

War and Poverty Threaten Ukraine's Future

By [Stephen Crowley](#)

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Back in 1991, some months before the collapse of the Soviet Union, I saw a strange vision in the city of Donetsk: muscle-bound glam-rockers attending nationalist rallies calling for Ukrainian independence. With a closer look I realized these weren't tough guys in mascara, but coal miners, unable to wash that last bit of coal dust off of their eyelids.

When I asked these Russian-speaking miners why they wanted an independent Ukraine, they answered simply that they would "live better," economically and otherwise, if control shifted from Moscow to Kiev.

But the rally's leaders, Ukrainian nationalists who mostly hailed from western Ukraine, viewed independence quite differently. They saw it not as a means to a better life, but as an end in itself.

Indeed, returning to the Donbass only a few years after the Soviet collapse, in conditions of a deeply depressed Ukrainian economy, this coalition had clearly frayed. Even then, miners

and others warned me of the danger of "fascism," a word they associated with nationalists in western Ukraine.

While much of the discussion of the ongoing conflict in Ukraine has understandably centered on Putin's role, Ukraine's story does not begin and end with Putin. Ukraine faces two steep challenges: first, to avoid civil war, and second, to avoid economic collapse.

These two dangers are interrelated. While eastern coal miners and western nationalists united to help bring down the Soviet Union, Ukraine's regional differences are long-standing and now starkly revealed. In order to survive as a unified state, Ukraine needs to recognize those regional differences constitutionally, and then embark on a path that promises to bring Ukrainians a better life.

First, consider the regional differences. While many Ukrainians now occupy a metaphorical and geographical middle ground, the country remains polarized politically between a Ukrainian-speaking west, historically rooted in the Austro-Hungarian empire and inter-war Poland, and a Russian-speaking east, long part of the Russian empire.

The ghosts of World War II haunt these regions: while nationalists in the west fought Soviet "Stalinists," Red Army soldiers from the east fought "fascists," including those from western Ukraine.

The differences are not merely historical and linguistic, but also economic. Unlike the largely agricultural west, the east is heavily industrialized, and its economy is closely tied to Russia.

Crucially, as political scientist Keith Darden has noted, the overthrow of Ukrainian President Viktor Yanukovich and his government shifted the balance of political power from east to west quite substantially: whereas 75 percent of the ministerial officials under Yanukovich came from the Russian-speaking east, under the current interim government 60 percent of officials at the ministry-level and above come from the nationalist west — regions that represent only 12 percent of Ukraine's population.

Thus while many viewed Yanukovich's downfall as a popular revolution against a corrupt president-turned-autocrat, many in the east viewed it as coup bringing an illegitimate government to power.

Those differences need not lead to a division of Ukraine, let alone a civil war. Such a war would be a catastrophe, and preventing it should be everyone's top priority. Newly elected President Petro Poroshenko should bear in mind that while conflict is inevitable, violence is not. So far he has promised a two-sided approach, seeking negotiations alongside the "anti-terror operation." Yet while the likelihood of outright civil war appears to be decreasing at present, each bloody corpse makes reconciliation that much more difficult. In the long run, negotiation and compromise is not nearly as costly as continued violence.

Yet even without the horrific prospect of civil war, enormous challenges for Ukraine remain.

While coal miners and others in the east hoped that they would live better in an independent Ukraine, economically speaking at least the reverse has been true.

While Ukraine's economy was abysmal by the Soviet Union's end, the economy

of independent Ukraine has been even worse.

By 2009, Ukraine's real GDP was only 60 percent of what it was in 1989, two years before the Soviet collapse. In 2013 its GDP per capita, in terms of purchasing power, was estimated at \$7,400, compared to Russia's \$18,100, placing Ukraine on a par with Algeria and El Salvador.

And yet, from this lowly position, as then-interim president Oleksandr Turchynov stated back in February, "Ukraine is now in a pre-default condition and sliding into the abyss."

There are no easy answers for Ukraine's economy, but here it must not choose between east and west — in this case either Russia or Europe—but instead look to both. Like it or not, Ukraine's economy is closely linked with Russia's: not only is Ukraine dependent on Russian oil and gas, but Russia is by far Ukraine's largest single trade partner.

While many Ukrainians may wish to be free from Russian influence, it is a reality they must face. Assuming he can avoid civil war, one hopes that President-elect Poroshenko, as an experienced bargainer with business interests in Russia, can negotiate a compromise on economic relations with his Russian counterpart.

However the billionaire chocolate magnate is less well poised to confront the oligarchic and corrupt capitalism in which both Ukraine and Russia are entangled. This is what so many of the activists of Kiev's Maidan Square were hoping to bring to an end, in part by establishing closer ties with the EU, with its emphasis on the "rule of law."

Yet Ukrainians should be wary of another easy promise of a better life. The shortcomings of the EU are now clear, and include extremism, corruption and disillusionment in a number of new member states.

Moreover, as acting prime minister, Yatsenyuk acknowledged, the European Union's Association Agreement raises fears of its potentially negative impact on Ukraine's industrial regions, especially in the east. The EU's close partner, the IMF, will provide a temporary bailout of the Ukrainian economy, but only on the condition of austerity measures, combustible material when added to an already explosive political situation.

There is no single or simple answer for Ukraine. But any solution must involve the melding of east and west, both within the country and without, and provide a tangible path towards a better life, the one thing that all Ukrainians might unite behind.

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