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ROBERT PERSON

Ukraine 2015 – the challenges of governing from the center

Expert article • 1798

Ukraine in 2015 finds itself at a critical juncture. The path that Ukraine chooses may ultimately determine whether the current government in Kyiv – and indeed a sovereign Ukrainian state – survives to see 2016. Given the extraordinary internal and external threats that Ukraine faces, the only strategy that can ensure its survival is one of “governing from the center.” There are in fact two implied tasks in this statement: the first task is simply governing; the second task is doing so from the center.

The first task of fulfilling the basic functions of government is an immense one – failure to do so represents the most significant risk to the survival of the Ukrainian government today, a survival risk even greater than that induced by continued Russian military intervention in the East. With the economy in shambles, corruption rampant, and continued political infighting among elites, the government cannot afford to leave these critical problems without solutions for much longer. Should they fail to produce meaningful and transparent reforms to the economic and political sectors, they will be seen as illegitimate in the eyes of the Ukrainian people, a condition that could once again bring Ukrainians into the streets in protest.

While the recent IMF Extended Fund Facility for Ukraine offers a crucial financial lifeline that will provide resources that Kyiv needs to govern, it also comes loaded with painful conditions that could undermine the government’s survival. The government will be required to make deep cuts to spending (approximately 4.1 percent of GDP) while simultaneously raising taxes equal to 3.3 percent of GDP in 2015. These cuts will hit ordinary Ukrainians hard as spending on social benefits is scaled back. A second shock to Ukrainians will come with the reduction of government subsidies to Ukrainian gas and coal companies, ultimately resulting in higher prices paid by consumers.

Though there are crucial long-term benefits to cutting spending, history shows that such fiscal consolidation will have strong contractionary effects – the question is how deep the ensuing recession will be. Though the Ukrainian government – in desperate need of IMF support – has no choice but to accept these conditions, its ability to survive the shock of reforms is far from guaranteed as its last strands of public support evaporate amidst continued economic crisis.

Assuming the Ukrainian government in 2015 is able to fulfill its basic governance functions, the second implied task of “governing from the center” is finding a way to generate legitimacy and support across a wide swath of Ukrainian society. To be sure, governing from the center in a country as divided as Ukraine is a challenge as immense as those challenges noted above.

Despite the loss of Crimea and portions of the Donetsk and Luhansk regions, Ukraine retains a significant population of ethnic Russians and Russia-speaking Ukrainians. These populations run the risk of being alienated if the government pursues policies that are perceived as targeting the Russian-speaking populations of Ukraine. The interim authorities in Kyiv made a crucial mistake immediately after Yanukovich’s ouster when they passed a law eliminating Russian as a state language in Ukraine. Indeed, it was this measure (later repealed, but only after the damage was done) that touched off the protests in Eastern Ukraine that evolved into armed rebellion. The

Ukrainian government in 2015 must not only avoid such blunders in the future but must act diligently to restore its legitimacy among the Russian population of Ukraine such that they see their future in an independent, sovereign Ukraine.

The opposite end of Ukraine makes the balancing act of “governing from the center” all the more difficult. Parts of Western Ukraine, long known as the center of Ukrainian nationalism, pull the government in Kyiv in the opposite direction. The populations in Western Ukraine see their future not with Russia but with Europe; indeed, their European destiny was cut off by the Soviet “occupation” of Galicia that came during WWII. It was citizens from these regions that led the protests against Yanukovich after his rejection of the EU association agreement, and it was members of Ukraine’s nationalist parties that were overrepresented in the provisional government that passed the controversial language law.

Between these two ends of the spectrum sits a diverse population that has been wounded and divided by the painful events of the last year. Only if the Ukrainian government in Kyiv is able to govern from the center in a way that represents the interests of both sides of the political-cultural spectrum will it develop the public support and legitimacy that is required for it to become a stable, prosperous European nation. The hurdles are immense, but the Ukrainian people cannot afford for their government to fail them. ■

The views expressed in this article are those of the author and do not reflect the official policy or position of the Department of the Army, DOD, or the U.S. Government.



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