

Marko Bojcun

TOWARDS A POLITICAL ECONOMY OF UKRAINE

Selected Essays 1990–2015

With a foreword by John-Paul Himka

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Marko Bojcun

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Abbreviations

bcm – billion cubic metres

bn – billion

BRIC – Brazil, Russia, India, China

CBMMO – Capacity Building in Migration Management Programme

CIA – Central Intelligence Agency of the United States of America

CIS – Commonwealth of Independent States

cm – cubic metres

Comecon – Council for Mutual Economic Assistance; after 1991 renamed Organisation for International Economic Co-operation

CPSU – Communist Party of the Soviet Union

CPU – Communist Party of Ukraine

EU – European Union

FDI – Foreign Direct Investment

FSB – Federal Security Service of the Russian Federation

FSU – Former Soviet Union

G7 – Group of Seven (USA, Canada, Japan, Germany, United Kingdom, France, Italy)

G8 – Group of Eight (USA, Canada, Japan, Germany, United Kingdom, France, Italy, Russian Federation)

GATT – General Agreement on Tariffs and Trade

GDP – Gross Domestic Product

GUUAM – Georgia, Ukraine, Uzbekistan, Azerbaijan, Moldova

ha – hectares

IMF – International Monetary Fund

IOM – International Organisation for Migration

KGB – Committee for State Security of the Soviet Union

kwh – kilowatt hours

m – million

mcm – million cubic metres

mt – million tons

NATO – North Atlantic Treaty Organisation

NBU – National Bank of Ukraine

ODI – Overseas Direct Investment

PCA – Partnership and Co-operation Agreement
PHARE – Poland and Hungary Assistance for the Restructuring of the Economy
Rukh – People’s Movement of Ukraine for Restructuring
SAWS – Seasonal Agricultural Workers Programme, United Kingdom
SBS – Sector Based Scheme, United Kingdom
SBU – Security Service of Ukraine
SPU – Socialist Party of Ukraine
TACIS – Technical Assistance to the Commonwealth of Independent States
tr – trillion
t – ton
UHU – Ukrainian Helsinki Union
UN – United Nations
UPR – Ukrainian People’s Republic
USSR – Union of Soviet Socialist Republics
VAT – Value Added Tax

Foreword

Anyone who wants to understand how Ukraine functions (and also malfunctions) should study the essays that Marko Bojcun has collected here in a single volume. The essays date from various years, starting in 1990, shortly before Ukraine became an independent country. Reading and rereading them, even after so many years, I am struck by their clarity of explanation and the untarnished validity of their content. Even though they were all written close to the events they analyse, somehow they have managed to avoid becoming superseded or even stale and remain valuable sources to the history of contemporary Ukraine. I ascribe their longevity to Marko's approach, which is unique in the field of Ukrainian studies.

Marko likes to focus on the nexus between politics and economics. Although Marx is not cited or even mentioned so much as once in this collection, his spirit hovers over it. All the essays look at the economic underpinnings of certain political results, although never in a simplistic base-and-superstructure fashion. Almost half the book analyses the 1990s, when the transition from the Soviet planned economy to a market economy took place. This period laid the track for the future course of Ukraine's development and deserves the detailed treatment that Marko devotes to it.

Another aspect of Marko's approach that distinguishes it from much of the literature on the Ukrainian transition is the conceptual distance he maintains from capitalism. Marko keeps the reader aware that the transition has not been from the clunky planned economy into some kind of putative normalcy, into some natural and rational culmination of economic evolution, but from one specific, historically-formed type of economic system into another, from Soviet-style socialism into Western-dominated capitalism. He is aware of the features of the latter, both positive and negative for Ukraine, and this awareness gives him a vantage point in analysis that committed free-marketers have difficulty reaching.

Workers and workers' movements find extensive treatment in Marko's texts, especially those of the Donbas. After 2014 and the

outbreak of war and separatism in the eastern part of that region, it is particularly interesting to be reminded of all the workers' activism that emerged there in 1978, 1989-90, and 1992-93. Those moments are infrequently cited in analyses of the current conflictual situation. Could anyone back then have guessed the direction things would take?

Actually, Marko had a clear sense of the possible problem already in 1990. Considering the larger historical context, he wrote: "The main weakness of previous bids for Ukraine's independence – in 1917 and during World War II – lay in the historic division between Western Ukrainian nationalism and the Eastern Ukrainian proletariat. The former saw national unification and independence as a panacea without considering fully the political and social egalitarian aspirations of workers in such a movement for a new state. The latter, a multinational working class with a sizeable Russian component in the most industrialized part of Ukraine, was radical in social and political demands, but not quite sure whether its region should belong to Ukraine or to Russia." Throughout the essays in this volume, Marko has kept an eye on regionalism, particularly the east-west divide in Ukraine. Again, the strong sense of a regionally divided Ukraine has by no means been shared by all analysts. Many have not wanted to see the divisions and have constructed in their imaginations a united Ukrainian people with a single will and a cohesive Ukrainian state to which it pledged loyalty. But the reality kept exposing itself, with every election and with every revolutionary moment on Kyiv's Maidan.

The essays are sensitive to Ukraine's delicate geopolitical situation between Russia and the West. Marko's position again stands out among analysts. Most analysts writing in English concentrate on Russia's designs on Ukraine, which have been more apparent since the crisis on 2014. Analysis of Western relations with Ukraine has been, by contrast, relatively neglected. This is similar to the case of Marko's approach to the economic formations in the transition; more or less everyone else agreed about the need for Ukraine to move away from the Soviet planned economy, but they paid little attention to the nature of the goal for which Ukraine was naturally expected to strive: the free market economy, aka capitalism. Just as

Marko looked critically at capitalism's role in Ukraine, so too he looks critically at the West as well as Russia. He illuminates, but not with soft lighting, Ukrainians' labour emigration to Western Europe and the EU's blatant toying with Ukraine. In Marko's view, one has to factor into the analysis the "rivalry between Russian and European imperialisms to incorporate Ukraine into their respective transnational strategies." And as he points out, neither of the two vectors was willing to acknowledge how they had complicated the environment of the new born state: "The fact that [Ukraine's] economy was closely tied to both the Russian and EU markets, asymmetrically but nevertheless in equally strong measure—through debt to the West, energy supplies from the East, and trade with both—was simply ignored by Russian and EU leaders."

Marko also takes an expertly aimed shot at Western hubris towards post-Soviet Ukraine. In the 1994 parliamentary elections in Ukraine, some candidates distributed goody bags to boost support, a practice condemned by the Western democracies. But Marko is absolutely correct to observe: "While these were certainly violations of Ukraine's electoral law, one may well ask what is a more serious distortion of the democratic process—the delivery of food packets to pensioners containing condensed milk, barley, sugar and a leaflet from the donor candidate, or the undisclosed donation by a large corporation of millions of pounds/dollars to the election campaign fund of a political party?" He wrote this in 1995, and a quarter of a century later the goody bags have disappeared from Ukrainian politics, but the corporate distortion of elections in the West has only increased.

Marko brings a highly intelligent leftist perspective to his analysis of Ukraine's politics and economy. Some American, British, and German leftists, so opposed to Western policies and particularly those of the United States, have sought to justify the policies of anti-Western forces such as the Islamists or Russia. In the latter case, this has led to some anti-Ukraine and anti-Ukrainian rhetoric marked by essentialism and prejudice. Marko is certainly not one of this kind of leftist. He stands on the left, but he also stands for deeper democracy and for Ukraine. How did he arrive at this standpoint?

Here I will say a bit about one station on Marko's journey to become the insightful, original analyst that he became. We were both involved in a particular milieu in Canada in the 1970s and 1980s, the Ukrainian Canadian anti-Soviet left. We had our own journals. One was *Meta*, which came out mainly in English in 1975–79. Marko was a member of the editorial collective, which was based in Toronto, where he then lived. The journal described itself on its cover as “a forum for left wing analysis and discussion on the Ukrainian question, Eastern Europe and related international issues.” Marko was also a member of the editorial board of *Diialoh*, which came out entirely in Ukrainian from 1977 to 1987. The politics of this journal was well captured by the motto it bore on its cover: “For socialism and democracy in an independent Ukraine.” The audience the journal was aimed at was Ukrainians in Poland, Czechoslovakia, and the USSR. Emissaries from the group travelled into Eastern Europe with copies of the journal. To be honest, its greatest impact was not on Ukrainians in the communist states, but on the young people that put it together in Canada. Most of the work on the journal—typing, layout, reproduction—was done in Edmonton, Alberta, about 3500 kilometres west of Toronto, where Marko lived, but the collective held regular conferences that Marko attended. Marko also penned two long analyses in 1981, under his pseudonym Taras Lehkyi, one on the situation in Poland in that year, the year of the Gdańsk strikes and rise of Solidarity, and the other on the Soviet invasion of Afghanistan that had begun two years earlier. The latter article can be found on the internet, reprinted by the leftist Ukrainian site *Vpered* in February 2019.

The leftism in our milieu varied from orthodox Marxist to more vaguely progressive, with strong feminist elements. Many of the members of the *Meta* and *Diialoh* collectives had been active in organizations of the Fourth International, including Marko. These Trotskyists preferred the terminology “anti-Stalinist” to “anti-Soviet,” since the latter term in the cold war era conjured up right-wing reaction. The moment of our greatest enthusiasm was 1981, when the workers in Poland rose up against the communist regime, supported by dissident, left-leaning intellectuals like Adam Michnik and the late Jacek Kuron. This was our vision: that the Soviet

proletariat would rise up against the regime and insist on installing genuine and democratic socialism. And we felt that Ukraine would be the vanguard of this revolution, since its population suffered from both social and national oppression. It turned out we were wrong about this, and Marko's essays in this volume document his recalibration to the actual results of the historical process.

During the 1970s and 1980s we all believed in the need for Ukraine to become an independent country. And when it happened, when Ukraine declared independence and the Soviet Union collapsed in 1991, the cohesion among us became fissiparous. I often recall the words attributed to the Polish statesman, Józef Piłsudski: "Comrades, I took the red tram of socialism to the stop called independence, and that's where I got off." Some of us went off to Ukraine to help build the state. Some of us remained in the West and tried to make sense of the new situation. Some of us dropped out.

Marko, by then living in London, charted his own course. The essays that follow constitute the logbook.

John-Paul Himka
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