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Abhandlungen

Oksana Huss and Olena Petrenko: Friends or Foes of Transformation? Economic Elites in Post-Soviet Ukraine – an Introduction

Abstract: Economic elite is a crucial concept to the understanding of turbulent transformation processes in contemporary Ukraine. In this volume we follow central questions on the interface between research into elites and into transformation: What is the role of economic elites in regime development towards democracy or authoritarianism? What strategies of influence and legitimation do they exploit in society? We pursue the question of origins and continuity of contemporary economic elites in Ukraine. In order to address these issues, we combine historical analysis with theoretical approaches of transformation studies to explore contemporary societal changes in the long-time context. At the same time, methodological pluralism and inter-disciplinarity allow the role of economic elites from both actor-centred and structural perspectives to be addressed. The common assumption among articles is that economic elites in contemporary Ukraine, mainly represented by oligarchs, are characterised by high continuity despite repeated revolutionary upheavals in the country. This continuity is sustained by the close integration of economic and political elites, as well as by the flexible strategies of exerting influence and adapting their self-representation. In the historic context, the sustainability of contemporary economic elites in Ukraine is rather an exception, since the events of the 20th century were highly disruptive for the elite networks.

JEL-Codes: N 34, N 44, N 94, P 30, Y 80, Z 13

Keywords: economic elites, transformation, oligarchs, Ukraine, Wirtschaftseliten, Transformation, Oligarchen

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Heiko Pleines: The Political Role of Business Magnates in Competitive Authoritarian Regimes. A Comparative Analysis

Abstract: This contribution examines the role of business magnates (“oligarchs”) in political transitions away from competitive authoritarianism and towards either full authoritarianism or democracy. Based on 65 cases of competitive authoritarian regimes named in the academic

literature, 24 historical cases with politically active business magnates are identified for further investigation. The analysis shows that in about half of those cases business magnates do not have a distinct impact on political regime change, as they are tightly integrated into the ruling elites. If they do have an impact, they hamper democratization at an early stage, making a transition to full democracy a rare exception. At the same time, a backlash led by the ruling elites against manipulation through business magnates makes a transition to full autocracy more likely than in competitive authoritarian regimes without influential business magnates.

JEL-Codes: D 72, D 74, N 40, P 48

Keywords: Business magnates, economic elites, political regime trajectories, competitive authoritarianism, Großunternehmer, Wirtschaftseliten, Entwicklungspfade politischer Regime

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Lidiya Zubytska: Oligarchs in Ukrainian Foreign Policymaking: Examining Influences in Transitional Politics

Abstract: In this research I argue that the oligarchic interests in Ukraine are key components in understanding how Ukraine's leaders built the country's foreign relations with the EU and Russia in the post-Orange revolution period, under the presidency of Viktor Yushchenko and in the first two years of Viktor Yanukovich, from 2005 to 2012. The uncertainty of the Ukrainian political transition put distinct constraints on its political actors and prompted them to rely on economic elites rather than voters to secure personal political gains, thereby opening the foreign policy decision-making process to the interests of oligarchs who stood behind the two presidents.

JEL-Codes: F 5, N 4, N 44, D 72, D 74, D 73, D 81, E 21

Keywords: Ukraine, oligarch, foreign policy, regime transition, uncertainty, Ukraine, Oligarch, Außenpolitik, Regimetransformation, Ungewissheit

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Tetiana Kostiuhenko and Inna Melnykovska: Sustaining Business-State Symbiosis in Times of Political Turmoil: the Case of Ukraine 2007-2018

Abstract: How was the business-state symbiosis in Ukraine sustained throughout the political turbulences of the Orange Revolution and the Revolution of Dignity? Using the method of social network analysis (SNA), we demonstrate how the political – formal and informal – ties of Ukrainian big business to the different branches of state power evolved and what models of state-business relations developed during each presidency. The analysis covers the period of 2007-2018 and focuses on the comparison of the relational structures between political and business elites in Ukraine over a decade. We trace the visibility of various business cliques within political institutions during the last 10 years, and track changes in business-state relations through influential persons, positions, groups and network structures.

JEL-Codes: D 72, D 74, P 48

Keywords: Political elites, big business, “businessmen-politician”, network analyses, Politische Eliten, “Businessmen-Politiker”, Netzwerkanalyse

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Hanna Söderbaum: The Business-superman: Oligarchs Justifying Giving in Post-Soviet Ukraine

Abstract: This paper examines the self-proclaimed public role of two Ukrainian oligarchs with special attention to how they justify their initiatives surrounding giving. Since the term oligarch has generally negative connotations in Ukrainian society, individuals who are in the public eye and perceived of as oligarchs have a strong need for legitimacy. The assumption is that the increased engagement in giving among the wealthy elite is connected to this need. Building on the *theory of justifications* and *logics of worth* by Boltanski & Thevenot and Boltanski & Chiapello, this study examines the donors’ perspective of the phenomenon: How

do wealthy elite actors and their charitable organizations' representatives explain their engagement in giving and their choice of philanthropic causes? The analysis builds on interviews with oligarchs published in the Ukrainian and international press as well as original interviews with foundation directors and employees. This paper demonstrates, on the one hand, an increasingly strong preference for efficiency, systemic approaches and statistics, belonging to the *managerial world of worth*. On the other hand, reference to authority, responsibility, loyalty and personal connections, belonging to the *domestic world of worth*, are also important in the value system. These two types of worth logics, in combination with a rhetoric of the inefficiency of the state, create the promotion of a self-appointed *business-superman*. Contrary to Schumpeter's thesis of the dying entrepreneur, the dynamic of justification logics suggests that the current kind of capitalistic entrepreneur is highly sensitive and adjustable to social and political changes.

JEL-Code: Z 13

Keywords: Oligarchs, justification, worth logics, giving, qualitative interview analysis, Oligarchen, Rechtfertigungslogik, Spenden, qualitative Interviewanalyse.

Hanna Söderbaum

completed her doctoral thesis "From Oligarch to Benefactor? Legitimation Strategies among the Wealthy Elite in Post-Soviet Ukraine" at the Department of Economic History at Uppsala University in 2018. The thesis explores how wealthy actors in post-soviet Ukraine seek to legitimize their extraordinary positions in society through elite giving and media ownership. The analysis sheds light on the agency of individual actors in relation to oligarchy as a social system and contributes to the understanding of the role of elite giving in transition economies as well as in social change movements. Her articles have been published, for example in *Debate: Journal of Contemporary Central and Eastern Europe*, *Ukraina Moderna*, *Baltic Worlds*.

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Orysia Kulick: Global Arms Production and Ukraine's Unpredictable Soviet Inheritance

Abstract: Ukraine is very much a part of the global arms trade – both as a producer of components of military hardware, as well as a source of illicit weapons fuelling conflicts worldwide. The latter development has in fact become worse since the outbreak of war in the Donbass in 2014. Part of this connectivity to global markets is bound up in the country's Soviet inheritance, a vast network of military-industrial facilities that underpinned defence production in the 1950s-1980s. The Soviets were then engaged in a power struggle with the West over geopolitical influence, military superiority and, of course, nuclear parity. A far less understood consequence of this focus on defence was its impact on Soviet politics, particularly the rising prominence of regional economic elites from southeastern Ukraine, who came to be disproportionately represented in the Kremlin under the leadership of Nikita Khrushchev and Leonid Brezhnev. This article examines this inheritance in three parts. The first maps out how changing economic and security priorities after Stalin laid the groundwork for regional elites in Dnipropetrovsk, Kyiv, Donetsk, and Kharkiv to cluster in significant ways, fundamentally altering the political landscape of the Soviet Union. The second part examines how that landscape was changed by the dissolution of the union and independence in 1991, in particular, how denuclearization, reforms to the defence sector and privatization altered the relationship of regional economic elites to centres of power in Moscow and Kyiv and made the emergence of the oligarchs possible. The third and final part examine continuities between past and present as it pertains to the current historical moment, specifically lingering infrastructural concerns and conflicts of interest that precipitated a major conflict between the Soviet Union's two largest successor states.

JEL-Codes: N 00, N 14, N 40, N 44, N 70, N 77, P 30, P 33

Keywords: arms trade, defence production, regional elites, nomenklatura, Dnipropetrovsk, Kyiv, Donetsk, Kharkiv, Waffenhandel, Herstellung von Rüstungsgütern, Regionale Eliten, Kiew, Donezk, Charkiw

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received her PhD in History from Stanford University, where she focused on the Soviet Union, Eastern Europe, and the Russian Empire. Her dissertation “When Ukraine Ruled Russia: Regionalism and *Nomenklatura* Politics after Stalin, 1944-1990” analysed local bureaucracies in Kyiv, Lviv, and Dnipropetrovsk as well as the personal networks that shaped Soviet Ukrainian relations with the Kremlin. With the support of the Petro Jacyk fellowship, she will transform her dissertation into a book-length manuscript, expanding the timeline to include regional elite networks as they evolved from the Stalinist 1930s through the present period. Prior to coming to the University of Toronto, Orysia was a post-doctoral fellow in the School of Languages, Literatures, and Cultural Studies at Trinity College Dublin. Her research was linked to COURAGE, a Horizon2020 funded research project that explores the cultural heritage of dissent in former socialist countries. The project aims to locate existing but scattered archival and private collections about “cultural opposition” in Eastern Europe and link them together in an online database. Twelve partner institutes are located in Hungary, Germany, Poland, Slovakia, the Czech Republic, Croatia, Romania, and Lithuania, as well as Ireland and the UK. Prior to her studies at Stanford University, Orysia worked as a research editor in the investment-banking sector in Kyiv. She also completed a dual master’s degree program at the University of Michigan in 2006 in Public Policy and Russian, East European, and Eurasian Studies. During that time, she received a Fulbright fellowship to Ukraine in 2003-2004, where she researched civic mobilization in the context of the 2004 presidential elections.

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Forschungs- und Literaturberichte

Olena Petrenko Die Rübenzuckerindustrie im Süd-Westen des Zarenreiches und die neuen Agrarelit

Abstract: In the second half of the 19th century, sugar beet started its triumphal march through the southern provinces of the Russian Empire, where it soon became a main crop in the process of the modernization of agriculture. The beet-growing agricultural enterprises were considered by the state authorities as prime examples for the use of modern technology, increasing yields and more efficient organization of labour. Entrepreneurs from the sugar beet industry were people of very different social background. Using individual educational and capital resources, they benefitted enormously from the recently discovered sugar-bearing crop. This contribution focuses on the emergence and establishment of the beet sugar industry and the associated emergence of a new agrarian elite. Petrenko outlines the spread of beet sugar production in the Russian Empire, paying particular attention to its south-western region. Focusing on the development of the beet sugar industry, her analysis sheds light on the connections between the onset of modernization and the actions of individual actors. In order to illustrate the new entrepreneurial activity, this contribution outlines the rise and fall of the two rural “beet sugar dynasties” – that of the Yahnenko and the Symyrenko families.

JEL-Codes: N 50, N 53, N 83, N 90, N 93, O 13

Keywords: Rübenzucker, Rübenzuckerindustrie, Agrarelit, Zarenreich, Familien Yahnenko und Symyrenko, beet sugar, beet sugar industry, agrarian elites, Russian Empire, the Yahnenko and the Symyrenko families

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Volodymyr Kulikov: Necessity or Luxury? Welfare Work in the Company Towns of the Russian Empire

Abstract: Based on research into company towns in late imperial Russia, the author investigates the reasons why businesses financed welfare work. It is argued that companies targeted different social layers in their towns with various programmes offered as fringe benefits to retain their competitive edge for skilled employees on the labour market. Corporate money was also spent on luxuries such as theatres, social clubs, and similar provisions. All these were designed to attract managers and other salaried professionals whose economic and social weight increased dramatically after the managerial revolution in the late nineteenth century. However, the so-called “principal-agent problem” meant that some salaried managers spent corporate money for their own benefit, effectively turning welfare work into their own privilege. To prevent the misuse of welfare work, business owners had to control and incentivize their salaried managers (agents) to act in accordance with the company stockholders’ (the principals) best interests.

JEL-Code: N 33

Keywords: welfare work, corporate social responsibility, welfare capitalism, company towns, luzovka, Kamenskoe, Donbas, Russian Empire, soziale Fürsorge, soziale Verantwortung der Unternehmen, Wohlfahrtskapitalismus, Arbeitersiedlung, Juzovka, Kamenskoje, Zarenreich

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Vladyslava Moskalets: The Importance of Connections: The Rise of Jewish Business Elites in Galicia

Abstract: The article explores relations within the milieu of Jewish elites involved in the oil industry of two towns in Eastern Galicia – Drohobych and Boryslav – in the second half of 19th century. The oil industry, one of the unique examples of early industrialization in Galicia, attracted numerous Jewish participants, especially in the initial stages. They became workers, overseers and entrepreneurs, less or more successful. The Jewish communities of both cities were socially and culturally diverse. This article examines the formation and structure of

Jewish economic elites, arguing that kin relations and connections with elites in a non-Jewish environment helped a group of oil entrepreneurs to distinguish themselves from others and sustain business. Though 19th-century industry in Galicia inspired writers with the idea of the oil magnate gaining wealth overnight, the formation of Jewish elites in Drohobych and Boryslav was a long process, which required the ability to connect with different networks.

JEL-Code: N 8

Keywords: Jews, Galicia, Eastern Europe, Austro-Hungarian Empire, elites, social history, oil industry, Juden, Galizien, Osteuropa, Österreichisch-Ungarische Monarchie, Eliten, Sozialgeschichte, Ölindustrie

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Harald Wixforth: Handlungsspielräume in der Befehlswirtschaft – Die Hüttenwerke in der Ukraine unter deutscher Besatzung

Abstract: With the occupation of the western parts of the Soviet Union and the political und administrative reorganization of ministries in Berlin, a keen debate started on how to expropriate the new part of the “German Empire”. Especially the reconstruction and the exploitation of heavy industry in the Ukraine and its iron and steel works became subject to intensive dispute between several ministries in Berlin, local authorities in the Ukraine and the Reichswerke Hermann Göring, the most important of state-commanded heavy industries. However, in time the Reichswerke – and its decisive director Paul Pleiger – had to admit that the business figures required by the Berlin ministries could not be achieved. This opened up the opportunity for private enterprise to expand und invest in the Ukraine too. The different measures chosen to build up business in the Ukraine und the results of this expansion are the subject of the following article.

JEL-Codes: N 44, N 64, N 84 H 8, L 12, L 52

Keywords: besetzte Gebiete, Expansion der Schwerindustrie, Wirtschaftspolitik in der Ukraine unter deutscher Herrschaft, occupied territories, expansion auf German heavy industry, economic policy in the Ukraine under German rule

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