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Post-Revolutionary Neoliberal Reforms in Ukraine (Security Context)

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POST-REVOLUTIONARY NEOLIBERAL REFORMS IN UKRAINE (SECURITY CONTEXT)

Summary:

The main question to be addressed while discussing post-revolutionary and in particular, post-EuroMaidan Revolution reforms being implemented in Ukraine is – how significant can be essentially neoliberal reforms being conducted in Ukraine in terms of overcoming first of all military-political, but also economic crisis and providing peace in the country, which could positively impact international security as well? Why can we assess post-EuroMaidan reforms as in fact neoliberal? Not only Georgian, but also other foreign libertarians’ direct active participation in the Ukrainian Government makes these reforms neoliberal, but first of all Ukrainian President – Petro Poroshenko’s broadly announced “4-Ds Program”. However, it is noteworthy to mention that there is still an important gap and internal controversy within the current Ukrainian leadership when it comes to the implementation of this program. There is also a meaningful controversy in addition to attempt assuming generally that neoliberal, and specifically, neoliberal economic policy in Ukraine as well, is an efficient strategy for internal or external conflict resolution and/or has conflict preventive function if we take into consideration much specific in many regards Georgian-Russian War of 2008 and current factual Russian-Ukrainian War, both conflicts taking place in parallel with the neoliberalization of Georgia and Ukraine.

Key words:

Post-revolutionary reforms, post-EuroMaidan Revolution reforms, Ukraine, neoliberal, neoliberal economic policy, neoliberalization, conflict resolution, conflict prevention

Table 1. Graphic Overview of Post-Revolutionary – Post-EuroMaidan Reforms in Ukraine

	What has been done	What has not been done
Firing law enforcement	In February, 2014 the Berkut riot police unit was dissolved.	No comprehensive lustration so far. Despite the lustration

personnel and government officials, lustration	<p>A lustration law for judges was passed in April, 2014. The first reading of the lustration bill for government officials was passed earlier this month.</p> <p>In July, 2014 585 police officers were fired in the Donetsk oblast for supporting separatists.</p>	<p>law, very few judges have been lustrated.</p> <p>Law enforcement agencies are still mostly staffed with old personnel.</p>
Deregulation of the economy	Energy prices have been brought closer to market levels.	Deregulation has been very limited. Ukraine is still one of the most economically unfree countries in the world.
Reducing the tax burden	Earlier in August, 2014 Prime Minister Arseny Yatsenyuk presented a reform package that will cut the number of taxes to eight from 22 and tweak the value added tax, corporate tax and payroll tax.	Though tax reform plans have been announced, no major tax cuts have been implemented so far.
Privatization	In August, 2014 Yatsenyuk announced plans to privatize all state companies, except for strategic ones.	No comprehensive privatization has been implemented so far.

Source: O. Sukhov, *Georgian architect of Saakashvili's reforms warns of mounting costs for Ukraine*, <<http://www.kyivpost.com/content/kyiv-post-plus/georgian-architect-of-saakashvilis-reforms-warns-of-mounting-costs-for-ukraine-362231.html?flavour=mobile>>, (30.11.2015).

How could post-EuroMaidan reforms influence on overcoming military-political, but also economic crisis and providing peace in Ukraine, and how would it all impact international security in addition?

The response to the question especially in terms of providing peace and/or increasing the level of security in Ukraine can be shaped through Ukrainian leadership's attempt of strengthening the army of the country, developing its

technical standards and equipment, as well as through increasing the US assistance¹.

Regarding political crisis and the possibilities to overcome it through the reforms being implemented currently in Ukraine, we can discuss two versions of such a crisis; if we consider internal tension within the Ukraine leadership, for instance between the President and Prime Minister over strategic and tactic approaches towards reaching the desirable goals for stabilization and development of Ukraine, even regarding foreign, including former Georgian administration members' active participation in the Ukrainian politics and concerning radical neoliberalization of the country, apparently the above mentioned reforms elaborated on the basis of classical American neoliberal standards, do not seem to be agreed first of all within the Ukrainian administration and thus be helpful in solving such internal political tensions.

As for the external political crisis, clearly the most important part of Ukraine's external political crisis is its crisis of the relations with the Russian Federation and due to the radical negativism of the Russian administration towards the new – westernized vector of Ukraine's development in each sphere, first of all geopolitical and in general political, economic, cultural or else, definitely Ukraine's reforms are essentially contradictory to Russia's conservative development path predominantly influenced by the mainstream idea of some kind of revival of the Soviet strength. This contradiction, first of all mental, of determining values apparently does not help to the solving of the external political crisis of the Ukrainian-Russian relations.

In economic regards, as it is commonly well known, neoliberal economic reforms increase the effectiveness of economic performance of a country and its economic growth rates. Another issue is how the economic success of a country is correspondingly reflected on the life of ordinary citizens and average population. Quite recent example in this whole context is definitely Georgia². Regarding international security, current events on the international arena show that the most severe problem in the whole world now is terrorism and it shifted one of the most significant hot spots from Ukraine to Syria. However, it is clear in general that Russia's post-Soviet strengthening, as well as the increase of the threats to the sovereignty of post-Soviet states and thus to international security, coincide with the factual war between Ukraine and the Russian Federation currently, firstly after the Georgian-Russian war of 2008.

¹ A. Siddons, *U.S. Expands Aid to Train Regular Army Troops*, <http://www.nytimes.com/2015/07/25/world/europe/ukraine-us-expands-aid-to-train-regular-army-troops.html?_r=0> (30.11.2015); *US expands training mission in Ukraine as part of long-term military partnership*, <<https://www.rt.com/news/310714-us-training-ukraine-military/>>; D. Alexander, B. Trott, B. Orr, *U.S. troops to train regular Ukrainian military troops*, <<http://www.reuters.com/article/2015/07/25/us-ukraine-crisis-usaidUSKCN0PY28A20150725#qjeBmqp9shfvv8iO.97>> (30.11.2015).

² <<http://geostat.ge/index.php?action=0&lang=eng>> (30.11.2015).

Why can we assess post-EuroMaidan reforms as in fact neoliberal?

Not only Georgian, but also other foreign libertarians' direct active participation in the Ukrainian Government makes the above mentioned reforms neoliberal; Mikheil Saakashvili, former President of Georgia between 2004 and 2013, is the recently appointed Governor of Odessa in Ukraine; Alexander Kvitashvili is Minister of Healthcare of Ukraine, also Georgian, used to be Minister of Health of Georgia from 2008 to 2010 and Rector of Tbilisi State University (TSU) from 2010 to 2013; First Deputy Interior Minister of Ukraine Eka Zguladze had served as Georgia's First Deputy Minister of Internal Affairs from 2006 to 2012 and Acting Minister of Internal Affairs in 2012; Natalie Jaresko is an American-born Ukrainian investment banker who has served as Ukraine's Minister of Finance since 2014; Aivaras Abromavičius is a Lithuanian-born Ukrainian investment banker and politician. He became Ukraine's Minister of Economy and Trade in December 2014.

Despite all the above-mentioned, first of all Ukrainian President – Petro Poroshenko's broadly announced “4-Ds Program”³ makes current Ukrainian reforms – neoliberal as “4-Ds” stand for: de-regulation, de-oligarchization, de-bureaucratization and de-centralization.

However, it is noteworthy to underline that there is still an important gap and internal controversy within the current Ukrainian leadership when it comes to the implementation of the “4-Ds Program”.

There is also a meaningful controversy in addition to attempt assuming generally that neoliberal, and specifically, neoliberal economic policy (including radical privatization, deregulation, etc.) in Ukraine as well, is an efficient strategy for internal or external conflict resolution and/or has conflict preventive function if we take into consideration much specific in many regards Georgian-Russian War of 2008 and current factual Russian-Ukrainian War, both conflicts taking place in parallel with the neoliberalization of Georgia and Ukraine. Although, we have to distinguish the short term and long term perspectives.

Conclusions

Based on the analysis made during working on the article, we can arrive at several following conclusions:

- Taking into consideration recent and current developments inside and outside of Ukraine, neoliberal reforms being conducted in the country

³ *Poroshenko gives Ukraine '4 Ds' in annual address*, <<http://www.intellinews.com/poroshenko-gives-ukraine-4-ds-in-annual-address-500446700/?archive=bne>> (30.11.2015); M. Saakashvili, *Poroshenko's First Year Has Set Ukraine On The Road to Reform*, <<http://www.newsweek.com/poroshenkos-first-year-has-set-ukraine-road-reform-340061>> (30.11.2015).

cannot predict decrease especially of the military and political tensions taking place in or out of Ukraine, at least for the nearest future.

- We can argue although about the positive outcomes expected to gain sooner or later from neoliberal economic policy discourse for the country's better economic performance. There is a quite reasonable controversy about increasing the quality of life for ordinary citizens in parallel with the increasing indices of economic activity for a country however.
- Concerning international security, current global events illustrate that the most severe problem in the whole world nowadays is terrorism and struggle against it, and this problem has shifted one of the most significant hot spots from Ukraine to Syria. Though, it is generally obvious that Russia's post-Soviet strengthening, as well as the increase of the threats to the sovereignty of post-Soviet states and thus to international security, coincide with the current de facto war between Ukraine and Russia, firstly after the Georgian-Russian war of 2008.
- Another conclusion we came up with is that not only Georgian, but also other foreign libertarians' direct active participation in the Ukrainian administration makes these reforms neoliberal, but first of all Ukrainian President – Petro Poroshenko's broadly announced "4-Ds Program". It is worth to mention though that there is still an important gap and internal controversy within the current Ukrainian leadership when it comes to the realization of this program.
- Reasonable controversy exists also when attempting to assume generally that neoliberal, and specifically, neoliberal economic policy (including radical privatization, deregulation, etc.) in Ukraine as well, is an effective mechanism for internal or external conflict resolution and/or has conflict preventive function if we take into account quite unique in many aspects Georgian-Russian War of August, 2008 and current de facto Russian-Ukrainian War, both conflicts taking place in parallel with the neoliberalization of Georgia and Ukraine. However, it is clear that we have to analyze differently the short term and long term consequences.

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