "Yushchenko preached to the people every day about peacefulness, elegance and nonviolence…".[30] The support of the Kyiv Patriarchate, as well as the especially emphasized religiosity of the politician himself contributed to the creation of this image. The role of the messiah was given additional significance by Yushchenko's sudden illness: "he is a man who is able to combat the illness in various ways, including by his faith."[31] Perhaps it was to maintain this image that a double inauguration ceremony was held, at the Verkhovna Rada building and on Kyiv's central square Maidan. In this regard, quite unequivocal historical parallels with the princes of Kievan Rus have emerged,[32] which Ukrainian nationalists consider exclusively part of their history. Even the biographical profile of the new president claimed to be a kind of chronicle, written in the traditions of ancient culture. In his biography, V. Yushchenko's family roots were

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[28] See, for example: Zhiltsov, Sergey. Unfinished Play for "Orange" Ukraine. On the Traces of Events / Sergey Zhiltsov. — Moscow: International relations, 2005. — P. 264.

[29] This point of view is presented in Kuzio T. Nationalism in Ukraine: Towards a New Theoretical and Comparative Framework. [Journal of Political Ideologies], 2002, vol. 7, no. 2, pp. 133-161.

[30] Yanevsky, Daniel. The Face of the Orange Revolution. Kharkiv, 2005. P. 155 (in Ukrainian).

[31] Ibid. P. 203.

[32] Zhulinsky, Mikola, Slipushko, Oksana. Viktor Yushchenko: The Trial by Power. Kharkiv: Folio, 2005. — P. 5 (in Ukrainian).

almost directly traced back to the otaman of the Zaporizhian Sich Petro Kalny-shevsky. According to the authors of his biography, Viktor Yushchenko was not only born in "the great cultural center of the Cossack Hetmanate—Khoruzhivka, but is also a carrier of 'Cossack blood,' which "makes itself felt".[33]

V. Yanukovych's positioning was based on a different model. He was presented as a business executive, as a person who had first-hand experience in the production process and the real sector of the economy and knows how to effectively organize this process. Therefore, the cohesion of the country's South-East around V. Yanukovych was associated not only with the aggressive and tough campaign of his opponents, but also with the fact that these territories really saw him as their leader: "Viktor Fedorovich was supported by the regions that actually provide for Ukraine," "it was the east and south that described him as a business executive, as an owner, as a person who knows how to provide for the people."[34] Even V. Yushchenko's accusations against V. Yanukovych that he cannot speak and write competently, either in Russian or in Ukrainian, did not provoke a negative reaction among his supporters: "These are people of action, not their words. Maybe they don't know how to speak beautifully, maybe they don't know how to hold a meeting, but they know how to work."[35]

Another reason for supporting V. Yanukovych was his origin "from Donbas," which formed his image of a person who knows what to do with the real sector of the economy, unlike the banker V. Yushchenko. It should be noted that the Soviet identity and the industrial bias of the region predetermined a clearly negative attitude towards financial spheres not directly related to the real sector. Financial speculation in the equity markets, complex privatization schemes, etc. evoked only one association among the inhabitants: a speculator, a financier, a salesman who cannot inherently be an honest person, since he did not produce anything, but only resold. Moreover, the images of Y. Tymoshenko and V. Yushchenko in the minds of the South-East were associated, firstly, with the gas fraud, and secondly, according to some sources, with the mysterious death of the father of V. Yushchenko's first wife, who was Chairman of the National Bank of Ukraine.

The 2014 Maidan became a protest of nationalists against the Eastern Ukrainian model with all its institutional features. P. Poroshenko actually took up the ideological banner of V. Yushchenko, embodying the same image of a businessman in power. V. Zelensky came to power on the wave of population fatigue from ineffective political and economic institutions, but he found himself hostage to the socio-cultural model laid down by his predecessors.

Historical origins of the European idea in Ukraine

The concept of the "Ukrainian people" as an integral phenomenon began to be discussed only after the publication of the historical works of M. Hrushevsky. In

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[33] Zhulinsky, Mikola, Slipushko, Oksana. Viktor Yushchenko: The Trial by Power. Kharkiv: Folio, 2005. — P. 25 (in Ukrainian).

[34] Yanevsky, Daniel. The Face of the Orange Revolution. Kharkiv, 2005. P. 180 (in Ukrainian).

[35] Ibid. P. 182.

1898 he published the first volume of the "History of Ukraine-Rus." In fact, his theses were not new, M. Hrushevsky took as a basis the work of N. Kostomarov "Two Russian peoples," as well as "History of the Rus' People" and put the ideas in the form of a historical essay, followed by many historical facts that were designed to prove the basic theory of the state independence of the Ukrainian people.

The main pathos of M. Hrushevsky's historical and journalistic works was to confirm the continuity of a number of stages in Ukrainian history, which no one had previously connected with the use of a scientific apparatus. He consistently denied the common origin of the Eastern Slavs, arguing that the Ukrainian-Russian people appeared in the 4th century AD, in contrast to the Great Russian people who inhabited Russia. Moreover, the historian believed that the Slavic tribes led by Russ, had a developed state and culture even before the 9th century, which even surpassed that of Western Europe. It is noteworthy that representatives of the Ukrainian elites have recently returned to this idea. The Press Secretary of the Ukrainian Delegation in the Trilateral Contact Group and the Adviser to the Head of the Office of President V. Zelensky, Oleksiy Arestovich, proposed to rename Ukraine to Rus-Ukraine in one of his interviews. This shows clearly that the origins of this idea lie at the very basis of the program for the establishment of the Ukrainian nation.

The model proposed by M. Hrushevsky and developed by his followers is still being comprehensively and consistently criticized. The first and one of the main problems of Ukrainian and partly Russian historiography is the topic of Kievan Rus. The question of whose historical predecessor this ancient state is—Russia or Ukraine—can be considered one of the key in this dispute. Indeed, until the 19th century, Kievan Rus was regarded as the predecessor state of the Russian Empire, its ancient state nucleus. This interpretation of the ancient historical period still dominates in Russian historiography. Some Ukrainian historians who seek to prove the unity of the three East Slavic peoples, namely Russians, Ukrainians and Belarusians, also insist on this concept. However, since the time of M. Hrushevsky, the opinions of Ukrainian historians and public figures have been divided. Some of them want to confirm that Kievan Rus was an ancient state center that belongs not to Russian, but to Ukrainian statehood.

That is why the Russian political elites reacted so harshly to the proposal of O. Arestovich. M. Zakharova ironically suggested to rename Ukraine to "Ukrus," apparently wanting to show the absurdity of Ukrainian claims. In general, in Russian public discourse Ukraine is increasingly accused of trying to "twist" or "rewrite" history.

Institutional solutions for complex Ukraine

Unfortunately, integration into Europe and NATO itself cannot be a long-term and effective idea for uniting the nation. Joining one or another alliance is a tactical and utilitarian issue. To a large extent, success depends on the strategies of the organizations themselves, which can be changed at any time. Therefore, it is

necessary to look for a resource within the country's intellectual environment, to form authentic ideas and values with minimal reliance on external factors.

Possible options for overcoming the crisis

For the Ukrainian elite, the way out of the current crisis situation may involve several steps. It is clear that the zero stage consists in ceasefire and reconciliation of the parties. However, any peaceful solutions will be temporary in nature, unless a plan of medium and long-term actions for building political institutions is worked out. Without proper political management, latent splits will again be used by politicians to achieve immediate benefits, and society risks being drawn into another conflict.

Therefore, let's consider the steps that could be taken in the medium term to achieve a more stable and prosperous Ukraine, open to cooperation with various actors, both European and Russian, while not excluding the Asian vector.

The first step is to recognize the diversity of sociocultural models in Ukraine. A. Lijphart wrote that the success of democracy in a fragmented society directly depends on the willingness of the elites to understand and accept the sociocultural diversity of the population of their state.[36]

The second step is to reconcile and create a space for peaceful dialogue between representatives of different groups of the population. A number of measures are already being taken to promote dialogue in Germany. They primarily deal with historical narratives and trauma.[37]

The third step is to develop basic and common models and values. For example, everyone would like to live in a prosperous and economically developed society, to be minimally dependent on external loans and to form a regional agenda not as an object of international relations, but as a leader. To achieve these goals, it is not at all necessary to label them as purely "European" or "Asian." It is extremely important to pay attention to mitigate the use of collective protest action and to place greater emphasis on the implementation of negotiation practices in the process of developing such institutions. After all, democracy is one form of a successful negotiation process.[38] The movement towards democracy, human rights and a market economy is a purely domestic political choice of each individual country, not a geopolitical one.

B. Reilly proposed an electoral way to resolve the issue of a divided society. He believes that the problem consists in the reaction to the institutional rules of the

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[36] Lijphart A. Thinking about Democracy. Power Sharing and Majority Rule in Theory and Practice. London, Routledge, 2008. 320 p.

[37] Gaps and overlaps: Navigating through contested German-Russian-Ukrainian narratives // Inmedio. 25.02.2020.
URL: https://www.inmedio.de/de/aktuelles/gaps-and-overlaps-navigating-through-contested-german-russian-ukrainian-narratives

[38] Sergeev, Viktor. Democracy as a Negotiation Process. — Moscow: Moscow Public Science Foundation, 1999. — P. 146. (in Russian).

game that exist during the electoral process.[39] The author develops the theory of centripetalism, which defines democracy as a continuous conflict management and a circular movement of resolutions and decisions taken not by a simple majority, but as a result of negotiations. Parties most often seek to win the voter from their group in elections, which leads to a polarization of the political process. B. Reilly suggests to develop centripetal tendencies by introducing such electoral conditions when parties will fight for a "second order" vote. In this case, the "first order" vote will most likely go to the party that represents the group of the voter, and the second—to the party that has proven that it can represent the interests of all others, and not just his group. Thus, centripetalism is a political strategy for creating a moderate center by seeking rational politicians who intend to seek voter support outside of their group.

It is also important to pay attention to the political discourse, which in no case should divide society. Based on the model of centripetalism, J. Dryzek proposes to develop the principles of deliberative democracy to solve the problems of legitimacy in divided societies. Deliberative democracy implies creating a discourse that reconciles segments, rather than separates them.[40] However, achieving such reconciliation in deeply divided societies is difficult because of the strong internal bonds between the segments. Moreover, post-authoritarian regimes are most often characterized by a populist discourse aimed at gaining popularity by further deepening divisions within society. It is the elites who are responsible for starting a public dialogue that will lead to leveling the split and building a deliberative democracy in a divided society.

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Considering the current political situation in Ukraine and its aspiration to Europe, it is important to take into account the development and adaptation of the European idea in the country. The saddest thing is that this concept has not yet become a unifying one for the entire population. Moreover, the radicalization of some of the provisions of this ideology led the country to a military crisis and social division. In this situation, the political and other elites face the main task, since it is for them that it is important to recognize the diversity of their society and develop more universal values that can be based on the idea of economic prosperity, regional leadership and full-fledged international subjectivity.

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[39] Reilly B. Democracy in Divided Societies. Electoral Engineering for Conflict Management. Cambridge, Cambridge University Press, 2001. 232 p.

[40] Dryzek J. S. Deliberative Democracy in Divided Societies: Alternatives to Agonism and Analgesia. [Political Theory], 2005, vol. 33, P. 218-242.

Ukrainian Domestic Politics: Features of Electoral Processes and Party System

Alexander
Gushchin

2019 was in many ways a turning point in the modern history of Ukraine. This is primarily due to electoral processes, which certainly reflected societal demands and trends in social development. This year also marked the beginning of a new stage of Ukrainian history—a time of uncertainty. This is a peculiar period of bifurcation, when the post-Soviet Ukrainian republic is going through a transit period, the prospects for which are still rather vague. What is at stake today whether the sustainable political structures and the format of interaction between the key actors in the political process will remain fundamentally the same or will be changed by the new government, and the degree of its monopolization will increase.

Retrospective: back to the 1990's

At the dawn of the country's independence and in the first half of the 1990s, the development of Ukraine's party-political system was largely determined by the balance between the former Communist Party elite and the new national democratic structures. This relative consensus largely underpinned the new party-political system, with the economic sphere of public administration remaining predominantly under the control of the former communist elite who had changed their ideological attitudes, while some areas responsible mainly for ideology were taken over by the national democratic opposition.[41] At the same time, the establishment of this system and civil society was rather difficult and faced a number of obstacles. During this period, traditionally Ukrainian ideology and socio-political life were increasingly based on ethno-national principles rather than on civic ideas about building a political nation. For all that, political parties as institutions did not enjoy the confidence of Ukrainians. The regional isolation of the electoral influence of parties and blocs has been a hallmark of the Ukrainian party system and a confirmation of its fragmentation. The elections revealed deep divisions in political preferences among the regions. For example, the leftists succeeded in the 1994 elections in the eastern and southern regions of the country, while the nationalists, including the Democratic Union of Ukraine, won in the West.

Rather clear sectors can be distinguished in the structure of the political spectrum of the first decade of Ukraine's independence: left-wing, centrist and national-democratic, represented, for example, by the Communists and Socialists, the People's Movement of Ukraine, and a number of non-party single-mandate deputies. In the early 1990s, the Communist Party of Ukraine enjoyed great power but later began to lose its popularity. Public discontent was triggered by the socio-political and economic transition of the country's first years of independence. However, the government effectively exploited both the high rejection of com-

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[41] Klim I. Political Parties of Ukraine as a Factor of Emergence and Overcoming of Political Crises: Experience of Functioning and Ways to Improve Activity / I. Klim // State and Municipal Management in the XXI Century: Theory, Methodology, Practice. — 2011. — P. 133 (in Russian).

munist ideology and the considerable opportunity to return to the past. That is why communists and their leader P. Symonenko turned out to be a much more convenient opponent for the incumbent president L. Kuchma in the second round of the 1999 presidential election. The above factors were actually used by the authorities to implement their strategy of winning the presidential run-off election.

Retrospective: exploring the 2000's

The 1998 and 2002 parliamentary elections, which were held under a mixed electoral system, had a significant impact on the evolution of the electoral and party system. They reflected a trend towards rather synthetic and short-lived party blocs amid the emergence and development of an oligarchic system, and Ukraine itself became increasingly fragmented on a geographical basis. For example, the five pro-presidential parties Labour Ukraine, People's Democratic Party, Party of Regions, Party of Industrialists and Entrepreneurs of Ukraine and Agrarian Party of Ukraine united in 2002 to form the electoral bloc "For United Ukraine!", which collapsed fairly quickly despite winning the largest number of seats in parliament, primarily in single-member constituencies.

The lack of a clearly defined stable ruling party can also be attributed to the peculiarities of the party system development in Ukraine at that time. Difficulties with its shaping were observed even within a single presidential term. There were serious tendencies in the elites and in society that did not allow this to happen, including the struggle of elite groups, the socio-cultural polarization of society, and the personality factor of L. Kuchma.

The polarization of the party system persisted both after the 2004 presidential elections and after the Orange Revolution. It was ideologically based on the confrontation between supporters and opponents of the Orange Revolution, and socially and culturally underpinned by the political preferences of Russian-speaking residents of the south-eastern regions and Ukrainian-speaking population of the western and central regions.[42]

The Ukrainian electoral system became proportional as a result of the 2004 political agreement. On the one hand, this led to an increased role of parties, inter alia, in the regions, and on the other hand, to an even greater geographical, socio-cultural and ideological divide. This trend was to be observed during the 2010 presidential elections and the 2012 parliamentary voting, when a coalition between a finally stable ruling party, namely the Party of Regions, and the Communist Party of Ukraine was formed. The parties Svoboda, Batkivshchyna and UDAR became in opposition to the ruling parliamentary coalition.

A regional party system began to take shape when local parties started to strengthen their positions both within their territories and outside their regions. The Party of Regions, which had been the ruling party under President Yanu-

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[42] Fesenko, Vladimir. Strength and Weakness of the Party System of Ukraine / Vladimir Fesenko // Political Science. —2006. — №1. — P. 214-242.

kovych, has become a powerful nationwide party, while relying mainly on support in southeastern Ukraine. In this regard, S. Zhiltsov notes that the parties have evolved into secondary actors of the political process and substantive political programmes were hardly offered, whereas the struggle was inter-regional and was based on the "orange" versus "blue" divide.[43]

The regionalization of support for most electoral contestants demonstrated a significant electoral split in the country and was a prerequisite for a future domestic political crisis even before 2014. Researchers also point to declining electoral support for pro-Russian forces due to lower voter turnout in the Southeast. However, pro-Western electoral contestants have been gradually extending their support into the southeastern part of the country since the pre-crisis period.[44]

Euromaidan and the internal political situation in Ukraine

Euromaidan served as the starting point of a new electoral transformation. Five new parties entered the Verkhovna Rada as a result of the 2014 elections, which were held under a mixed system amid fierce internal political struggle. Thus, People's Front, Petro Poroshenko Bloc, Opposition Bloc, Union "Self-Reliance" and Oleh Liashko's Radical Party entered the parliament. The electoral outcome reflected a substantial shift in public sentiment in Ukraine. After the upheavals of 2014, Ukrainian society has become much more pro-Western and significantly more hostile towards Russia. At the same time, the exclusion of Crimea and the largest agglomerations of Donbas from the Ukrainian political space contributed greatly to homogeneity. While before Euromaidan, Ukraine's party system, although regionalized, was a multi-party system with a hegemonic party represented by the Party of Regions, the events of 2014 saw the ruling party dissolve, forming a system without a dominant party.

The 2015 local elections finalized the so-called revolutionary electoral cycle, consolidating the established configuration, the growing popularity of regional political actors, and the rise of ultra-right forces, although not massively supported, but active and popular in the western Ukrainian regions.

Zelensky's rise to power and the 2019 parliamentary elections

The 2019 presidential and early parliamentary elections were perhaps the most significant turning point in Ukraine's modern electoral history, largely defining a fundamentally new balance of power in parliament and the transformation of elites in general.

The 2019 presidential election demonstrated, above all, a sharp decline in the Ukrainian public's confidence in the government. Although there were a number of traditional and well-known for many years politicians in Ukraine, and the

[43] Zhiltsov, Sergey. Ukraine: 20 Years of the Road to Independence / Sergey Zhiltsov. — Moscow: Vostok–Zapad, 2012. — P. 338. (in Russian).

[44] Krishtal, Mikhail. Electoral Behavior of Ukrainian Voters in Crises / Mikhail Krishtal // Modern Europe. — 2021. — № 2. — P. 124-134 (in Russian).

election campaign was characterized by serious competition and a record 39 candidates by Ukrainian standards, the main struggle was between then-President Poroshenko and a new non-systemic candidate, showman and producer V. Zelensky.

The latter's success was particularly attributable to the votes of the protest and counter-system electorate, i.e. those who were disappointed not just by P. Poroshenko, but by the entire political system of Ukraine, and wanted its reboot and a younger political establishment. At the same time, Zelensky managed to accumulate both the Ukrainian-speaking electorate of the West and the center of the country, as well as Russian-speaking voters, inter alia, by exploiting the thesis in the election campaign about the need to bring peace to the country and achieve an early end to the conflict in Donbas.

The results of the first round of the election showed that Zelensky was likely to win the run-off, and this victory could not be hindered by the electoral techniques of his main rival. The election campaign attempted to "stretch the electoral grid," which failed on a national scale because of the anti-presidential stance of Interior Minister A. Avakov. In addition, a whole campaign of labeling "agents of the Kremlin" was launched, accusing Zelensky and his team of connections with the oligarchs and using similar methods against Yulia Tymoshenko. Incidentally, in the fight against the latter, a doppelganger candidate, Yuriy Tymoshenko, was nominated specifically to take votes away from Yuliya Tymoshenko.

According to Poroshenko's political strategists, the president's patriotic rhetoric was meant to compensate for the lack of success in the economy and social sphere. Calls to "thwart the Kremlin" alternated with reminders of the two main achievements of the last few years—the Tomos received from Constantinople and the introduction of a visa-free regime with the EU. The main task of P. Poroshenko's entry into the second round was achieved thanks to the "Army, Language, Faith" concept, the Tomos and the so-called Tomos Tour, the discussion of the external enemy and the course towards the EU and NATO, as well as the use of spoiler candidates and "electoral grid" technology. However, even this result left him with little chance of success in the run-off. In essence, Poroshenko became a politician squeezed within the electoral segment of Western Ukraine.

Zelensky's victory was largely ensured by the involvement of the country's usually electorally inactive young population. The future president set out his political attitudes, campaigned, including through social networks and the Internet, and took on the role of a spokesman for the expectations of the people. Notably, Zelensky managed to attract young people to vote. The results of the exit poll can also be used to analyse the age and social groups of voters. Table 1 presents voter turnout for the first round of the presidential election by age group.

V. Zelensky also benefited from his participation in the Servant of the People series. In many ways, the president was associated with his on-screen character Vasily Goloborodko. Thus, the recognition of the future president was almost absolute, he was identified with the symbol of the fight against corruption and at the same time was not an integral element of the political system, ideally match-

Table 1. Voter turnout for the first round of the 2019 presidential election

Age group	Votes for Vladimir Zelensky (%)	Votes for Petro Poroshenko (%)
18-29	25 %	11 %
30-39	28 %	18 %
40-49	21 %	19 %
50-59	15 %	22 %
age 60 or older	12 %	30 %

ing the sentiment of the Ukrainian society. Even the attempts of the authorities to accuse V. Zelensky of collusion with oligarchs and I. Kolomoyskyi did not bring results in these conditions, although in general they were not unreasonable.

As a result, V. Zelensky by and large won the elections even before he officially announced his participation.

V. Zelensky enjoyed the greatest support in the central and southern regions of the country. The western part of Ukraine is traditionally more radical politically and more strongly oriented towards Western values and a pro-European course. However, despite the popularity of the thesis that V. Zelensky appeared on the political arena to "stitch" the country together, one cannot rule out that this unification is situational in nature. It seems that the result of V. Zelensky does not give grounds to conclude that the territorial division of the electorate typical for the political life of Ukraine has completely lost its relevance. Voters in the Southeast, on the one hand, and the western and central regions, on the other, still demonstrate established differences in their views of state-building and foreign policy.

While the presidential election was a protest vote against the old political elite led by Poroshenko, the parliamentary elections saw the consolidation of Ukrainian citizens around new political ideas and trends.[45]

Never before in the post-Soviet history of Ukraine has a majority party done this so convincingly. With 43 % of the votes according to the proportional system and victory in the majoritarian districts, the Servant of the People party formed a huge faction and received 254 deputy mandates—a mono-majority.

This mono-majority in parliament maintains a stable influence, despite its rather loose character.

The main winner in the local elections of 25 October 2020 were the regional elites and their political projects, which in general have always been of great importance to Ukraine financially, economically and politically.[46] In this context,

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[45] Ostapets, Yuri, Ostapets, Irina. Changes in the Actor Structure and Configuration of the Party System of Ukraine Following the Results of the Presidential and Parliamentary Elections in 2019 / Yuri Ostapets, Irina Ostapets // Bulletin of Tomsk State University. Philosophy. Sociology. Political Science. — 2019. — № 52. — P.195 (in Russian).

[46] Wittenberg, Evgeny, Pivovar, Efim. Cooperation of Russian and Ukrainian Business in Investments (1991-2013) / Evgeny Wittenberg, Efim Pivovar // Works of the Institute of Post-Soviet and Interregional Studies. Ukrainistika. — 2018. — № 1. — P. 58-63 (in Russian).

given the regional political projects, the results of local elections did not always coincide to a large extent with the results of parliamentary elections. In 2020, however, they received particular attention because they were perceived as a third round of electoral revolution by V. Zelensky. Of particular importance in 2020 was the factor of franchises, which contributed to the growing influence of local elites, when places in party lists, regardless of the political orientation of a particular party, were distributed among representatives of the local political regional establishment as well as the financial and oligarchic structures. Nevertheless, the central government has managed to maintain a balance in its relations with regional elites at this stage, using coalitions in local councils and taking into account the potential for pressure on regional elites through financial and power leverage. However, this balance is subject to serious risks at a time of worsening socio-economic conditions, the coronavirus pandemic and the prospect of new elections.

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Thus, the party system of Ukraine has evolved throughout the entire period of independence of the country. One can talk about the presence of a full-fledged party in power only during the period of domination of the "Party of Regions," whose support still had serious regionalist features. At the same time, the majority of parties worked with the population only during election campaigns, and their activity dropped sharply in the inter-election period. Particularly loose were the electoral blocs whose existence was a feature of Ukraine, especially at the turn of the 1990s and early 2000s. The regionalization of the party system, the institutional weakness of parties, and the influence of financial and industrial groups on the electoral process, both under the proportional and especially the majoritarian system, have been hallmarks of Ukraine's electoral democracy.

2019–2021 became a period of transformation of the party-political system of Ukraine. Thus, there have been major changes in the actor structure and configuration of the party system. The party system has acquired the outline of a system with a dominant party. For the first time in the history of modern Ukraine, a mono-majority system has developed in the Verkhovna Rada, which allows the current president to carry out his decisions, along with the use of the mechanism of the National Defense and Security Council of Ukraine. The role of parliament and control over it is quite high in the context of the executive's desire to monopolize power in general and to control the media and financial flows in the country. The declining ratings of the president and the Servant of the People party demonstrate growing public frustration. However, despite this process, both the president and the ruling party are currently the most popular actors of Ukrainian politics in society, while their electoral competitors find themselves in rather narrow regional niches, sometimes cut off from a serious media resource and can count on support only a limited Ukrainian electorate. Nevertheless, the downward trend in the ratings of both the ruling party and V. Zelensky personally will obviously continue despite the strengthening of the power vertical and the influence of the authorities on the media. This reflects the difficulties that the

president and his office may face in their desire to once again achieve success in the new elections in the context of the simultaneously complicating relations between the new Ukrainian government and its Western partners. Early elections remain a possibility amid further prospects for a decline in the ratings of the president and the ruling party. The most favorable option for the Ukrainian authorities would probably be to hold early presidential elections first and then parliamentary voting. Nevertheless, this issue will depend not only on internal political, but also on foreign policy factors, namely, namely Kyiv's Western partners. The latest events related to the publication of the dossier on the offshores of V. Zelensky and representatives of his team indicate that not all influential circles in the West are in favor of the Ukrainian authorities, to whom they put demands for control over the country's judicial and anti-corruption systems, as well as consolidation of their influence in corporate governance.

Issues of Decentralization and Regionalization in Modern Ukraine

Daniil Bogatyrev

The decentralization reform in Ukraine started in 2014 with the adoption of the Concept of Local Self-Government and Territorial Power Reforming. Since then, the process has continued and is still far from being accomplished. The purpose of this article is to describe the current state of decentralization in Ukraine and its impact on social and economic processes in the country.

The essence of the reform

Decentralization reform includes two components—fiscal decentralization and administrative-territorial reform itself with the creation of united territorial communities (UTCs).

Fiscal decentralization

The sources of revenue for local budgets have been revised as part of fiscal decentralization. The changes boil down to the following: [47]

- Fees for the provision of administrative services have been transferred from the state budget (excluding the 50 % administrative fee for state registration of real property rights and state registration of legal entities and physical persons–entrepreneurs, as well as state fees);

- The percentage of environmental tax revenue was increased from 35 % to 80 %;

- Stable revenue sources were assigned to local budgets—individual income tax at new rates (budgets of cities of provincial status, districts—60 %, regional budgets—15 %, Kyiv budget—40 %) and 10 % of profit tax to regional budgets. It is worth noting that before the reform started, local budgets had 100% of individual income tax at their disposal (Kyiv budget—50 %);

- As of 2015, a tax on retail sales of excisable goods (beer, alcoholic beverages, tobacco and petroleum products) was introduced at a rate from 2 % to 5 % of the value of goods sold instead of the levy on viticulture, horticulture and hop growing, which now goes to local budgets;

- As of 2015, the property tax base has been extended to include commercial (non-residential) premises.

In addition, after the adoption of amendments to the Land Code of Ukraine in spring 2021, the united territorial communities were given the right to dispose of

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[47] Malanchuk, Oksana. Budgetary Decentralization: Real Influence on the Financial Provision and Distribution of Expenditures of Territorial Communities // Gromadskyy Prostir. 11.12.2017.
URL: https://www.prostir.ua/?news=byudzhetna-detsentralizatsiya-realnyj-vplyv-na-finansove-zabezpechennya-ta-rozpodil-vydatkiv-terytorialnyh-hromad (in Ukrainian).

2 million hectares of land outside populated areas.[48] Since the agricultural land market will start functioning in Ukraine on July 1, 2021, this should be considered as an additional source of income for local budgets from land sales.

However, we will discuss the relationship between decentralization reform and land reform separately. Let us now describe the administrative-territorial component of the decentralization reform.

Administrative and territorial reform

The administrative-territorial reform, which began simultaneously with budgetary decentralization, presupposes the establishment of a new administrative-territorial structure of the state, consisting of three levels:

The basic level. Its administrative-territorial units are united territorial communities (UTCs), created by combining village and settlement councils of nearby settlements. For example, if there is one urban-type settlement and several villages in the neighborhood, they can be united into one community. As of July 2021, 1,439 such communities had been created, although it was originally planned to establish 1,450 communities by 2020.[49]

The district level. Initially, no changes were made at the district level. Despite the fact that the boundaries of the districts were determined back in Soviet times, they should have been revised long ago due to the decline in the population. The concept of the establishment of local self-government and the territorial organization of power in Ukraine assumed the preservation of these administrative-territorial units. However, in July 2020, the Verkhovna Rada supported the Draft resolution No. 3650 "On the Establishment and Liquidation of Districts," which implied the liquidation of 490 districts and the creation of new 136 instead. In October 2020, local elections in Ukraine were already held in accordance with the new district division. However, the powers of district councils and administrations were significantly reduced, since most of them were transferred to the level of united territorial units.

The regional level. At the regional level, no revisions of the boundaries of regions (oblasts, cities of national significance and the autonomous republic) have been envisaged yet.

The expected goals of this three-tier concept of administrative-territorial units are named as follows:

- Strengthening the legal, organizational, and material resources of territorial communities;

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[48] Draft Law on Amendments to Certain Legislative Acts on Sale of Land Plots of State and Municipal Property or Rights to Them (Lease, Superficies, Emphyteusis) through Electronic Auctions // Verkhovna Rada of Ukraine. 01.10.19. URL: https://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=66972 (in Ukrainian).

[49] By 2020, Ukraine Should Complete the Process of Unification of Communities, — Zubko // Khmelnitsky district state administration. 05.11.2018.
URL: http://km-rda.gov.ua/news/novunu-uryad/7961-do-2020-roku-ukraiina-maie-zavershiti-proces-obiednannia-gromad-zubko.html (in Ukrainian).

- Improving the quality and availability of public services;

- Introduction of state and public control over the provision of public services;

- Implementation of quality standards for public services, etc.

The interim results of the reform indicate that not all of the newly-formed united territorial communities have become self-sufficient in financial, and therefore in infrastructural and administrative terms. The statistics below will show that most of them are subsidized.

Self-sufficient and not self-sufficient territorial communities

Over the past 30 years, the currently existing territorial communities have different levels of self-sufficiency due to the heterogeneity of the economic development of different regions and settlements of the country, as well as consistent socio-economic and infrastructural degradation, especially in rural areas.

The methodology for the establishment of self-sufficient territorial communities, approved by the Resolution of the Cabinet of Ministers of 08.04.2015 No. 214, determines that territorial communities of villages (settlements, cities) are considered self-sufficient, which, as a result of their voluntary unification, are able, independently or through local governments, to ensure an appropriate level of service delivery, in particular, in education, culture, health care, social protection, housing and communal services, taking into account human resources, financial support and infrastructure development of the corresponding administrative-territorial unit.[50]

According to specialized associations of local government representatives, as of 2020, only 30 % of the united territorial communities were self-sufficient, while 70 % were not self-sufficient. [51]

It should be noted that self-sufficient territorial communities are located mainly near large urban agglomerations, namely Kyiv, Kharkiv, Odessa and others. The main sources of their income are legal and semi-legal land uptake for the construction of residential areas, the placement of enterprises for the production of building materials, etc. Of course, there are exceptions, but they mainly relate to the united territorial communities where industrial or mining enterprises are located. For example, the Irshansk granite quarry in the Zhytomyr Oblast.

Thus, the decentralization reform has not yet brought about a qualitative leap in the development of rural areas in Ukraine. Those settlements, on the basis of which self-sufficient united territorial communities were formed near large

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[50] What Kind of Community is Capable? // Decentralization.
URL: https://decentralization.gov.ua/questions/27 (in Ukrainian).

[51] Vladyslav Skalskyy Announced in Vinnitsa the Discussion on the Completion of Decentralization, the Participants of which will be Representatives of 3 Regions of Ukraine // Vinnitsa Regional State Administration. 25.02.2020.
URL: http://www.vin.gov.ua/news/ostanni-novyny/24590-vladyslav-skalskyi-anonsuvav-provedennia-na-vinnychchyni-dyskusii-navkolo-zavershennia-protsesu-detsentralizatsii-uchasnykamy-iakoi-stanut-pred-stavnyky-3-oblastei-ukrainy (in Ukrainian).

agglomerations, and before the reform developed well due to urbanization and the need for the construction of inexpensive housing in the suburbs.

The situation remains unchanged in the remote spots, where 70 % of the newly formed UTCs are located. United communities, consisting of one gloomy urban-type settlement and 2-3 villages, have neither the budget for infrastructural development, nor the human resources to attract investment. This statement becomes especially relevant if we remember that the budgetary component of the decentralization reform involves the transfer of a number of educational institutions, namely vocational schools, to local authorities. Insufficient united territorial communities are forced to close them, since they do not have the necessary funds to finance these educational institutions.

But how do these non-self-sufficient communities exist?

The answer is provided by statistics on inter-budgetary transfers, that is, subsidies, in recent years.

Before the decentralization reform in 2013, transfers amounted to 115.8bn UAH (125 % of local budget revenues). In 2016, it reached 170.6 billion UAH (115 % of own revenues), and in 2017 272.9bn (141 % of own revenues).[52]

However, starting in 2018, local budget revenues began to grow. But as of 2020, they still did not cover all the needs of local communities. So, at the end of 2020, the total revenues of local budgets of Ukraine amounted to 471.5bn UAH, of which 160.2 billion (34 %) were inter-budgetary transfers.[53]

Currently, three types of transfers are provided to local budgets in Ukraine:[54]

Basic subsidy. Officially, this is "the result and means of equalizing the tax capacity of local budgets." In fact, this means that the surplus taxes are withdrawn from the rich territorial communities and regions and sent to the poor administrative units (the very 70 %), where the collected taxes do not cover the cost plan;

Additional subsidies. They are aimed at financing the costs transferred from the state budget to educational and health care institutions, as well as compensation for losses of local budgets due to the introduction of benefits for the payment of land tax by the state;

Subventions. They are divided into two types, educational and medical. This type of transfers is the result of reforms in education and medicine, which reduced the number of relevant institutions in rural areas and transferred some of them to the balance of local authorities.

Thus, it is through these inter-budgetary transfers that 70 % of non-self-sufficient united territorial communities make up their annual budget.

[52] Mizina I., Kochergina A. Official Transfers as a Source of Revenues of Local Budgets // Comparative and Analytical Law. URL: http://pap-journal.in.ua/wp-content/uploads/2020/08/5_2017.pdf (in Ukrainian).

[53] Work of Local Budgets in — Expert Analysis // Decentralization. 06.02.2021. URL: https://decentralization.gov.ua/news/13249 (in Ukrainian).

[54] Shaping of Local Budgets for 2018: Interbudgetary Transfers. Part II // Decentralization. 18.08.2017. URL: https://decentralization.gov.ua/news/6571 (in Ukrainian).

However, this cannot continue for long, since the current government, as well as its predecessors, has embarked on a course towards ensuring maximum self-sufficiency for UTCs. In these conditions, the connection between the recently introduced amendments to the Land Code and the transfer of 2 million hectares of agricultural land to the balance of local communities with the government's policy in the field of decentralization becomes more obvious.

Decentralization and opening of the agricultural land market

On April 28, 2019, the Verkhovna Rada adopted the Draft resolution No. 2195 "On Amending Certain Legislative Acts Regarding Sale of Plots of State or Title to Them (Lease, Superficies, Emphyteusis) Through Electronic Auctions."[55]

The document introduced a number of amendments to the Land Code of Ukraine, the main of which consisted in granting the councils of the UTCs the right to dispose of agricultural and other land, for example, forestry outside the settlements, as well as in the transfer of 2 million hectares of state agricultural land to the ownership of the united territorial communities. This was done on the eve of July 1, 2021, when the agricultural land market started working in Ukraine.

The authors of the above-described legislative initiative argued the need for its adoption by "simplifying the bureaucratic mechanisms" for the purchase of land in anticipation of the opening of the land market. However, in practice, this will only lead to a shift in corruption from the national to the local level in the issue of land acquisition, where it will be much easier for large agricultural holdings to bribe the relevant officials.

In addition, since 70 % of the united territorial communities are not self-sufficient, the state land transferred into their ownership and the right to expose it on sale will inevitably lead to the sale of the lion's share of these 2 million hectares.

Obviously, the government expects to ensure the very "positive economic effect," which has been talked about for more than a year, from the opening of the land market precisely because of the almost instantaneous realization of this land resource. And at the same time, politicians intend to thus reduce subsidies for the maintenance of non-self-sufficient territorial communities, at least for some time.

Such a scenario could lead to even greater depopulation of Ukrainian villages in the future. Agricultural production of low-margin crops (wheat, rapeseed, sunflower and corn) by big agricultural holdings does not require a large amount of labor. This means that 5–10 years after the implementation of the land reform and the completion of the decentralization process, most of the approximately 13 million rural population of Ukraine will have to migrate to cities or go abroad to work.

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[55] Draft Law on Amendments to Certain Legislative Acts on Sale of Land Plots of State and Municipal Property or Rights to Them (Lease, Superficies, Emphyteusis) through Electronic Auctions // Verkhovna Rada of Ukraine. 01.10.19. URL: https://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=66972 (in Ukrainian).

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Summing up, the following should be noted. First, the decentralization reform in Ukraine has two components. The first of them is budgetary decentralization, which implies the redistribution of income from a number of taxes and fees in favor of local budgets. At the same time, it also transfers the costs of maintaining certain types of educational and medical institutions to the local authorities. The second component of the reform is the administrative one, which provides for the concentration of the main powers at the local level in the united territorial communities (UTCs), created by the unification of several villages, urban-type settlements or small towns into one administrative unit. In addition, in Ukraine there has been an enlargement of regions and a redistribution of powers of district councils in favor of UTCs.

Second, only 30 % of the currently existing UTCs are self-sufficient, i.e. able to maintain all the infrastructure by themselves using local budget revenues, without receiving subsidies. The remaining 70 % are not self-sufficient. This applies mainly to communities located far from large urban agglomerations and, as a consequence, unable to earn money to expand urban housing infrastructure. The budgets of non-self-sufficient UTCs are supplemented by inter-budgetary transfers, which are essentially subsidies that redistribute income from rich communities and cities to poor ones. However, the state has taken a course towards ensuring the self-sufficiency of all UTCs, which cannot be achieved in the absence of significant financial investments in principle.

Third, the transfer of 2 million hectares of state land into the ownership of the UTCs with the right to sell the cropland just before the opening of the agricultural land market should be perceived as a deliberate intention of the central authorities to provoke the sale of these lands due to the lack of self-sufficiency of the majority of the communities. Since the united territorial communities cannot meet a deficit-free budget, the poor UTCs will be selling land at bargain prices to make ends meet. This will result in an accelerated depopulation of the Ukrainian countryside, alienization of cities and the departure of additional millions of Ukrainian citizens to work abroad.

Historical Policy of Modern Ukraine in the Geopolitical Paradigm

Alexander
Levchenkov

The historical policy of Ukraine has never been the subject of such influence and fierce discussions in the Russian expert community as in the post-Euromaidan period. The assessment of the most important historical events has finally turned into an aggressive instrument of the state ideological machine of Kyiv, closely connected with the current goals and objectives of Ukrainian domestic and foreign policy. Striking evidence of the resonance caused by the modern historical policy of Ukraine was the article by Russian President Vladimir Putin "On the Historical Unity of Russians and Ukrainians," published in July 2021, in which he condemned the Ukrainian elites for their decision "to justify their country's independence through the denial of its past. ... to mythologize and rewrite history, edit out everything that united us."[56]

Being one of the key instruments for the establishment of national identity, the historical policy of modern Ukraine, like any new independent state, inevitably had to become an instrument of ideological sovereignty. However, the process of forming a common civic identity in any multinational country with serious regional differences needs fine-tuning, including on issues of shared historical memory, since in this case a system of cultural and historical coordinates is being built.[57] Otherwise, the state risks only deepening divisions instead of building a national consensus and maintaining an atmosphere of good neighborliness.

The rise to power of Volodymyr Zelensky as a result of the triumphant success in the 2019 presidential elections was rightly associated with the fatigue of the Ukrainian society, including the ultra-radical nationalist agenda in foreign policy and public political discourse. However, there has been no change in the historical policy vector under the new leader. Most of the political elites in power see the future of the country in European integration and rapprochement with NATO. On the other hand, the opposition in the big Ukrainian politics, inclined to a constructive dialogue with Russia, is in a clear minority.

The modern concept of the historical policy of Ukraine did not happen overnight, but was the result of a number of consistent actions taken throughout the post-Soviet period. As part of this process, accompanied by Ukrainization in education and language, a fierce struggle for control over historical policy between supporters and opponents of the Ukrainization of history took place with varying success for almost two and a half decades after the collapse of the USSR. The first stage of the dominance of supporters of Ukrainization fell on the years of the rule of the "orange" President Viktor Yushchenko, during which the Ukrainian Institute of National Memory was created, and the Verkhovna

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[56] Putin, Vladimir "On the Historical Unity of Russians and Ukrainians" // Russian President. 12.07.2021.
URL: http://www.kremlin.ru/events/president/news/66181 (in Russian).

[57] Tishkov, Valery. Old and New Identities // Valery Tishkov.
URL: http://www.valerytishkov.ru/cntnt/nauchnaya_/obrazy_rossii/starie-i-novie-i.html (in Russian).

Rada adopted the law "On the Holodomor in Ukraine in 1932–1933," which interprets the famine of the early 1930s as genocide Ukrainian people. Finally, at the same time, an attempt was made to legislate the glorification of the leaders of nationalist movements and organizations such as the Organization of Ukrainian Nationalists (OUN) and the Ukrainian Insurgent Army (UPA)—These organizations are recognized as extremist, and their activities are prohibited on the territory of Russia. The vector set by Yushchenko's team stalled to some extent during Yanukovich's presidency, although there has not been a complete reversal.

As a result of the 2014 coup d'état in Ukraine, all power ended up in the hands of representatives of the nationalist wing, including supporters of the glorification of nationalist organizations that collaborated with Hitler's regime. As was the case with the Baltic republics, historical policy in Ukraine finally became a mechanism for sovereignty and liberation from Russian influence, as well as the implementation of a Eurointegration and Euro-Atlantic course in foreign policy.

The dichotomy of civil and ethnic identity, arising from serious regional historical, cultural and linguistic differences and facing attempts to create a single Ukrainian nation in a multicultural society based on ethnocentrism and assimilation, has become a distinctive feature of the modern historical policy of Ukraine. Public thought was split. Thus, for example, Stanislav Kulchytsky and Mikhail Mishchenko in their work "Ukraine on the Threshold of a United Europe," released in 2018 with the support of the Hanns Seidel Foundation Office in Ukraine and the Razumkov Centre, argued that "... The Revolution of Dignity...essentially put an end to Ukraine's oscillation between East and West, defined its civilizational choice, its strategic course—modern democracy, rule of law, welfare society. Russian aggression against Ukraine became a powerful push to break with the Russian world, buried myths about brotherly nations and the role of an older brother. Citizens of Ukraine are increasingly realizing not only their separateness, but also responsibility for their country, its European path, well-being and a worthy place in the world community."[58] At the same time, the famous Ukrainian historian Georgy Kasyanov noted that "... the current victory of the national / nationalist narrative and the elimination of its competitors promise an intensification of internal problems, primarily related to the predominance of the exclusive memory model."[59]

In accordance with the new state policy in the field of historical memory in 2014–early 2019, the main attention was paid precisely to the denial of the "positive" in the common past of Ukrainians and Russians and to replacing the idea of commonality with the concept of suffering and continuous national liberation struggle of the Ukrainian people against the occupiers and colonialists. Regarding the issue of criminalizing the denial of the Holodomor as genocide of the Ukrainian people, President Petro Poroshenko said that "the Holodomor

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[58] Kulchytskyy, Stanislav. Ukraine on the Threshold of a United Europe / Stanislav Kulchytskyy, Mykhailo Mishchenko. — Kyiv: Razumkov Centre, 2018. — P. 232 (In Ukrainian).

[59] Kasyanov, Georgy. Ukraine and Neighbours: Historical Politics. 1987-2018 / Georgy Kasyanov. - Moscow: New Literary Review, 2019. — P. 605 (In Ukrainian).

is nothing more than a manifestation of the centuries-old hybrid war of Russia against Ukraine."[60]

In line with the new political line, the concept of Ukraine as the sole heir to Kievan Rus was actively promoted, while the rules and attitudes dictated by the country's new leadership and legislation gradually became established in the rhetoric of officials in the academic sphere, right up to the head of the Ukrgosarchiv. She outlined the purpose of the Ukrainian archival sector as follows: "... for the patriotic education of our younger generation, so that they know what a wonderful country we have, and what history we have, a truthful history, and one can learn that truth in our archives themselves, not Russian lies, but our truth that we keep."[61]

Church policy, in turn, has been closely intertwined with historical policy. The idea of an independent Ukrainian Orthodox Church, actively promoted by Kiev, was also based on interpretations of major historical events, in particular the invalidation of the 1686 Act on the transfer of the Metropolitanate of Kyiv under the omophorion of the Russian Orthodox Church.

The decommunization legislative package drafted and passed by the Verkhovna Rada and signed by the president in spring 2015 has become central to Poroshenko's historical policy.[62] Under the laws, members of nationalist organizations such as the OUN and the UPA were recognized as heroes of the struggle for Ukrainian independence and Victory Day in the Great Patriotic War was replaced by two holidays—Day of Remembrance and Reconciliation (8 May) and Victory Day over Nazism in World War II (9 May). The term "Great Patriotic War" itself was removed from official usage. The Communist regime was actually equated to the Nazi regime and condemned, while Soviet Communist symbols, along with St. George's ribbons, were banned. In addition, the new legislation provided for the renaming of settlements and streets associated with the USSR, as well as the dismantling of monuments of the Communist past.

Amid the growing historical revisionism, the memory of the Great Patriotic War found itself at the center of contradictions both within Ukraine and in the relations with its neighbors. At the same time, the form of this revisionism was closely related to geopolitical changes and the accompanying similar historical revisionism in the West. Taking into account the intensified contradictions between Russia, on the one hand, and the United States and a number of its partners in NATO and the EU, on the other, the latter's activities proceeded in line with the split in the common historical memory of the peoples of the former USSR, the cementing element of which was the common Victory in the Great Patriotic War.

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[60] Holodomor is a Manifestation of Russia's Centuries-old Hybrid War against Ukraine — Poroshenko // UNIAN. 28.11.2015.
URL: https://www.unian.net/politics/1196936-golodomor-yavlyaetsya-proyavleniem-mnogovekovoy-gibridnoy-voynyi-rossii-protiv-ukrainyi-poroshenko.html (in Russian).

[61] Position 12.01.16 Tetiana Baranova // YouTube. TV channel Rada. 12.01.16. URL: https://www.youtube.com/watch?time_continue=334&v=ebsQQ6WP0-g (in Ukrainian).

[62] Dorosh, Svetlana. Poroshenko Signs Decommunisation Laws // BBC, Ukraine. 16.05.2015.
URL: http://www.bbc.co.uk/ukrainian/ukraine_in_russian/2015/05/150516_ru_s_decommunisation_laws_signing (in Russian).

Thus, on January 25, 2006, the Parliamentary Assembly of the Council of Europe adopted Resolution No. 1481, calling for the condemnation of the crimes of totalitarian Communist regimes.[63] It was followed by the Declaration of the European Parliament on September, 23, 2008 proclaiming August 23 as European Day of Remembrance for Victims of Stalinism and Nazism,[64] and on April 2, 2009, the European Parliament's Resolution on European conscience and totalitarianism was published, calling for recognizing Communism, Nazism and fascism as a common legacy and organizing information campaign to expose totalitarian crimes.[65] On August 23, 2011, the Warsaw Declaration was adopted, calling on the basis that "... Europe has suffered under totalitarian regimes, be they communist, national socialist or of any other nature," to support, including financially, the activities of NGOs on collecting and researching of the crimes of totalitarian regimes, as well as the dissemination of historical knowledge about these crimes.[66]

This list can be supplemented with the Joint Statement of the Representatives of the Governments of the EU Member States on Remembrance of Victims of Totalitarian and Communist Regimes of August 23, 2018,[67] as well as the Statement by the Foreign Ministers of Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and the U.S. Secretary of State of May 7, 2020,[68] in which the USSR is also presented as an aggressor and invader, and not as a liberator from Nazism. Finally, on the eve of the 75th anniversary of the end of World War II and the Great Patriotic War, on September 19, 2019, the European Parliament adopted the notorious Resolution "On the Importance of European Remembrance for the Future of Europe." According to this document, the USSR and Germany «divided Europe and the territories of independent states between the two totalitarian regimes and grouped them into spheres of interest, which paved the way for the outbreak of the Second World War."[69]

These documents, as well as numerous legislative acts and statements by politicians in certain post-Soviet countries, were in fact aimed at shaping and consoli-

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[63] Resolution 1481 (2006) // Parliamentary Assembly of the Council of Europe. 25.01.2006.
URL: https://www.coe.int/T/r/Parliamentary_Assembly/%5BRussian_documents%5D/%5B2006%5D/%5BJan2006%5D/Res1481_rus.asp (in Russian).

[64] Declaration of the European Parliament on the proclamation of 23 August as European Day of Remembrance for Victims of Stalinism and Nazism // European Parliament. 23.09.2008.
URL: https://www.europarl.europa.eu/doceo/document/TA-6-2008-0439_EN.html

[65] European Parliament resolution of 2 April 2009 on European conscience and totalitarianism // European Parliament. 02.04.2009. URL: https://www.europarl.europa.eu/doceo/document/TA-6-2009-0213_EN.html

[66] Warsaw EU Declaration in Commemoration of the European Day of Remembrance for the Victims of Totalitarian Regimes // Regnum. 25.08.2011. URL: https://regnum.ru/news/polit/1439061.html

[67] Representatives from eight countries adopted a joint statement to commemorate the victims of communism // Republic of Estonia, Ministry of Justice.
URL: https://www.just.ee/en/news/representatives-eight-countries-adopted-joint-statement-commemorate-victims-communism

[68] Statement by the Ministers of Foreign Affairs of Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and the U.S. Secretary of State on the 75th Anniversary of the End of World War II // Embassy of the Czech Republic in Moscow. 07.05.2020.
URL: https://www.mzv.cz/moscow/ru/soobschenia_sobytija/x2020_05_07_1.html (in Russian).

[69] European Parliament resolution of 19 September 2019 on the importance of European remembrance for the future of Europe // European Parliament. 19.09.2019.
URL: https://www.europarl.europa.eu/doceo/document/TA-9-2019-0021_EN.html

dating the lines of division in the historical memory of the peoples of the former USSR.

The split in the perception of historical policy among the Ukrainian population is particularly evident in the regional dimension. Thus, opponents of the application of decommunization laws were noticeably more numerous in the center and especially in the south-east than in the west, and in some cases they went on the counteroffensive. In 2019, for example, the decision to rename Marshal Zhukov Avenue as Petro Grigorenko Avenue was reversed in Kharkiv at the initiative of the city council and city mayor Gennadiy Kernes, and the bust of the Soviet marshal, demolished by a group of nationalists, was reinstalled in its former location.[70] On May 9, 2021, the secretary of the Kharkiv city council, Ihor Terekhov, confirmed the continuity of the course chosen by the regional authorities to protect the memory of the Red Army heroes who liberated Slobozhanshchyna.[71] In 2019, the struggle between supporters and opponents of the "carpet" elimination of Soviet symbols and toponyms in Kyiv escalated into a series of trials and decisions, sometimes canceling or returning the former names of Moscow Avenue and General Vatutin Avenue. In 2016, they were renamed Bandera and Shukhevych Avenue by the decision of the Kyiv city council, respectively.[72]

V. Zelensky, who not only received the presidency, but also for the first time in history, formal control over the Verkhovna Rada as a result of the sweeping victory in the 2019 parliamentary elections of the pro-presidential Servant of the People party, in historical politics remained an adherent of the geopolitical vector set by his predecessor. High-profile laws aimed at Ukrainization, including the 2017 Law on Education and the 2019 Law on Ensuring the Functioning of the Ukrainian Language as the State Language, have not been fundamentally revised. The Law on the Indigenous Peoples of Ukraine, adopted this year, has not levelled the contradictions with either the Russian-speaking population or the compactly settled national minorities, conflicts with whom, in particular the Transcarpathian Hungarians, have become a matter of big politics and complicated interstate relations.

Responding to the Russian president's article "On the Historical Unity of Russians and Ukrainians," Zelensky called Kievan Rus the mother of Ukrainian history, and the regions of modern Ukraine and Crimea its native children and heirs, advising Russia not to claim succession to the Old Russian state.[73] The concept of the project of Ukraine as "Anti-Russia" is also based on the statement made at the end of August 2021 by the Press Secretary of the Ukrainian Delegation in

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[70] The Monument to Marshal Zhukov Destroyed by nationalists Restored in Kharkiv // TASS. 11.07.2019.
URL: https://tass.ru/obschestvo/6652909 (in Russian).

[71] In Kharkiv districts Celebrated 9 May // Official website of Kharkiv City Council, Kharkiv city council, city mayor, executive committee. 09.05.2021.
URL: https://www.city.kharkov.ua/ru/news/u-rayonakh-kharkova-vidsvyatkuvali-9-travnya-47347.html (in Russian).

[72] Court Finds Renaming of Bandera Avenue and 4 More Streets in Kyiv Legal // UNIAN. 22.04.2021.
URL: https://www.unian.net/society/sud-priznal-zakonnym-pereimenovanie-prospekta-bandery-i-eshche-4-ulic-kieva-advokat-novosti-kieva-11397256.html (in Russian).

[73] Happy Day of Christianization of Kievan Rus — Ukraine! // Telegram. Zelenskiy / Official. 28.07.2021.
URL: https://t.me/V_Zelenskiy_official/547 (in Ukrainian).

the Trilateral Contact Group and the Adviser to the Head of the Office of the Ukrainian President, Oleksiy Arestovich, about "intercepting the topic ... of the legacy of Kievan Rus" from Moscow up to the renaming of the country into Ukraine-Rus. O. Arestovich called the issues of historical policy a strategic narrative that decides not so much the questions of the present as the past and the future.[74] This concept fits well into the framework of information warfare for the return of "temporarily occupied territories." The active propaganda of Kyiv's interpretations of the historical past is addressed, among other things, to the population of the breakaway regions.[75]

However, a powerful state information campaign in combination with historical, educational and linguistic policies has not led to the complete dominance of interpretations of the historical past being introduced into the public consciousness in Ukraine.

The large-scale procession organized on the eve of the Day of Christianization of Kievan Rus in July 2021 met with a clearly negative reaction from V. Zelensky, who tried to accuse the organizers and the Kyiv city authorities of violating sanitary and epidemiological norms.[76]

According to a poll conducted by the Rating group in connection with the statement of V. Zelensky that Russians and Ukrainians are not one people, 41 % of respondents disagreed with the opinion of the Ukrainian leader. At the same time, 60 % of respondents in the eastern regions and among the parishioners of the Ukrainian Orthodox Church of the Moscow Patriarchate called themselves one people with the Russians, while in the southern regions—56 %.[77]

Thus, the current historical policy implemented by Kyiv has not resulted in consolidation of society, but has instead provoked an increasing split around a number of crucial historical events and their contemporary interpretations through geopolitician and the dominance of the nationalist narrative.

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[74] Speaker of the Office of the President Alexey Arestovych Revealed Zelensky's Plan for War against Russia // YouTube. Roman Tsimbalyuk. 31.08.2021.
URL: https://www.youtube.com/watch?v=yWeRXRnfi1g (in Russian).

[75] Ukraine Must Win Information War in Occupied Territories — Zelensky // UNIAN. 22.03.2019.
URL: https://www.unian.net/elections/10489620-ukraine-nuzhno-vyigrat-informacionnuyu-voynu-na-okkupiro-vannyh-territoriyah-zelenskiy.html (in Russian).

[76] "Didn't See any Masks There": Zelensky Rebuked the Kyiv Authorities over the Moscow Patriarchate's Cross Procession // NV. 28.07.2021.
URL: https://nv.ua/ukraine/politics/zelenskiy-upreknul-klichko-iz-za-krestnogo-hoda-upc-mp-v-kieve-novo-sti-ukrainy-50174116.html (in Russian).

[77] Poll: 41 % of Ukrainians See Themselves as One People with Russians, 55 % Disagree // BBC Russian Service. 27.07.2021. URL: https://www.bbc.com/russian/news-57984025 (in Russian).

30 Years of Ukraine's Ideology: How Has It Changed?

Anton Naychuk

Against the background of the destructive processes in the Soviet Union that were gaining momentum, the prevailing ideas of independence and statehood in Ukrainian society were grounded on the desire for national self-determination and the strengthening of its political identity. Being able to determine the country's political course, geopolitical guidelines and socio-cultural paradigm independently, civil society and elites could now unite the population on the basis of a common ideology and shared vision of the future.

Nevertheless, instead of strengthening socio-political cohesion, both consolidating and dividing tendencies on the way to the establishment of the Ukrainian nation have become a characteristic feature of the history of modern Ukraine.

The issue of national unity has several times underpinned political decisions acceptable to most. However, there have been situations of deliberate division of society in political interests that have had far-reaching consequences. Speculation on language or history has repeatedly provoked social split while the pressure groups behind it have reaped political dividends.

As practice shows, the successful development of Ukrainian statehood required not only the establishment of effective institutions, the advancement of an optimal model of social contract, the launch of understandable rules of the game, but also the consolidation of the Ukrainian nation as a single body politic.

The different perceptions of certain historical moments and the plurality of cultural identities have caused some difficulties, and the themes of language, historical heritage and culture have often been deliberately politicized. Moreover, the division of society into opposing sides has proved to be an effective political technique with visible short-term successes for specific political groups. At the same time, it has laid a time bomb for Ukraine's long-term development.

In a bid to gain the support of right-wing voters, political forces actively appealed to the ideological foundations of nationalism laid by Mykola Mikhnovsky. It was he who defined the fight against Russia as one of the key elements in the defense of the Ukrainian statehood.

In order to be supported by voters in eastern and southern Ukraine, politicians played on the contrast and associated themselves and their electorate with a notional Russian side and actively appealed to "the reestablishment of the Soviet Union," "one Slavic nation" and "political, economic and cultural convergence within the borders of the post-Soviet space."

In most cases, society was guided by emotions, and therefore did not notice the extreme political pragmatism and cold calculation of the ideologists of the policy of split and disunity. At the same time, political intrigues continued to trail behind the media image of the radical confrontation between the conventionally pro-Western and pro-Russian population.

The approaches of Viktor Yanukovych's political strategists have become one of the clearest examples of stirring up a public conflict. According to one of the versions, they financed behind-the-scenes the promotion of the project of the nationalist party "Svoboda" in order to finally remove Yulia Tymoshenko from politics. Thus, if the Svoboda party became entrenched as the second political force in the country due to support in the western regions, then the Party of Regions would have the opportunity to successfully play on this opposition for at least one electoral cycle. In turn, Viktor Yanukovych wanted to get a convenient opponent in the person of Oleh Tyahnybok. Taking a more moderate position in comparison with his counterpart, V. Yanukovych could consolidate the traditional electorate of regional parties and centrist voters in Central Ukraine.

Even before that, in the early 2000s, the political technology of artificially heating up social and cultural differences was actively used in the confrontation between Viktor Yanukovych and Viktor Yushchenko.

The consequences of exploiting the technology of "mobilizing one's own electorate by opposing adversaries" within the same nation did not take long to appear. The social fault lines have gone in several directions, the most significant of which are language and history. They were actively supplemented by a third component, namely, the country's foreign policy, which allowed external players to use this case in their own interests and influence the political environment in Ukraine.

The language, which was previously a means of free communication, was artificially transformed by political forces into a real confrontation between the two sides—those who think that the rights of the Russian-speaking population are being infringed upon, and those who see a constant threat in the very existence of the Russian language in Ukrainian life. One group began to promote the issue of granting the status of a second state language to the Russian, while the other said that such a decision would endanger the Ukrainian statehood. The former saw the goal of its political activity in expanding the rights of regional languages, due to which the well-known "Kivalov-Kolesnichenko language law" arose. Others considered it necessary to protect and popularize the Ukrainian language.

A similar trend could be observed in the search for "historical justice." Yet, the problem was aggravated by issues of geopolitics.

In the first case, the red line ran between the citizens of the predominantly western regions of the country, who heroized Stepan Bandera in the struggle for an independent Ukraine from the "Soviet occupation," and inhabitants of other regions who defended the memory of the victory of the Soviet people in the Great Patriotic War and reminded of Stepan Bandera's connection with by the German invaders.

The social split deepened, since the attempts of "historical reconciliation," which began during the presidency of Leonid Kuchma and continued under Viktor Yushchenko, did not bring results.

In the second case, the extrapolation of the historical and cultural heritage to international relations opposed the supporters of Euro-Atlantic integration and

those who advocated rapprochement with the CIS countries in new regional economic projects.

Foreign policy views of Ukrainian citizens were often determined by their cultural affiliation. In political technologies, the image of a Ukrainian-speaking Ukrainian, a resident of Western or Central Ukraine, who supports the country's accession to NATO and the EU, contrasted with another citizen, an inhabitant of Eastern or Southern Ukraine, who shared the ideals of the commonality of the Slavic peoples and supported rapprochement with Russia. It is worth noting that these tools were abused by representatives of both political camps.

The presidential election campaigns demonstrated that in order to win it is necessary to successfully mobilize either a pro-Western or a pro-Eastern electorate, which was clearly reflected in the confrontation between V. Yushchenko and V. Yanukovych. Further, already in the status of the head of the executive branch, the victorious politician will have to find a middle ground.

If Leonid Kravchuk and Leonid Kuchma successfully balanced between geopolitical centers of influence and managed to find a compromise, and Viktor Yushchenko failed to tip the existing balance, then Viktor Yanukovych lost any control over the situation. Attempts to speculate on the idea of Euro-Atlantic integration, which was replaced by a sharp change in foreign policy towards Eurasia, deepened the previously formed fault in the civil worldview, and most importantly, became an additional trigger of popular protest.

Of course, attempts to consolidate financial and political levers of influence in the same hands became one of the key catalysts for the fall of the "Yanukovych regime." However, the first cause for the Ukrainian public to come out to protests on the Maidan was the refusal to sign an Association Agreement with the EU, which cannot be discounted.

Eventually, geopolitics continued to significantly influence the socio-political consciousness of the inhabitants of Ukraine, determining the directions of the national identity development and the state ideology consolidation.

Paradoxically, the loss of the Crimean Peninsula and the beginning of active hostilities in Donetsk and Luhansk oblasts played a huge role in the subsequent establishment of Ukrainian national policy, the transformation of the sociological map and the consolidation of a large part of the Ukrainian population around the national-patriotic idea. The prevailing circumstances gave a significant impetus to the Ukrainization of political processes and the expansion of critical attitudes towards Russia in geographical terms.

In the early stages of the aggravation of relations between Kyiv and Moscow, conditions were created for intensified processes of Ukrainization in all social spheres. Against this backdrop, the dominant political elites launched trends that received mixed public reaction, such as "decommunization."

Despite the existing necessary conditions for the desired political integrity, the radical, and in some way, and erroneous actions of the country's political leader-

ship largely led to a further split instead of achieving ideological unity. Moreover, ideological patterns began to gradually fade into the background due to the aspirations of civil society towards social and political stability, obtaining security guarantees and overcoming corruption. Ukrainian society again turned out to be heterogeneous in terms of its attitude to the national policy of the authorities.

Petro Poroshenko appealed to the more right-wing electorate with a nationalist agenda and slogans "Army, Language, Faith." At the same time, the political forces traditionally loyal to the policy of rapprochement with Russia united the voters of the South-East of the country, who share the corresponding cultural and historical values, and received the support of 13 % of voters.

The coming to power of Volodymyr Zelensky with a centrist rhetoric aimed at ideological unification of the country was one of the reasons for the unprecedented success of non-systemic politicians in the presidential and parliamentary elections. The image of the average Ukrainian citizen is based on the need to guarantee basic social benefits, fatigue from ideological struggle and the desire to return Ukraine to a state of a peaceful, economically prosperous country. Ukraine managed to survive the real "electoral Maidan" without casualties and a single shot.

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Summing up, it should be acknowledged that fundamental changes in the establishment of Ukrainian identity have taken place since 2014. For example, the population became increasingly inclined to support European values in the matter of foreign policy guidelines—62 % of citizens were in favor of integration with the EU and only 26 % were against it, 54 % of respondents were ready to support accession to NATO, while 31 % were against such a move. In addition, the majority of the Ukrainian population (55 %) disagrees with the recent article by Vladimir Putin and the underlying thesis of the unity of the Ukrainian and Russian peoples.

At the same time, the recent success of the Servant of the People party in the elections demonstrated the peculiarity of the Ukrainian socio-political landscape. Thus, a huge demand for the implementation of a project of a successful country can become a unifying factor against the background of the cultural and historical diversity of the Ukrainian people and should underlie a progressive national policy. Only the ability of political elites, together with civil society, to find the necessary balance and unite Ukrainians under common ideological guidelines along the "west-east" and "south-north" lines will stop destructive processes and stimulate the development of Ukraine as a successful European state.

The Current State of the Ukrainian Economy and Its Prospects

Maxim Borodenko

Since 2014, Ukraine's leadership has been constantly declaring a course towards European integration and severing ties with Russia. However, facts and figures show that Kyiv's foreign trade and economic vector is more oriented towards the East. Although one cannot but agree that the goal of severing ties with Russia is being fulfilled.

Ukrainian foreign trade has seen a steady decline in engagement with Russia over the past seven years. The countries have imposed numerous sanctions and trade restrictions on each other. For example, cooperation in the military sphere was broken off at Kyiv's initiative, cooperation in industrial production was terminated, mutual customs duties were introduced on a number of goods, Moscow suspended the agreement on a free trade zone with Ukraine, etc. As a result, trade turnover between the states has fallen more than fourfold in seven years, from USD 38.2bn in 2013 to USD 9.9bn in 2020.[78]

At the same time, there is a slight increase in commodities trade between Ukraine and the European Union. According to the State Statistics Service of Ukraine, turnover with the EU amounted to USD 43.7bn in 2013,[79] and USD 45.7bn in 2019. In 2020, it fell to USD 42bn,[80] due to the coronavirus pandemic and the resulting economic crisis. As a consequence, trade volumes have declined and demand for a number of goods has fallen.

The data shows that despite the Association Agreement with the EU and the functioning of the free trade area, there has been no explosive growth in trade and economic relations between Ukraine and the European Union in seven years. Ukrainian goods have not "conquered the European market," as the country's leadership promised back in 2013 and 2014. Although the negative trade balance has halved between 2013 and 2020, from USD 10.2bn to USD 4.8bn, trade and economic engagement with the EU remains deficient for Ukraine.[81]

The severance of some ties with Russia and the signing of the Association Agreement with the European Union have had serious consequences for the commodity structure of Ukrainian exports and industry. The Russian market accounted for a significant share of supplies of manufactured goods with high added value until 2014, primarily in the military, machine building, aircraft engineering, etc. The termination of trade and industrial ties with Russia resulted in the loss of the market for a number of Ukrainian enterprises and industries, which failed to reorient their exports in seven years.

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[78] Russia-Ukraine trade in 2020 // Russian Foreign Trade. 13.02.2020.
URL: https://russian-trade.com/reports-and-reviews/2021-02/torgovlya-mezhdu-rossiey-i-ukrainoy-v-2020-g/

[79] State Statistics Service of Ukraine. URL: Ukrstat.gov.ua

[80] Ibid.

[81] State Statistics Service of Ukraine. URL: Ukrstat.gov.ua

The European Union has enshrined a number of protective mechanisms in the Association Agreement which do not allow most of Ukraine's finished products to enter the EU. Ukrainian producers face great difficulties in reaching other markets because many states pursue protectionist policies. Ukrainian enterprises also have big problems inside the country because under the Association Agreement with the EU, Ukraine opens its markets to European goods and cannot actually support domestic producers. Therefore, local goods are actively being replaced by imported ones.

The agro-industrial complex also faces difficulties. Since 2016, there has been a ban on deliveries of agricultural products from Ukraine to Russia, while the EU is ready to buy only raw materials with some restrictions. These include cereals, maize, rapeseed and sunflower oil, i.e. those products that the EU is unwilling or unable to grow itself. Other commodity groups are subject to small duty-free quotas, some of which Ukrainian producers select in the first few weeks of the calendar year.

In these conditions, Ukrainian producers had to look for new markets. Farmers managed to do so because countries that lack adequate climatic and geographical resources still need agricultural products. Thus, exports were shifted to countries in North Africa, the Middle East and Asia.

First and foremost, we are talking about China. Compared to 2019, Kyiv doubled its exports of goods to the PRC to USD 7.1bn in 2020.[82] Chinese imports amounted to USD 8.3bn, and total trade reached USD 15.4bn.[83] As a result, Beijing has become a major trade and economic partner for the first time in Ukrainian history. According to Deputy Minister of Economic Development, Trade and Agriculture and Trade Representative of Ukraine Taras Kachka, China is now more influential in the structure of Ukrainian trade than the CIS as a whole, accounting for 15 % of turnover, 14 % of exports and 15 % of imports.[84]

A number of factors contributed to these figures, namely the size and capacity of the Chinese market, the relatively rapid recovery of its economy and the resumption of industrial production, which needed metallurgical raw materials, including Ukrainian ones, as well as a significant increase in world prices for metals and food, which Ukraine exports to the PRC. Another reason lies in the US-China trade war, whereby the Chinese leadership banned imports of a number of US agricultural products, including corn and soybeans, which were replaced by Ukrainian supplies.

The great handicap for Ukraine in its trade with both China and the European Union is that its companies sell raw agricultural and metallurgical products, while it imports finished, value-added industrial goods.

Because of the above-mentioned trends, Ukraine is undergoing a process of

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[82] Ukraine Doubles Exports to China and Reduces Imports from Russia by a Third in 2020 // Interfax. 19.02.2021. URL: https://www.interfax.ru/business/751816 (in Russian).

[83] Ibid.

[84] Ibid.

ongoing deindustrialization, which has accelerated in recent years. At the end of 2019, industrial production fell by 2 %, with an 8 % decline in December alone,[85] and a 5 % drop in 2020.[86] The negative trend continued in 2021, with a 4 % decline in January compared to January 2020.[87]

This means that many companies across the country are closing down or going part-time, suspending and laying off employees. As no new jobs are created, unemployment rates are rising. That is why able-bodied people, including highly qualified specialists, have to go abroad in search of some kind of job. According to former Ukrainian Social Policy Minister Andriy Reva, about 3.2 million Ukrainians were working abroad constantly at the end of 2018, while 7 to 9 million worked abroad on a non-permanent basis.[88] In 2019, labor migrants from Ukraine transferred a record USD 12bn to their home country, becoming the main investor in the economy and the key source of foreign exchange.[89]

Agriculture shows a mixed picture. On the one hand, the share of the products in Ukraine's production and exports is growing steadily. In 2013, farmers and agribusinesses sold USD 17bn worth of goods,[90] rising to USD 22.39bn in 2020.[91]

At the same time, Ukraine's agricultural exports are based on commodities or products of low-income agriculture: grains, corn, rapeseed and sunflower oil. One of the problems of this industry is that the country's leaders and agricultural companies do not develop high-yield agriculture, which leaves the industry short of large profits.

For example, agribusiness in Spain has a turnover of USD 70bn with about 12 million hectares of cropland, while Ukraine possesses 43 million hectares of arable farms.[92] An even more interesting example is the Netherlands, where only 1.8 million hectares of agricultural land are farmed and exports of agricultural

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[85] Ukraine's Industry Dropped by Almost 2 % in 2019, by 8.3 % in December // Ekonomicheskaya Pravda. 22.01.2020. URL: https://www.epravda.com.ua/rus/news/2020/01/22/656135/ (in Russian).

[86] State Statistics Service of Ukraine Announces Degree of Decline in Ukrainian Industry in 2020 // STRANA.ua. 22.01.2021.
URL: https://strana.ua/news/313421-v-2020-hodu-v-ukraine-obem-promproizvodstva-upal-na-5-2.html (in Russian).

[87] Ukrainian Industrial Production Falls by almost 4% in January // STRANA.ua. 25.02.2021.
URL: https://strana.ua/finance/319751-obemy-promyshlennoho-proizvodstva-v-janvare-2021-hoda.html (in Russian).

[88] Kyiv Estimates Number of Ukrainians Working Abroad at 9 million // RBC. 22.12.2018.
URL: https://www.rbc.ru/politics/22/12/2018/5c1e393b9a79473380032832 (in Russian).

[89] Labour Migrants Transferred More than $12 Billion to Ukraine in One Fiscal Year // Ministry of Finance of Ukraine. 30.03.2020. URL: https://minfin.com.ua/2020/03/30/42710207/ (in Russian).

[90] What and To Whom did Ukraine Sell in 2013? // Meatinfo. 04.04.2014.
URL: https://meatinfo.ru/news/chto-i-komu-prodavala-ukraina-v-2013-godu-320618 (in Russian).

[91] Third Year in a Row. Ukraine Renews Historic Record for Agrarian Exports // Zerno On-Line. 10.02.2021.
URL: https://www.zol.ru/n/32ce9 (in Russian).

[92] Tkachev Y. Conservation Poverty. How Selling the Land Will Change the Ukrainian Village // STRANA.ua. 17.11.2019.
URL: https://strana.ua/articles/analysis/233415-pochemu-rada-prinjala-zakon-o-prodazhe-zemli-v-ukraine.html (in Russian).

products reach USD 98bn.[93] Thus, Dutch farmers earn more than 70 times as much per hectare of cropland as Ukrainian farmers.[94]

This is explained by the fact that in the Netherlands and Spain smaller farms are more developed, making better use of the limited land resources available and growing mainly high-yield crops, such as vegetables, fruits, berries, as well as developing livestock, poultry, etc. The basis of Ukrainian agriculture is made up of large agricultural holdings that lease large areas of fertile land. It is easier and more profitable to grow low-value crops on these lands, which require less investment and human resources. The opening of the land market, scheduled for the summer of 2021, will only mothball the situation rather than change it for the better. Land will most likely be bought up by the same agricultural holdings that will maintain their status quo. Therefore, Ukraine will remain primarily a supplier of agricultural raw materials.

Kyiv has failed to improve its public finances over the past few years. According to the Ukrainian Finance Ministry, public debt and publicly guaranteed debt have been rising steadily since 2013, increasing from USD 37.5bn to USD 53.7bn over seven years by the end of 2020.[95] There are several reasons for this dynamic. Kyiv has to constantly borrow money to repay old debts, and new loans are often issued at higher interest rates. The government also has to seek loans to cover the budget deficit. Another reason consists in Ukrainian negative foreign trade balance, which also increases its debt burden.

The International Monetary Fund was Ukraine's main source of loans from 2014 to 2018. However, Kyiv has not received funds from the IMF since December 2018, when the last tranche of USD 1.4bn was received.[96] This has prompted the country's leadership to look for alternative ways of borrowing from 2019, while the country's financial situation has worsened. In addition to rising interest on old loans, Kyiv needs to pay back large sums in 2019-2021 as part of the debt restructuring negotiated by former Finance Minister Natalie Jaresko.[97]

The solution was found by placing local government bonds. This mechanism helped to raise hundreds of billion hryvnias in 2019 and 2020, which temporarily stabilised the budget and debt repayments.

However, this method has its side effects. As the lion's share of purchasers of local government bonds are foreign financial speculators buying these deben-

93 Hectare Efficiency: How the Dutch Earn 70 Times more than Ukrainian Farmers // UA.NEWS. 12.11.2019.
   URL: https://ua.news/ua/effektyvnost-gektara-kak-gollandtsy-zarabatyvayut-v-70-bolshe-ukraynskyh-ag-raryev/ (in Russian).

94 Borodenko, Maxim. "Much Land, Little Money": What's Behind the Decline of Ukraine's Agriculture // Eurasia Expert. 29.06.2020.
   URL: https://eurasia.expert/chto-stoit-za-upadkom-selskogo-khozyaystva-ukrainy/?sphrase_id=24386 (in Russian).

95 External Public Debt of Ukraine // Ministry of Finance of Ukraine. 26.07.2021.
   URL: https://index.minfin.com.ua/finance/debtgov/foreign/ (in Russian).

96 Bottomless Barrel: How Much Money the IMF Has Allocated to Ukraine // Gazeta.Ru. 21.12.2018.
   URL: https://www.gazeta.ru/business/2018/12/21/12103219.shtml (in Russian).

97 Tishchenko, Marina. Yaresko: Ukraine Restructured 12 Billion in Debt // KP in Ukraine. 28.01.2016.
   URL: https://kp.ua/economics/527662-yaresko-ukrayna-restrukturyzovala-12-myllyardov-dolha (in Russian).

tures because of their high yields, large amounts of hryvnia need to be purchased to make the transaction, which leads to its significant artificial appreciation.[98] As a consequence, the state budget falls short of the planned revenues from exports and customs duties, which are denominated in foreign currency.

As a result of this and other factors, Ukraine faced an actual technical default in 2019 and 2020. On December 17, 2019, the former Prime Minister of Ukraine Oleksiy Honcharuk instructed the State Treasury to stop funding any programs other than protected items of the state budget, namely salaries, pensions and social benefits.[99] In 2020, a similar decision was made even earlier—on November 20.

Ukraine will face a similar budgetary crisis at the end of this year as well, but even earlier than in 2019 and 2020. This is evidenced by the figures in the 2021 budget, the failure in negotiations with the IMF, the continued use of local government bonds, as well as the peak of external debt payments, which falls on 2021.

Conclusions and Outlook

There has been no substantial growth in mutual trade between Ukraine and the EU over the past seven years. The share of the European Union among Kyiv's main partners has increased, but this is primarily due to a significantly reduced trade turnover with Russia.

The EU-Ukraine Association Agreement and the launching of a free trade area did not help Ukrainian producers to conquer European markets. The European Union closed access to high-tech products with high added value, goods of the military industry, mechanical engineering, many other industrial products, and most processed agricultural products from Ukraine.

At the same time, the Ukrainian market today is barely protected, especially against Western companies. This has allowed European producers to occupy it and squeeze out a considerable part of local goods. As a result, there is an ongoing process of deindustrialization in the country, which aggravates the socio-economic crisis.

The impoverishment of the state, the local population, companies and entrepreneurs makes the Ukrainian market less profitable and attractive to external actors, for whom Kyiv is becoming increasingly interesting as a supplier of raw materials. Western countries and businesses use Ukraine as a donor of agricultural, metallurgical and other raw materials, a supplier of cheap labour, timber, amber, etc., as well as a source of enrichment due to the high yield of domestic government bonds.

The country's agriculture is developing along the path of least resistance, requiring minimal investment. The opening up of the land market would only perpetu-

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[98] For example, Ukrainian debt instruments were among the most profitable in the world in spring 2019.

[99] Ukrainian Finance Ministry Suspends Payments Due to Budget Underperformance // Rambler. 19.12.2019. URL: https://finance.rambler.ru/economics/43378719/?utm_content=finance_media&utm_medium=read_more&utm_source=copylink (in Russian).

ate the current model and allow the state to make a relatively small income from the sale of farmland. It would also threaten the national food security by letting the owners decide what crops to grow. Ukraine is already forced to increase its purchases of certain agricultural commodity groups, which it produced itself until recently.

China has become Ukraine's main trading partner in 2020, both for exports and imports. It is the Chinese market that could become a lifeline for the Ukrainian economy, especially for exporters. However, Beijing could hit Ukrainian exports because of the sanctions Kyiv has imposed on Chinese investors for their participation in Motor Sich,[100] after the country decided to nationalize the company.[101] This could cause serious damage both to exporters and to the country's economy. While the Russian and European markets have been partially replaced by China, exports to the PRC are unlikely to be.

The country's financial system is undergoing serious difficulties. The state has to borrow more money to pay off old debts at higher interest rates. There was a budget crisis in 2019 and 2020, which is very likely to continue in 2021.

In the current environment the prospects for foreign investment are slim to none. Investors have minimal confidence in the economic system and the Ukrainian state, and no one wants to risk their assets, especially in times of crisis. The level of mistrust will grow considerably after the decision to impose sanctions on Chinese citizens and companies that have invested in Motor Sich. In addition, the country remains politically unstable and the military conflict in the east of the country has not been resolved.

What can Russia expect? Risks, threats and prospects

In the foreseeable future, one should expect a continued decline in mutual trade between Kyiv and Moscow, primarily due to a decrease in Ukrainian exports to Russia. This will be happening because of the negative processes in the Ukrainian economy, the import substitution implemented in Russia, and the very likely intensifying sanctions confrontation.

Because Russia has already been able to substitute domestically produced goods previously purchased from Ukraine, the two economies will no longer be able to complement each other and cooperate closely as they did before the crisis, even in case of hypothetical improved relations. Ukraine has irrevocably lost entire niches of the Russian market to its producers. At the same time, Kyiv has kicked Russian producers out from Ukraine, making way for Western companies.

The economic processes in both Russia and Ukraine in recent years have led to competition between the economies of the two countries and their products. This competition often takes place in the same markets, namely in North Africa, the

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[100]Kyiv Imposes Sanctions against Chinese Shareholders of Motor Sich // RBC. 30.01.2021.
  URL: https://www.rbc.ru/politics/30/01/2021/60149a3b9a794781c6000a0d (in Russian).

[101]Ukraine Decides to Nationalise Motor Sich // RBC. 12.03.2021.
  URL: https://www.rbc.ru/politics/12/03/2021/604accbd9a7947e9c3516c00 (in Russian).

Middle East, Asia, including China, India and others. This is particularly true for the supply of agricultural products.

Russian exports to Ukraine have a certain potential to grow. It may be possible in case of increasing energy prices and contracts for direct gas supplies to Ukraine, while now Kyiv allegedly buys European gas. Russia also sells agricultural products, diesel fuel, etc. Sales of these groups of goods may increase, as they did for some in 2020, but cooperation in any of the spheres could be cut short at Kyiv's initiative. Moscow should therefore be prepared for this.

Some major Russian state-owned and private companies continue to operate in Ukraine. These include Sberbank, VEB.RF, which functions as Prominvestbank, Alfa-Bank, and mobile operator Kyivstar, owned by VimpelCom. Until recently, Sportmaster and other businesses operated in Ukraine. Given Kyiv's rhetoric and policy, as well as the decisions of the National Security and Defence Council on sanctions against Ukrainian citizens, Chinese investors and enterprises, which are not legally justified and are blatant raiding, one should be prepared that any Russian venture, regardless of its size, importance and ownership by the state, may fall under restrictive measures, lose its capital and close down. That fate befell Sportmaster, which was sanctioned on February 21, 2021.[102]

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102   Zelensky Imposes Sanctions against Sportmaster // Kommersant. 21.02.2021. URL: https://www.kommersant.ru/doc/4702801 (in Russian).

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