

Orysia Maria KULICK  
**Soviet Military Production and the Expanding  
Influence of Ukrainian Regional Elites  
under Khrushchev and Brezhnev**

*Orysia Maria Kulick – the current Petro Jacyk Post-Doctoral Fellowship in Ukrainian  
Politics, Culture, and Society at the University of Toronto.*

**T**his article examines Ukraine’s regional clan structures in the Soviet period, arguing that they endure in the form of historically composed social structures that influence current events. The paper explores changes to the built environment in the 1950s and 1960s, when Ukraine became involved in high priority military-industrial production. The vast network of enterprises, design bureaus, research institutes, and military production facilities are more than a cumbersome Soviet inheritance. They provide a blueprint for crucial transformations in the political economy of Soviet Ukraine, during which regional leadership structures were transformed by the reconfiguration of personal networks after Stalin and by the growing significance of certain industries, such as rocket building and science, which became synonymous for how the Ukrainian republic worked as a whole.

**Key words:** *remilitarization, regionalism, Soviet industry, infrastructure, Ukrainian-Russian relations*

After Russia’s illegal annexation of Crimea in March 2014, Ukraine’s non-nuclear status became the subject of intense conversation among policy analysts, pundits, and general observers.<sup>1</sup> Some questioned whether violations to Ukraine’s territorial integrity would have happened had its leadership not turned over its nuclear arsenal to Russia in 1994. The international community desired only one nuclear successor state after the collapse of the Soviet Union and worked hard to persuade Ukraine, along with Belarus and Kazakhstan, to turn over their missiles to Russia in return for security guarantees from the five NPT nuclear-weapons states – including the United States and Russia.<sup>2</sup> At the time, Ukrainian leaders

---

<sup>1</sup> Thomas D. Grant, *Aggression Against Ukraine: Territory, Responsibility, and International Law* (New York: Palgrave Macmillan, 2015).

<sup>2</sup> Polina Sinovets and Mirana Buderyn, “Interpreting the Bomb: Ownership and Deterrence in Ukraine’s Nuclear Discourse,” *NPIHP Working Paper #12*, December 2017.

were cognizant of potential security threats but recoiled from keeping these weapons, as they understood that full independence from Moscow would be impossible while Ukraine still controlled a vast nuclear arsenal on its own territory.<sup>3</sup>

The Crimean imbroglio and the war in the Donbas changed public opinion on this issue both within and outside Ukraine; nearly fifty percent of Ukrainians polled in the second half of 2014 stated they were in favour of rearmament.<sup>4</sup> Though some analysts have argued that Ukraine would not have faced these challenges to its territorial integrity had the country maintained possession of its nuclear arsenal, a closer look at Soviet military-industrial production indicates that Ukraine's ties to the other republics were very extensive, well beyond the mere distribution of the USSR's nuclear arsenal. As a result of Soviet militarization in the 1950s and 1960s, regional economies in the core republics became thoroughly enmeshed in the defense industry. In Soviet Ukraine, the impact of these developments was significant, transforming regional economies and introducing massive changes to the built environment. Turbines and guidance systems were made in Kharkiv, ships and submarines in Kherson (and later Mykolaiv), and the Antonov Design Bureau was relocated to Kyiv, while batch ("serial") production of long-range nuclear missiles and ICBMs was launched in Dnipropetrovsk (today Dnipro).

These facilities and many others linked Ukraine to producers and suppliers throughout the union, extending the geography of power of its regional elites into Kazakhstan, the RSFSR, and beyond.<sup>5</sup> The rising influence of Ukrainian elites at the highest levels of power in the 1960s and 1970s is also a by-product of this symbiosis between regional economies and the Soviet military-industrial complex. After the USSR collapse in 1991, the overlapping sovereignties produced by the vast Soviet bureaucracy and command economy crystallized into conflicting loyalties in the military, in independent party and state structures, in the various state security services, and among the specialists who worked in the same industry. Differing perspectives on the past yielded divergent views about how to manage this Soviet inheritance and delineate spheres of authority. As was made clear by the widespread social tumult that followed President Viktor Yanukovich's rejection of greater integration with the European Union, this system of competing loyalties helped to shape decision-making at the elite level even decades after the dissolution of the Soviet Union.<sup>6</sup> In order to understand the stakes and the consequences of further economic disentanglement of Ukraine from Russia – through diversification of buyers and suppliers of military hardware and other goods – we must first understand in greater depth how Ukrainian and Soviet power structures were transformed by Soviet militarization and other Khrushchev-era reforms.

---

<sup>3</sup> Ibid, 3.

<sup>4</sup> Ibid, 2.

<sup>5</sup> TsDAHOU 1/16/92; 1/16/93; 1/16/94; 1/16/95; and 1/16/96.

<sup>6</sup> Ruth Deyermond, *Security and Sovereignty in the Former Soviet Union* (Boulder, CO: Lynne Rienner Publisher's, Inc, 2007); Eduard Walker, *Dissolution: Sovereignty and the Breakup of the Soviet Union* (Lanham: Rowman & Littlefield, 2003).

### Roadmap and Main Questions

This article focuses primarily on the nexus between regional economic elites in Soviet Ukraine and expanding military-industrial production in the 1950s and 1960s, as a window into that evolving world. The interrelationship between the two irrevocably altered not just how Soviet Ukraine was governed but also the union as a whole. My analysis shows how some of these networks formed and created new pathways to power thanks to the symbiosis between certain regions and particularly important production sites such as Southern Machine-Building Plant (aka Yuzhmash; Ukr: *Pivdenmash*) in Dnipropetrovsk or the Antonov Aircraft Plant in Kyiv. These developments empowered Ukrainian regional economic elites while also fostering greater cohesion among the republic's officials in Kyiv. This emergent political-economic system was not static; rather, it adapted in response to changing domestic and international circumstances. For this reason, this article also briefly considers the impact of the dissolution of the USSR and reforms undertaken after Ukraine's independence in 1991.

The main questions are related to the crucial but unevenly covered decades immediately following WWII – the 1950s–1970s. Archival research and a significant body of memoirs and biographies inform this analysis about regional elite networks. These materials allow me to focus on the career paths of certain Soviet officials, while also exploring how upward mobility was affected by major changes in the built environment and various Soviet bureaucracies. A comparative approach across regions (Dnipropetrovsk, Lviv, and Kyiv) provides an opportunity to look beyond a single regional case study and think about regional economic elites as part of a much larger system, with relationships to people and offices at various levels of the Soviet bureaucracy, including those advocating for the interests of individual republics or for the union as a whole.

Theoretical frameworks used by historians and social scientists to study elite networks in the Soviet Union have not fully examined Ukraine for a variety of reasons. Due its size, Ukraine is often overlooked in large-scale comparative studies of regionalism and regional officialdom, which makes it difficult to situate Ukraine and its regions into larger transformations.<sup>7</sup> Studies focusing on elite circulation patterns, promotions and demotions, and ties between officials give us a robust picture of patronage networks but not necessarily the deeper economic and infrastructural relationships underpinning them – though most do gesture toward the disproportionate impact of the “Dnipropetrovsk clan” on decision-making during

---

<sup>7</sup> For instance, Jerry Hough's work on the Soviet “prefects,” or mid-level officials, avoids dealing with the Ukraine-Russia dynamic because of Ukraine's relative size and importance. Jerry F. Hough, *The Soviet Prefects: The Local Party Organs in Industrial Decision-Making* (Cambridge, MA: Harvard University Press, 1969). The project spearheaded by Oleg Khlevniuk and Yoram Gorzliki (*Networks and Hierarchies in the Soviet Provinces*) also deals with a few Ukrainian regions, Vinnytsia and Dnipropetrovsk, but given its ambitious geographical scope, the republic is not dealt with in sufficient depth. Accessed April 24, 2017: <http://personalpages.manchester.ac.uk/staff/yoram.gorzliki/sovietprovinces/about.htm>.

the Brezhnev years.<sup>8</sup> Circumventing Ukraine, even if for practical methodological reasons, would mean that the republic is regularly sidelined in comparative economic histories. This problem is further compounded by the fact that Soviet economic history as such remains largely outside the current historiography on Ukraine. Nataliya Kibita's remarkable study of the *sovnrarkhozy* (Regional Economic Soviets; Ukr: *radnarhospy*) is a rare exception that in fact completely reframes how we understand political and economic decentralization under Khrushchev. While they are typically depicted as needlessly chaotic, Kibita shows that the *sovnrarkhozy* actually helped to empower Ukrainian regional economic elites and also create greater cohesion among those working at republic-level bodies in Kyiv.<sup>9</sup>

Studies of Soviet regional elite networks generally focus on the Brezhnev era – the heyday of patronage and clientelism. But analyses extending back into the Khrushchev period are rare, which means that we also have a limited understanding of how regional elite networks evolved, from the tumultuous post-Stalin years into what were retroactively referred to as the period of "Stagnation" under Brezhnev. This absence of information makes it more difficult to explain, much less understand, the circumstances under which regions that seemed peripheral (Kyiv, Kharkiv, and Dnipropetrovsk) factored into how the "Centre" (Moscow) operated. In other words, although scholars recognize the significance of the Ukrainian regional elites, particularly given the dominance of the Dnipropetrovsk clan from the mid-1960s onward, how exactly they rose to such prominence remains much less understood.

Part of the story is based in the fact that the relationship of Moscow to Ukraine and its oblasts varied markedly, which necessitates further analysis of overlapping regional, republic-level, and all-union institutions and jurisdictions in Soviet Ukraine. Inter-institutional conflict and negotiation are important to how the Soviet Union was governed, which means that the reforms undertaken by Khrushchev must be studied more closely, as they redistributed power and increased the numbers of non-Russian members in leading Communist Party and government organs.<sup>10</sup> That these political and organizational changes coincided with important

---

<sup>8</sup> Mark Beissinger, "Ethnicity, the Personnel Weapon, and Neo-imperial Integration: Ukrainian and RSFSR Provincial Party Officials Compared," *The Soviet Nationality Reader: The Disintegration in Context* (Boulder, San Francisco, Oxford: Westview Press, 1992); Michael Urban, *An Algebra of Soviet Power: Elite Circulation in the Belorussian Republic, 1966–86* (Cambridge [UK]: Cambridge University Press, 1989); Yoram Gorlitzki, "Too Much Trust: Regional Leaders and Local Political Networks Under Brezhnev," *Slavic Review* 69, no. 3, 2010; Stephen Kotkin, *Armageddon Averted: The Soviet Collapse, 1970–2000* (Oxford: Oxford University Press, 2008). For a study of the intersection of culture and power in Dnipropetrovsk, particularly the consumption of Western cultural products by Komsomol leaders who later became prominent oligarchs and politicians in Ukraine after independence in 1991, see: Sergei Zhuk, *Rock and Roll In the Rocket City: The West, Identity, and Ideology in Soviet Dniepropetrovsk, 1960–1985* (Washington, D.C.: Woodrow Wilson Center Press, 2010).

<sup>9</sup> Nataliya Kibita, *Soviet Economic Management Under Khrushchev: The Sovnrarkhoz Reform* (Routledge/Taylor & Francis Group: London and New York, 2013).

<sup>10</sup> Jerry F. Hough and Merle Fainsod. *How the Soviet Union Is Governed* (Cambridge: Harvard University Press, 1979).

developments relating to military production in Ukraine reinforces the need to examine this convergence of factors, which is crucial for understanding the meteoric rise (and later fall) of Ukrainian regional elites in Soviet leadership structures.

### **Economic elites and the Soviet-Ukrainian MIC**

The role of Ukrainian regional elites in running the Soviet Union's vast military-industrial complex (MIC) is an under-studied dimension of Soviet power, but one that helps to bridge the gap between structural and actor-centred analyses of economic transformations in the region. Classified Politburo materials, obtained from the Party archives in Kyiv, outline Ukraine's production plan for 1959, offering important insights into the vast web of government agencies, ministries and defense installations involved in military production in the Ukrainian SSR in the late 1950s.<sup>11</sup> Although defense production continued to evolve through the 1960s and 1970s, this set of documents provides a crucial window into the world of the Soviet Union's MIC. They also provide a framework with which we may investigate what terms like *elites* and *economic elites* meant within the Soviet context and in a command economy. These elites were not owners of the means of production, but they were most certainly in control of vast resources, and responsible for meeting production targets. However, once removed from office or reassigned, Soviet leaders in Ukraine and elsewhere often no longer had the same level of influence or insularity from the outside world.

The vast network of enterprises, design bureaus, research institutes, maintenance services, and military production facilities that supported military production is today a very significant part of Ukraine's vast and often cumbersome Soviet inheritance. They provide a blueprint for crucial transformations in the political economy of Soviet Ukraine in the 1950s and 1960s, during which regions and regional elite networks were transformed by two concurrent processes: the reconfiguration of personal networks in the postwar period and the rising significance of certain industries like rocket-building and science, which became synonymous to how the Ukrainian republic worked as a whole. In regions like Dnipropetrovsk and Kyiv, powerful elite networks emerged alongside new defense production facilities, suggesting that the success of some officials was tied, in part, to the location of high-priority enterprises.<sup>12</sup> The cross-institutional ties that were necessary to support these industries further reinforced these changes, as co-operation and informal exchanges between Party and state officials, enterprise directors, heads of construction companies at the regional level created a level of insularity that made oversight from Moscow and also Kyiv much less effective.<sup>13</sup> These emergent local

<sup>11</sup> TsDAHOU 1/16/92; 1/16/93; 1/16/94; 1/16/95; and 1/16/96.

<sup>12</sup> Volodymyr Platonov, *Iuzhnoe Sozvezdie: Glavnie I Generalnie* (Dnipropetrovsk: Prospekt, 2008), 80-81; S.N. Koniukhov, ed., *Prizvany vremenem. Ot protivostoianiia k mezhdunarodnomu sotrudnichestvu* (Dnipropetrovsk: ART-PRESS, 2004), 23-27.

<sup>13</sup> John Armstrong, *The Soviet Bureaucratic Elite: A Case Study of the Ukrainian Apparatus* (New York: Praeger, 1959).

economies allowed some regions to become political powerhouses at the all-union level, with significant agency in the Soviet system.

To understand the significance of these documents, they must first be situated in a larger historical and historiographical context. For the Soviet Ukrainian bureaucratic elite, John Armstrong's study from 1959 has yet to be surpassed regarding its insights into mechanisms of power that governed Soviet Ukraine before and after Stalin. In Armstrong's view, the rising prominence of Ukrainian officials in Moscow in the 1950s could not be explained solely through patronage. Though still recognizing the power of patrons in the Soviet system, Armstrong observes crucial differences in the Ukrainian case. Its politics appeared more robust, shaped by Stalinist modes of rule that deliberately pitted regional elites against one another. This competition provided an effective training ground for the Ukrainian elites, which Armstrong believes engendered a much more nimble approach to bureaucratic politics, aiding them greatly in the post-Stalin transition.<sup>14</sup>

Armstrong notices another trend as well – the development of cross-institutional alignments between Party, state, and industrial manager groups in the Donbas coal industry region. This "partially distinct" regional grouping enjoyed considerable insularity from central control, a process Armstrong suspects was also replicated in other industrial regions.<sup>15</sup> The cross-institutional groupings not only empowered regional officials but could also be understood as precursors to the oligarchic formations that coalesced in the same regions after independence. These insights suggest that such Khrushchev-era regional groupings are a phenomenon, and an analytical link, that should be studied more deeply.

During the period that Armstrong did his research in real time as a political scientist, major changes were underway in other regions of Soviet Ukraine. In the early 1950s, Kyiv and Dnipropetrovsk were both contenders for a new design bureau and plant that would focus on making satellites and rockets. Both regions had sizeable machine-building plants that could be converted for military production, as well as large universities capable of training the specialists needed to work in the facilities. It was under Stalin's leadership that Dnipropetrovsk was chosen as the site for batch production of the R-1 missile. The decision was made at a December 25, 1950, special committee meeting that was convened to discuss the diversification of missile production by launching a new facility in one of several possible locations in Siberia, the Urals, and Ukraine.<sup>16</sup>

The Minister of Armaments, Dmitry Ustinov, was particularly interested in large, recently constructed machine-building plants that could be repurposed for defense

---

<sup>14</sup> John Armstrong, *The Soviet Bureaucratic Elite: a Case Study of the Ukrainian Apparatus* (New York: Praeger, 1959).

<sup>15</sup> *Ibid.*, 42-150.

<sup>16</sup> Volodymyr Platonov, *Iuzhnoe Sozvezdie: Glavnie I Generalnie* (Dnipropetrovsk: Prospekt, 2008), 80-81; S.N. Koniukhov, ed., *Prizvany vremenem. Ot protivostoianiiia k mezhdunarodnomu sotrudnichestvu* (Dnipropetrovsk: ART-PRESS, 2004), 23-27; Zhuk, *Rock and Roll In the Rocket City*, 18-23.

production.<sup>17</sup> Initially, the committee had settled on Kyiv – a beautiful old city with enormous educational and technical potential – but Khrushchev, who had just finished his second term as head of the Communist Party of the Ukrainian SSR (CPU) before being named leader of the Communist Party of the Soviet Union (CPSU) in 1950, reportedly protested, on the grounds that “the Ukrainian capital cannot be turned into a closed city.” Instead, the committee chose to reprofile the Dnipropetrovsk Automobile Plant for batch rocket production.<sup>18</sup> The Politburo’s decision to place the Yuzhnoe missile design bureau (Ukr. Pivdenne) in Dnipropetrovsk in 1950 instead of Kyiv changed the trajectories of both regions – the former shaped by its ties to military production and the latter by its role as the republic’s capital.

### **Regional Co-operation and Coordination after the *Sovnarkhoz* Reforms**

Ukraine benefited greatly from the reprioritization of military expenditures in 1959, following a brief hiatus in spending, during which the Soviet leadership attempted to address shortages in consumer goods. However, the expanding role of Ukrainian elites in all-union politics was also tied to Khrushchev-era reforms that attempted to devolve power to regional and local levels. His introduction of *sovnarkhoz*-led reforms in May 1957 upended the Communist Party and state organization system that had been established after the war, abolishing most of the central ministries and dispersed their functions to 150 regional economic councils – the *sovnarkhozy* (Ukr. *radnarhospy*) – and to the individual republics. The crucial armaments, chemicals, and electricity sectors remained under central control, but jurisdiction over everything else fell to regional Communist Party organizations that then had to coordinate among themselves. The reaction to these reforms was unfavourable among regional officials and heads of enterprises affiliated with defense and heavy industry, where clear and consistent access to raw and refined materials was essential for meeting production targets.<sup>19</sup> Conversely, there were republic-level officials and planners in Kyiv who believed that these policies could lead to greater economic and political autonomy.<sup>20</sup>

The *sovnarkhoz* reforms of 1957–62 engendered a great deal of confusion about spheres of responsibility and authority, by placing civilian industrial and construction enterprises directly under the control of these regional economic councils.<sup>21</sup> Supply issues, a persistent problem in the Soviet Union’s *shortage economy*, were compounded by these reforms as hoarding in the regions became even more exaggerated. The creation of new institutions meant that new positions were created, along with supervisory organizations that were supposed, but largely failed, to

---

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Volodymyr Shcherbytskyi: *Spohady Suchasnykiv*, 128; *Yangel: Uroky I Nasledia*, 158-159.

<sup>20</sup> Nataliya Kibita, *Soviet Economic Management Under Khrushchev: The Sovnarkhoz Reform* (Routledge/Taylor & Francis Group: London and New York, 2013), 91-106.

<sup>21</sup> Alec Nove, *An Economic History of the USSR* (Hazell Watson & Viney Ltd.: Great Britain, 1969), 357.

oversee the production process. For instance, a republic-level Ukrainian *sovnarkhoz* established in 1960 was supposed to help coordinate economic activity among all of the Ukrainian *sovnarkhozy* but was rendered ineffective by planners and politicians in Kyiv who had thrown their weight behind the reforms and remained loyal to the involved respective *sovnarkhozy*.<sup>22</sup> Additional problems were incurred as the *sovnarkhozy* were enlarged several times in order to mitigate coordination problems among them.

The speed and scale with which these changes were implemented makes Kibita's study of the *sovnarkhozy* in Soviet Ukraine an essential contribution. She carefully traces the evolution of these institutional changes, including the years immediately after Stalin's death, to show how that Ukraine's regional elites openly advocated for decentralization.<sup>23</sup> These reforms were not imposed unilaterally from above by Khrushchev, but in fact developed in consultation with Ukrainian elites – although not all of Ukraine's regions were on board, particularly those in the south-east with significant ties to heavy industry and defense. Kibita argues further that the implementation of the *sovnarkhoz* reforms had an unexpected consequence, allowing the republic-level elites in Kyiv to coalesce into a cohesive political force that represented the interests of the entire republic.<sup>24</sup> This insight is crucial for understanding the possibilities and limitations of republican autonomy in the Soviet Union, and enduring regional cleavages within the Ukrainian bureaucratic elite. The leadership had to find a way to balance Kyiv's aspirations for greater political power with the desire of officials in Dnipropetrovsk to ensure a steady supply of materials and streamline production.<sup>25</sup>

In Dnipropetrovsk, as in other regions with top-priority industries, local officials were directly involved in providing logistical and administrative support for enterprises that remained under central control – that is, by Moscow. As a result, enterprises related to armaments, electricity, and chemical production remained insulated from the full impact of these reforms, as they were subordinated to the defense ministry rather than the *sovnarkhozy*. Yet even in these domains, enterprise directors had to coordinate with regional Party officials, as well as the *sovnarkhozy*, when dealing with supply chains that extended into other sectors of the economy.<sup>26</sup>

---

<sup>22</sup> Kibita, *Soviet Economic Management Under Khrushchev*, 98-99.

<sup>23</sup> *Ibid.*, 9.

<sup>24</sup> *Ibid.*, 45.

<sup>25</sup> *Ibid.*, 77-81.

<sup>26</sup> "No. 229: Is Postanovlennia TsK KPSS i Soveta Ministra SSSR No. 726-348 "O Sozdanii ballisticheskoi rakety R-14, 2 iulia 1958" in Ivkin, V. I., sost., G. A. Sukhina. *Zadacha Osoboi Gosudarstvennoi Vazhnosti: iz istorii sozdaniia raketno-iadernogo oruzhiia i Raketykh voisk strategicheskogo naznacheniia (1945–1959 g.): sbornik dokumentov* (Moskva: ROSSPEN, 2010), 681. The head of the Dnipropetrovsk *sovnarkhoz* Nikolai Tikhonov was ordered in this joint decree of the Central Committee and Council of Ministers in Moscow to take under "his personal control" the construction of facilities for OKB-586 and Plant-586, including a facility for experimental production, laboratories, and 16,000 sq. m of living space in 1958 and an additional 22,000 sq. m in 1959.



Coordinating among new institutions that appeared overnight was a struggle for local and regional elites, who had to strike a balance between implementing the prescribed changes in policy and bending procedure in order to help the local enterprises continue to meet their targets. Unsurprisingly, graft proliferated during this period of vast economic reorganization, and became a justification for the reversal of the *sovnarkhoz* reforms. One of Kibita's most important insights is that graft and corruption in the regions was a constant concern for Moscow officials since the very beginning of the Soviet "project" in 1917. In the 1950s, Kyivan officials offered solutions for these economic inefficiencies that involved formalizing the republic's autonomy within the Soviet system, which would have allowed them to oversee planning and distribution within the administrative borders of the Ukrainian SSR. In essence, the Kyivan elites transformed their economic claims into political ones, which motivated Moscow officials to abrogate the *sovnarkhoz* experiment after Khrushchev was ousted in 1964.

Whereas the republic-level economic elites in Kyiv saw an opportunity to expand their authority, the regional elites, particularly in the south and east of Ukraine, had mixed views on the *sovnarkhozy*. For instance, officials from Dnipropetrovsk were among the most fervent critics of Khrushchev's economic reforms, and also of the Party bifurcation in 1962, as the split into distinct agricultural and industrial wings made coordination more difficult. Dnipropetrovsk had benefited enormously from the changes to its regional economy after WWII, especially after the launch of batch missile production in 1954. As the region's ties with the defense sector deepened, its local leaders became more entrenched in those high-priority industries, which enjoyed the benefits of strong central control.<sup>27</sup>

Classified documents from the secret files of the Politburo of the CPSU help to illustrate why that might have been the case. Four large volumes of text and tables were needed to outline the Ukrainian SSR's economic production plan for 1959, and most of the activities described therein supported the Soviet MIC.<sup>28</sup> As Khrushchev-era documents, they provide a unique window into the massive institutional experiment undertaken during his tenure – from a particular, and very important, perspective. This plan was drafted after Moscow reversed the economic course set in 1954, reneging on the intended transition to a peacetime economy, which had focused on prioritizing consumer goods and civilian enterprises. Thus, in order to prioritize military spending once again, some aspects of the *sovnarkhoz* reforms were reversed prior to 1959, in order to support this re-militarization of the Soviet economy.<sup>29</sup>

The 1959 plan reflected this transition, providing a lengthy general outline, followed by hundreds of pages of tables that specified the products to be designed, the republics, ministries, and/or enterprises that had commissioned them, and the

---

<sup>27</sup> "Meeting of the Politburo of CPSU, 12 July 1984," *Cold War International History Project Bulletin, Issue 4* (Washington, DC: Woodrow Wilson International Center for Scholars, 1994), 81.

<sup>28</sup> TsDAHOU 1/16/92; 1/16/93; 1/16/94; 1/16/95; and 1/16/96.

<sup>29</sup> Kibita, *Soviet Management under Khrushchev*, 91-100.

Ukrainian entities that were to provide or receive them. Among the key players in these files are the Ministry of Defense, the RSFSR, and other republics. The Ukrainian *sovnarkhozy* also had a role to play, particularly those overseeing economic production in Kherson, Kyiv, Dnipropetrovsk, Zaporizhia, Kharkiv, Lviv, and Mykolaiv, all central to Soviet Ukraine's MIC. The sheer scale of Ukraine's involvement in Soviet military production is quite staggering, but more importantly, these documents reinforce the fact that even the highest-priority enterprises and sectors of the economy were not exempt from coordinating with local institutions.<sup>30</sup>

A closer examination of this planning document further illustrates the level of coordination involved, not just in Ukraine but also with entities throughout the Soviet Union. Radar equipment for military communications was made in the RSFSR, Azerbaijan, and Armenia, while the primary recipients in Ukraine included the Kyiv, Lviv, Dnipropetrovsk, Odesa, Zaporizhia, and Kharkiv *sovnarkhozy*.<sup>31</sup> For guidance systems, on the other hand, the setup was entirely different, with the central Defense Ministry being the sole recipient, and the Kharkiv *sovnarkhoz* being the primary provider of various technical components; the Dnipropetrovsk, Stalino (Donetsk), Zaporizhia, Luhansk, and Kyiv *sovnarkhozy* provided additional support. Reactive armaments were made mostly at MIC enterprises managed by the Kyiv *sovnarkhoz*, with the Defense Ministry as the sole recipient. Dnipropetrovsk supplied combat gear and fuses, while Zaporizhia manufactured turbo engines and Kharkiv and Lviv produced on-board equipment control systems. The recipients of these components varied, but included the RSFSR, the Defense Ministry, and the Council of Ministers' State Committee for Defense Equipment.<sup>32</sup>

Production of the highest-priority armaments – the R-14 and R-16 missiles at OKB-586 and Plant-586 in Dnipropetrovsk (renamed Southern Design Bureau and Southern Machine-Building Plant in 1965) – was organized separately, as outlined in a joint decree of the Central Committee of the CPSU and Council of Ministers of the USSR.<sup>33</sup> Many responsibilities of the existing Dnipropetrovsk facilities had to be moved to other design bureaus in order to free up their production and design capacities. For instance, OKB-586's work on the D-4 weapon complex and the R-21 missile was transferred to SKB-385, Viktor Makeyev's design bureau in Miass, Russia. Maintenance of the R-1 and R-2 was also to be reassigned to an as-yet undetermined enterprise. Work in neighbouring *sovnarkhozy* was also impacted. Enterprises in Kharkiv would no longer be producing guidance systems for the R-11M, 8Y218, and R-12 missiles. The Council of Ministers also delayed

---

<sup>30</sup> TsDAHOU 1/16/92; 1/16/93; 1/16/94; 1/16/95; and 1/16/96; Alec Nove, *An Economic History of the USSR* (Hazell Watson & Viney Ltd.: Great Britain, 1969), 357.

<sup>31</sup> "Dodatok No. 3 do Postanovy Prezydii TsK KPU I Rady Ministriv UkrSSR "Okrema Papka." TsDAHOU 1/16/96/33-37. This document was one of five addendums to the "Postanova Prezydii KPU I Rady Ministriv UkrSSR pro zatverdzhennia mobilizatsiynoho planu narodnogo hospodarstva na 1959 r.," TsDAHOU 1/16/93.

<sup>32</sup> TsDAHOU 1/16/94/1-7.

<sup>33</sup> TsDAHOU 1/16/92/20-31.

providing ground-based equipment for the Burya ICBM until 1960, freeing up the Novokramatorsk Machine-Building Plant – managed by the Stalino *sovmarkhoz* – to help with R-14 and R-16 production.<sup>34</sup>

Kyiv, Kharkiv, Stalino, Lviv, Zaporizhia, and Dnipropetrovsk were also all asked to prioritize capital works at their plants to provide auxiliary support for the R-14 and R-16. They were ordered to construct new laboratories and production and storage facilities.<sup>35</sup> The state planning department Gosplan Ukraine was advised to request an additional two million rubles in order to increase by 100 the number of specialists working on these projects, and offer financial inducements to retain those already involved.<sup>36</sup> These are examples of a vast web of institutional connectivity that was warped in 1959 by two clashing forms of organization – the centralized ministerial system that continued in key sectors affiliated with military production, and the *sovmarkhoz* system, which had created regional bodies vested with the authority to plan and manage local economies.

The regional, republican, and all-union institutions listed in these files requires a much deeper analysis of the various institutions, facilities, and republics involved in defense production, which far exceeds the bounds of this article. Nevertheless, what I have tried to demonstrate here with these examples is the importance of examining closely, and at a regional level, the concurrent transformations that were taking place during the Khrushchev period. Only then can one make sense of how the militarization of the Soviet economy, together with the devolution of decision-making power to the regions, prefigured the crystallization of cross-institutional groupings that remained largely insulated from central oversight and control.<sup>37</sup> These are early examples of the kinds of political and economic relationships at a local level that are at once essential for the functioning of regional economies (the bending and breaking of rules that make rigid, centrally planned economies work) and at same time difficult to accept by the authorities in Kyiv and Moscow.<sup>38</sup>

The ascendancy of members of certain regional networks – for instance, the Dnipropetrovsk group under Brezhnev or Nikolai Podgorny's associates from Kharkiv – to positions in Moscow indicates that the changes in Ukraine's political economy had ramifications beyond the borders of the republic. The brief snapshot provided above of the intersecting Khrushchev-era policies that made this possible not only deserve to be researched further, they should also dispel to a certain degree the tendency to focus on patronage networks as the primary mechanism of

---

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> TsDAHOU 1/16/92/28-30

<sup>37</sup> For interpretations of this kind of “crystallization” in the present historical moment, see: Yuliya Yurchenko (2012) “Black Holes” in the Political Economy of Ukraine: The Neoliberalization of Europe's “Wild East”, *Debate: Journal of Contemporary Central and Eastern Europe*, 20:2-3, 125-149, DOI: 10.1080/0965156X.2013.777516.

<sup>38</sup> Hough, *The Soviet Prefects*; For the post-Soviet evolution of this phenomenon, see: Alena Ledeneva, *How Russia Really Works: The Informal Practices That Shaped Post-Soviet Politics and Business* (Ithaca: Cornell University Press, 2006).

promotion, to the exclusion of other clearly significant factors such as regionalism and changes to the built environment.

The overlap of certain areas with particularly important defense installations had the effect of increasing the political capital of the regional elites that were involved in supporting and facilitating the production process – say, for example, of nuclear missiles in Dnipropetrovsk. The above-mentioned planning documents from 1959 also demonstrate fairly clearly why continued ministerial control over high-priority sectors such as armaments, electricity, and chemicals production would have been necessary, as the number of partners involved in supplying and supporting production increased markedly after the implementation of the *sovnarkhoz* reforms in 1957.<sup>39</sup>

For example, the Minister of Ferrous Metallurgy in Moscow, Nikolai Tikhonov, was sent back to Ukraine to run the Dnipropetrovsk *sovnarkhoz* in 1957–60, so that a representative from the recently abolished ministry could still maintain some level of influence over the economic reorganization at a regional level.<sup>40</sup> This fluidity and movement of personnel also served as an important regulatory function in the face of myriad policy changes during this time. As the Dnipropetrovsk *sovnarkhoz* was in charge of a number of strategic enterprises that supported armaments production, Tikhonov could ensure to the best of his ability that auxiliary production essential to defense would continue unabated – for instance, construction of new buildings for additional workshops and housing for new workers. Tikhonov had a long career, and he was fiercely critical of the *sovnarkhoz* reforms well into the 1980s. Soviet functionaries involved with the defense industry found little of value in Khrushchev's approach, while those working in other sectors were more forgiving.<sup>41</sup>

We see in these Khrushchev-era documents that Moscow's relationship to each of Ukraine's regions differed depending on how many strategic and high-priority enterprises were found in each one. Having analyzed the overlapping regional, re-

---

<sup>39</sup> Irina Bystrova, *Sovetskii Voенно-Promyshlennyi Kompleks: Problemy Stanovleniia i Razvitiia, 1930-1980-E Gody* (Moskva: In-t rossiiskoi istorii RAN, 2006), 254-255.

<sup>40</sup> "No. 229: Is Postanovleniia TsK KPSS I Soveta Ministra SSSR No. 726-348 "O Sozdaniu ballisticheskoi rakety R-14, 2 iulia 1958" in Ivkin, V. I., sost., G. A. Sukhina. *Zadacha Osoboi Gosudarstvennoi Vazhnosti: iz istorii sozdaniia raketno-iadernogo oruzhiia i Raketnykh voisk strategicheskogo naznacheniia (1945–1959 g.)*: sbornik dokumentov (Moskva: ROSSPEN, 2010), 681. The head of the Dnipropetrovsk *sovnarkhoz* Nikolai Tikhonov was ordered in this joint decree of the Central Committee and Council of Ministers in Moscow to take under "his personal control" the construction of facilities for OKB-586 and Plant-586, including a facility for experimental production, laboratories, and 16,000 sq. m of living space in 1958 and an additional 22,000 sq. meters in 1959.

<sup>41</sup> "Meeting of the Politburo of CPSU, 12 July 1984," *Cold War International History Project Bulletin, Issue 4* (Washington, DC: Woodrow Wilson International Center for Scholars, 1994), 81; Oleksandr Liashko for example, believed that had Khrushchev's *sovnarkhoz* reforms been implemented more fully, the Gorbachev transition would have been less painful and may not have led to the disintegration of the Soviet Union. Oleksandr Liashko, *Gruz Pamiati: Trilogiia: Vospominaniia: Kniga Tret'ia, Chast' Pervaia, Na Stupeniakh Vlasti* (Kyiv: Delovaia Ukraina, 1997-2001), 107-110.

public-level, and all-union jurisdictions in Soviet Ukraine as they evolved from the more tumultuous Khrushchev years to the present, the archival records and memoirs make clear that the power structures in Soviet Ukraine were transformed by two concurrent processes: the reconfiguration of personal networks in the postwar period, which resulted in greater political plurality, and the rising significance of its MIC. In regions like Dnipropetrovsk and Kyiv, powerful networks of political players emerged alongside the new defense production facilities, suggesting that the success of some regional officials was tied, in part, to the location of such high-priority enterprises. The cross-institutional ties that were necessary to support these industries further reinforced these changes to Ukraine's political economy, as co-operation and informal exchanges between Party and state officials, enterprise directors, and heads of construction companies at the regional level created a level of insularity that hindered oversight efforts on the part of Moscow and Kyiv.

These emergent local economies allowed some Ukrainian regional elites to become politically influential in the Kremlin, where they were directly involved in adjudicating powers struggles at the highest level. After the failed coup attempt against Khrushchev in 1957 that was led by the "anti-Party group" of Lazar Kaganovich, Viacheslav Molotov, and Georgii Malenkov, changes were made to the Presidium and other government organs, which had a ripple effect throughout the Ukrainian party apparatus.<sup>42</sup> A number of Kyivan elites moved up the hierarchy to fill vacancies in the Presidium (executive branch) and Central Committee of the CPSU. For example, after Alexei Kirichenko was promoted to the Central Committee in Moscow, Nikolai Podgorny became the first secretary of the CPU and Petro Shelest replaced him as first secretary of the Kyiv Oblast Communist Party (*obkom*) in 1957, a post he held until 1962. In 1963, when Podgorny was moved again to a more influential post, Shelest was made first secretary of the CPU.<sup>43</sup> The rapid upward movement of cadres with clear ties to one another and to the same region reinforces the importance of patronage for the Soviet nomenklatura. Yet it was not the only contributing factor. It is important to note that members of the Ukrainian bureaucratic elite who made it to Moscow in 1957 came from several key regions, chief among them Kyiv, Kharkiv, Dnipropetrovsk, and Donetsk. This distribution maintained a more balanced representation of regional interests and various patronage networks that supported different top-ranking Presidium members. It was not until later that Dnipropetrovsk would secure its position as the dominant regional powerhouse.

The historian Iurii Shapoval argues that this dynamism in the Kyiv regional Communist Party network resulted in an untraditional career path for Shelest. His promotions were swift compared to many of his peers, and Shelest himself "never aimed for a political career ... he did not seek out posts, they sought him out."<sup>44</sup>

---

<sup>42</sup> TsDAHO 1/53/566/4, 13-15, and 25-44.

<sup>43</sup> Lozytskyi, *Politburo TsK Kompartii Ukrainy*, 193, 242, and 288.

<sup>44</sup> Petro Shelest and Iurii Shapoval, *Petro Shelest: Spravzhnii sud istorii shche poperedu: spohady, shchodennyky, dokumenty, materialy* (Kyiv: Geneza, 2003), 7.

Shelest's political successes were tied to being in the right place at the right time, as well as his work in the defense industry, which facilitated particular kinds of informal connections. In other words, he benefited from a combination of regional and industrial affiliation as well as larger political forces reverberating throughout the entire Soviet nomenklatura. Shelest's career was aided by inter-institutional struggles occurring in Moscow, and also crucial transformations in Ukraine's political economy, which markedly increased the republic's stature and influence in Kremlin politics.<sup>45</sup>

Shcherbytsky, too, was aided by these transformations, albeit from another vantage point. He benefited from the productive working relationship he had cultivated with the rocket manufacturing plant and design bureaus while he served as second secretary of the Dnipropetrovsk *obkom*. That relationship only deepened after he became first *obkom* secretary the following year. In 1957, rockets designed by OKB-586 were first put into production in Dnipropetrovsk. That same year, Shcherbytsky was promoted to CPU Central Committee secretary and Presidium member in Kyiv.<sup>46</sup> His career advancement was likely aided by his informal links with designers, plant managers, and local Party and state officials in Dnipropetrovsk. These are precisely the kinds of emergent cross-institutional groupings that Armstrong described in his study of the Soviet Ukrainian bureaucratic elite. Over time, Shcherbytsky developed close ties to both Mikhail Yangel (chief designer at OKB-586) and Aleksandr Makarov (director of operations at Plant-586, later head engineer and director in 1961–86).<sup>47</sup> When he was demoted to first secretary of the Dnipropetrovsk *obkom* in 1963, as punishment for criticizing Khrushchev's bifurcation of the party into agricultural and industrial wings, he suffered a heart attack. Yangel and Makarov rallied behind him, giving Shcherbytsky the support he needed to get back to work. While they were clearly unable to prevent his demotion, they were reportedly among his first guests in Kyiv, when he returned "on a white horse" to serve once again as head of the Ukrainian SSR's government after Khrushchev's ouster in 1964.<sup>48</sup>

The advancement of Ukrainian regional elites into the highest levels of the Communist Party, state, and ministerial hierarchies meant that when the Politburo members moved to oust Khrushchev from power in 1964, this pitted various factions within the Ukrainian political establishment against one another. This time, however, the clash between the reformers and those in favour

---

<sup>45</sup> Ibid, 8-10; Iurii Shapoval, "Petro Shelest: 100th Anniversary of the Birth of one of Ukraine's Most Spectacular Political Figures," *Den'*, No. 6; William J. Tompson, *Khrushchev: A Political Life* (Basingstoke: Macmillan in association with St Antony's College, Oxford, 1995), 130.

<sup>46</sup> Vitalii Vrublevskii "Volodymyr Shcherbitskyi: Pravda I Vyhadky; Zapisky Pomichnyka: Spohady, Dokumenty, Chutky, Lehendy, Fakty," in *Volodymyr Shcherbytskyi: Spohady Suchasnykiv*, 380-381. *Prokuratory Ukrainy. Volodymyr Shcherbitsky*. <https://www.youtube.com/watch?v=6XL2r-W2sxNU>.

<sup>47</sup> Iuzhnoe Sozvezdie, Glavnie I Generalnie, 155-159.

<sup>48</sup> Volodymyr Shcherbytskyi: *Spohady Suchasnykiv*, 128; Yangel: *Uroky I Nasledia*, 158-159.

of recentralization had ramifications not just in the Kremlin but internally to Ukraine as well. Both of Ukraine's first Party secretaries after 1964 – Petro Shelest and Volodymyr Shcherbytsky – had direct ties to defense production, Shelest as former director of the Antonov Aircraft Plant and Shcherbytsky due to his involvement with establishing OKB-586 in Dnipropetrovsk, one of the world's premier nuclear missile design bureaus (later renamed the Yuzhnoe or Pivdenne Design Bureau). The connection between military-industrial production and Ukraine's top leadership is not coincidental; in fact, it is a reflection of the symbiosis between defense production and certain regional elite networks – and also of Ukraine's significance overall. The Dnipropetrovsk group's encroachment on high politics in the Kremlin and Kyiv was tied to these mutually reinforcing trends – recentralization, remilitarization, and retrenchment – which squelched plurality in economic production, in culture, and in Party politics across the union. The rise of the Dnipropetrovsk group in the context of Ukraine's republican politics in Kyiv (and also Kremlin high politics) brings into focus the role regional that elites played at multiple stages of this process. What appears on the surface to have been a unidirectional reassertion of control by Moscow was in fact a much more complex story about the recalibration of power among multiple centres of power, involving a constellation of elites with strong affiliations to certain branches of the Soviet bureaucracy – particularly to significant industries and key regions in Ukraine.

Shelest and Shcherbytsky are often depicted in the literature on Ukraine as two sides of one coin – Shelest as a patriot who worked to expand Ukraine's cultural and economic autonomy, and Shcherbytsky as a Russophile who presided over the persecution of Ukrainian dissidents and ideological retrenchment in Ukraine. Neither of these characterizations is fully accurate. They were each shaped by their experiences, spheres of expertise, the region and sectors of the economy with which they were affiliated and forged their careers, as well as larger internal and external forces. There are obvious parallels to the present historical moment, particularly the myriad questions that remain about the motivation of men like Rinat Akhmetov, Igor Kolomoisky, Sergei Taruta, and others (latterly known as *oligarchs*), who reacted very differently to the same set of circumstance in 2014.

### **Regionalism in Ukraine Today: Continuities and Changes**

A great deal has changed in Ukraine since the 1960s and 1970s, and thus it is important to underscore that continuities do not exist in perpetuity. Nevertheless, there are clear infrastructural and institutional patterns that continue to shape current events in Ukraine. In this concluding section, I want to show how a historian's perspective on continuity and change can provide important insights into crucial moments of upheaval (or rupture) like the EuroMaidan rebellion. That moment dramatically shifted the constraints shaping the decisions of political and economic elites in Ukraine, and also across the border in the Russian Federation, by creating new contexts and upending long-standing patterns of engagement between

Moscow and Ukraine, Kyiv and the regions, and regional elites in relation to one another.<sup>49</sup>

Prior to its independence in 1991, Moscow's influence on Ukraine and its regions was more direct, and linked to centrally controlled organizations like the Personnel Department of the Central Committee of the CPSU in Moscow, which was responsible for overseeing appointments in the republic. The Personnel Department used its prerogative to move people around, and to replace individuals who were perhaps not fully supportive of the policies being implemented with those who were more amenable. After 1991, mutual recognition of new borders erected formal juridical and geopolitical barriers between the two largest former Soviet states, and also did away with organizations that transmitted Kremlin policy directly to subordinates in the republics.

With the enduring informal ties between the networks of regional elites on both sides meant that the boundary between the two former Soviet republics remained porous. Numerous confrontations over the demarcation of borders and sovereign waters, control over Ukraine's vast nuclear weapons cache, and the terms of the Russian fleet's presence in Sevastopol show that the process of separation was not seamless. In fact, Ukraine's last three presidents faced many challenges to the country's sovereignty and territorial integrity from its northeastern neighbour. Still, it was not until the collapse of the ruling government in Kyiv – marked by the flight of President Viktor Yanukovich and much of the ruling Party of Regions from the country – that the Kremlin openly transgressed Ukraine's borders by forcibly annexing the Crimean peninsula in February 2014.

That act thrust back into primary focus the issues of territoriality and sovereignty in the region, while underscoring the continued relevance of the complex infrastructural legacy that Ukraine inherited after 1991.<sup>50</sup> As a number of scholars have shown, the war in the Donbas was driven in part by an unresolved crisis of infrastructure, exacerbated by an EU association agreement that was detrimental to

---

<sup>49</sup> Yuriy Romanenko, "Kolomoisky Protiv Poroshenko I Akhmetova: Kharkovskiyi-dnepropetrovskiyi front," *Glavcom.ua*, June 15, 2015. Accessed April 10, 2017: <http://glavcom.ua/columns/romanenko/130089-kolomojskij-protiv-poroshenko-i-ahmetova-harkovskodnepropetrovskij-front.html>, Andriy Portnov, "Chomu Kharkiv I Dnipropetrovsk ne staly Donets'kom I Luhans'kom,?" *Ukrainska Pravda*, February 4, 2016; Orishchuk, Fedor. "Rinat Akhmetov stremitel'no teriaet total'nyi kontrol' nad Donbassom," *Novoye Vremya*, August 5, 2014. Accessed 02/20/2015: <https://nv.ua/publications/nv-rinat-ahmetov-stremitelno-teryaet-totalnyy-kontrol-nad-donbassom-6147.html>.

<sup>50</sup> For an account of the conformation between Ukraine and Russia over the Kerch Strait and the agreement between Leonid Kuchma and Vladimir Putin to share those waters jointly, see Kost Bondarenko, *Leonid Kuchma: Portret na Fone Epokhi* (Khar'kov: Folio, 2007); On interdependence and national security, see Rawi Abdelal, "Interpreting interdependence: National Security and the Energy Trade of Russia, Ukraine and Belarus," in Robert Levgold and Celeste A. Wallander, eds., *Swords and Sustenance: The Economics of Security in Belarus and Ukraine* (Cambridge, MA: The MIT Press, 2004), 101-128. See also: Hrihoriy Perepelitsa, "Military-Industrial Cooperation between Ukraine, Belarus, and Russia: Possibilities, Priorities, Prospects," in Robert Levgold and Celeste A. Wallander, eds., *Swords and Sustenance: The Economics of Security in Belarus and Ukraine* (Cambridge, MA: The MIT Press, 2004), 129-158.



particular sectors of the Ukrainian economy. It was a trade agreement that pressed on lingering, very important (and sensitive) economic ties between Ukraine and Russia – particularly, but not exclusively, in the machine-building sector.<sup>51</sup> For instance, Viacheslav Boguslaev, director of Motor Sich in Zaporizhia, expressed concern about the negative impact of Euro-integration on highly technical sectors of the Ukrainian economy. Boguslaev argued that unless changes were made to the Association Agreement, up to 20,000 production standards used in Ukraine would become obsolete in a very short period of time.<sup>52</sup>

A micro-level study conducted by Yuri M. Zhukov supports this interpretation, and his analysis shows that the districts most likely to have seen outbursts of violent separatism in Donetsk and Luhansk oblasts were those tied to machine-building enterprises that exclusively supplied Russian markets. They suffered when Russia used targeted trade restrictions and import substitutions in 2013, in order to pressure the Yanukovich government into backing out of the Association Agreement with the EU.<sup>53</sup> Zhukov shows that industry was a much stronger predictor of rebel violence than ethnicity and language. Moreover, no other regions in Ukraine were as vulnerable to negative economic shocks caused by the opening of trade with the EU, and by austerity and trade barriers with Russia, which is why the separatist violence did not spread further.<sup>54</sup>

Analyses like Zhukov's are very important, but they have only scratched the surface in terms of how Soviet infrastructural legacies continue to shape current events. Not all core institutions that tied the Soviet states together dissolved fully after independence. For instance, the military, state security services, and law enforcement agencies remain divided from within with regard to Ukrainian domestic politics, the policies of the Poroshenko government, and also Russia's military incursions into Ukraine (however unofficial). Some economic relationships have continued to function throughout much of the last five years, these economic continuities providing some measure of social stability. Some sectors, like military production, have been very slow to change. For instance, it was only after the prolonged war in the Donbas that some enterprises like the Antonov Aircraft Plant in Kyiv, Turboatom in Zaporizhia, and Yuzhmash in Dnipropetrovsk thought about scaling back or halting entirely the delivery of key components and the maintenance of Russian military hardware in 2016.<sup>55</sup>

<sup>51</sup> Yuri M. Zhukov, "Trading Hard Hats for Combat Helmets: The Economics of Rebellion in Eastern Ukraine," *Journal of Comparative Economics*, November 1, 2015, 1-3.

<sup>52</sup> "Iefremov vypravdovuie deputativ-rehionaliv, iaki vystupaiut' proty ievrointehratsii." *Tyzhden'*, September 2, 2013. URL accessed April 10, 2017: <http://tyzhden.ua/News/88323>;

<sup>53</sup> Zhukov, "Trading Hard Hats for Combat Helmets, 1-3.

<sup>54</sup> Yuri M. Zhukov, "Why the Ukraine Rebellion is Unlikely to Spread," *Newsweek*, 11/25/2015 at 6:48pm. URL accessed April 3, 2017: <http://www.newsweek.com/why-ukraine-rebellion-unlikely-spread-397530>; Yuri M. Zhukov, "Ekonomika separatizma na vostoce Ukrainy," *Liga. Novosti*, 11.11.2015 09:00. URL accessed January 17, 2017: [http://news.liga.net/articles/politics/7096887-ekonomika\\_separatizma\\_na\\_vostoce\\_ukrainy.htm](http://news.liga.net/articles/politics/7096887-ekonomika_separatizma_na_vostoce_ukrainy.htm).

<sup>55</sup> Carol J. Williams, "Ukraine's freeze on military exports to Russia carries risks," *LA Times*, November 26, 2014. URL accessed Nov 15, 2016: <http://www.latimes.com/world/europe/la-fg-ukraine-arms-russia-20141125-story.html>.

The fact that Ukraine's armaments industry remains largely state-owned also indicates clear continuities with the past, even with the recent reorganization of the sector. Many of the enterprises Ukroboronprom oversees, such as Kharkiv's Malyshev Plant or Kyiv's Antonov, were created during the Soviet period. The Malyshev Plant made and designed tanks for the Red Army, while the Antonov Plant was responsible for producing planes during the war and afterward. Its facilities were moved to Novosibirsk during the Second World War, away from encroaching German forces, and then back to Kyiv in 1952. Petro Shelest, who later became the first secretary of the Ukrainian Communist Party, also moved to Kyiv during this time to serve as director of the Antonov plant.

By contrast, Motor Sich, a major aircraft and helicopter engine producer, was privatized in the 1990s, making it one of Ukraine's most effective and efficient companies. With the country at war, rumors of new shareholders and the transfer of technology became a serious source of concern. In September 2017, it was reported that a little-known Chinese company, Skyrizon, became a majority shareholder in Motor Sich, surprising industry experts. These developments led some to speculate that the ultimate aim of this partnership was transferring Ukrainian technology from "a once-vibrant sector ... with an exalted lineage dating back to Soviet days."<sup>56</sup> There has been discussion of renationalizing the enterprise, which in April 2018 was also under investigation by Ukraine's State Security Services for a sophisticated share redistribution scheme that the SBU alleges was designed to weaken this strategic plant.<sup>57</sup> As with most dramas in this area of the economy, security concerns are only a part of the story. Analysts indicate that players in both Kyiv and Washington were concerned about the larger geopolitical ramifications of Ukrainian economic elites deepening co-operation with the Chinese, while others suggest that political infighting among may have led the SBU to step in.

Such rapidly shifting terrain makes it difficult to track what is happening in the more opaque sectors of the Ukrainian economy. Nonetheless, changes in the defense industry and in clusters of the regional economic elites involved in overseeing military-industrial production can, and should, be situated in a much larger trajectory. This is an important analytical frame that has been largely absent from the discussion of what is happening in Ukraine today. Patterns of competition and

---

<sup>56</sup> Charles Clover and Roman Olearchyk, "Chinese deal with Ukraine defence group raises hackles," *Financial Times*, October 5, 2017. Accessed April 24, 2018: <https://www.ft.com/content/e8aed9f4-a1dc-11e7-9e4f-7f5e6a7c98a2>; Liu Zhen, "Chinese firm's stake in Ukraine military aircraft engine maker 'frozen,'" *South China Morning Post*, September 16, 2017. Accessed April 24, 2018: <http://www.scmp.com/news/china/diplomacy-defence/article/2111493/chinese-firms-stake-ukraine-military-aircraft-engine>.

<sup>57</sup> "SBU provodit obyski v "Motor Sich" v Zaporozh'ë," TASS, April 23, 2018. Accessed April 24, 2018: <http://tass.ru/mezhdunarodnaya-panorama/5150215>; "SBU raids Motor Sich aircraft engine manufacturer in "sabotage" probe," UNIAN, April 23, 2018. Accessed April 24, 2018: <https://economics.unian.info/10092023-sbu-raids-motor-sich-aircraft-engine-manufacturer-in-sabotage-probe.html>; Fedir Oryshchuk, "Motor Sich hotuyut do natsionalizatsiyi?" *Glavkom*, October 31, 2017. Accessed April 24, 2018: <https://glavcom.ua/publications/motor-sich-gotuyut-do-natsionalizaciji--448050.html>.

co-operation between Ukraine's various geographically based clan structures in the past are not just historical artifacts. They endure in the form of historically composed social structures and interrelationships forged over decades.<sup>58</sup> Therefore, it is important to remember that the choices made by economic elites and citizens in various regions were more than just event-driven responses to domestic and internal pressures.

Today's larger context for the shifting allegiances of regional economic elites in Ukraine includes both privatized assets and key state-owned enterprises, which have been actively courting new consumers and clients. Diversification and expansion into new markets has its risks, but keeping an eye on further developments in this area will be crucial for anticipating and understanding the inevitable shifts in Ukrainian domestic politics, and also Ukraine's place within the larger geopolitical game currently ongoing.

### Conclusion

Further study of Ukraine's complex Soviet inheritance is essential in order to understand the longer-term patterns for shaping the behaviour of Ukrainian regional economic elites, as well as the hydra of corruption that continues to evade reformers. The war in the Donbas shows no signs of abating and has already had a deleterious effect on the Ukrainian economy and on efforts to fight corruption in the country. The oligarchs have been chastened by significant losses of wealth, fueled in part by the declining gas trade, the seizure and destruction of assets, and deteriorating economic conditions more generally. As Anders Aslund has observed, Ukraine is still stuck in "a vicious rent-seeking trap" not because of the grip of the oligarchs, but because of a multitude of "grey cardinals" in parliament – recent beneficiaries of Ukraine's changing geopolitical and economic terrain. It is they who control state companies like, for instance, the defense concern UkrOboronProm, which was created in 2010 during the Yanukovich presidency to manage the MIC in Ukraine and the enterprises that fall under its jurisdiction.<sup>59</sup> With the country at war, this appears to be a nearly bottomless source of revenue for these new cardinals.

This evolving interrelationship of private and state-controlled wealth should be watched closely, especially with presidential and parliamentary elections on the horizon. In terms of the larger discussion of whether economic elites are friends or foes, it appears that further close attention to the shifting circumstances is essential before making that determination. A case in point is Ihor Kolomoisky, who responded swiftly to immediate conventional and non-conventional threats to Ukrainian sovereignty in 2014, succeeding in squelching a credible broader separatist movement in the southeast. Nevertheless, he resigned just one year later

---

<sup>58</sup> I am deeply indebted to Monica Eppinger, who, as always, was able to distill the central argument in conversation about this piece. Many thanks! See also: Serhii Plokhyy, *The Gates of Europe: A History of Ukraine* (New York: Basic Books, 2015).

<sup>59</sup> Anders Aslund, "Ukraine's economy still stuck in vicious rent-seeking trap," *Kyiv Post*, April 2, 2018.

after, clashing with President Poroshenko over UkrTransNafta and a number of other issues, indicating that their convergence of interests was short-lived.<sup>60</sup> Five years into the war in the Donbas, it is clear that conditions have changed considerably, but the role of regional economic elites remains important and also hard to fully comprehend. With greater attention to the recent under-studied past, it is possible to situate these recent developments in a larger context that allows us to better understand the contours of the struggle and the infrastructural and institutional legacies hampering the efforts of reformers. The past is not just prologue; it can and should frame our analysis, even if only to recognize that some old Soviet patterns are really hard to break.

Орися Марія КУЛИК  
**Радянське виробництво зброї  
та розширення впливу регіональних еліт України  
впродовж поч. 1950-х – поч. 1980-х років**

*Орися Марія Кулик – постдокторантка Програми імені Петра Яцика  
з дослідження української політики, культури й суспільства  
в Університеті Торонто (Канада).*

У цій статті розглянуто українські регіональні кланові структури радянського періоду, відзначено, що вони зберігаються у формі історично сформованих соціальних структур, які впливають на поточні події. Досліджено зміни у середовищі 1950-х та 1960-х років, коли Україна стала брати участь у найбільш пріоритетному на той час військово-промислового виробництві. Величезна мережа підприємств, конструкторських бюро, науково-дослідних інститутів та військових виробничих потужностей – це більше, ніж наслідування радянської спадщини. Вони забезпечують план важливих перетворень у політичній економіці Радянської України, під час яких регіональні керівні структури було змінено завдяки перебудові мереж персональних зв'язків постсталінського періоду та все більшого значення таких галузей, як ракетобудування та наука, що фактично відображало, як Українська республіка працювала загалом.

**Ключові слова:** *ремілітаризація, регіоналізм, радянська промисловість, інфраструктура, українсько-російські відносини*

---

<sup>60</sup> Guy Chazan and Roman Olearchyk, "Ukraine: An oligarch brought to heel," *The Financial Times*, March 25, 2015. URL accessed April 16, 2017: <https://www.ft.com/content/b0b04474-d232-11e4-a225-00144feab7de>.

## Bibliography

Abdelal, Rawi. "Interpreting interdependence: National Security and the Energy Trade of Russia, Ukraine and Belarus." In Levgold, Robert, ed., and Celeste A. Wallander. *Swords and Sustenance: The Economics of Security in Belarus and Ukraine*, 101-128. Cambridge, MA: The MIT Press, 2004.

Andreev, L.V., S.N. Koniukhov. *Iangel'. Uroki i nasledie*. Dnepropetrovsk: Art-Press, 2001.

Armstrong, John. *The Soviet Bureaucratic Elite: A Case Study of the Ukrainian Apparatus*. New York: Praeger, 1959.

Aslund, Anders. "Ukraine's economy still stuck in vicious rent-seeking trap." *Kyiv Post*, April 2, 2018.

Beissinger, Mark. "Ethnicity, the Personnel Weapon, and Neo-imperial Integration: Ukrainian and RSFSR Provincial Party Officials Compared." In *The Soviet Nationality Reader: The Disintegration in Context*, edited by Rachel Denber, 211-225. Boulder, San Francisco, Oxford: Westview Press, 1992.

Bondarenko, Kost. *Leonid Kuchma: Portret na Fone Epokhi*. Khar'kov: Folio, 2007.

Bystrova, Irina. *Sovetskii Voенно-Promyshlennyi Kompleks: Problemy Stanovleniia i Razvitiia, 1930-1980-E Gody*. Moskva: In-t rossiiskoi istorii RAN, 2006.

Chazan, Guy and Roman Olearchyk. "Ukraine: An oligarch brought to heel." *The Financial Times*, March 25, 2015. <https://www.ft.com/content/b0b04474-d232-11e4-a225-00144feab7de>.

Clover, Charles and Roman Olearchyk. "Chinese deal with Ukraine defence group raises hackles." *Financial Times*, October 5, 2017.

Deyermond, Ruth. *Security and Sovereignty in the Former Soviet Union*. Boulder, CO: Lynne Rienner Publishers, Inc., 2007.

Gorlitzki, Yoram. "Too Much Trust: Regional Leaders and Local Political Networks Under Brezhnev." *Slavic Review* 69, no. 3, 2010.

Grant, Thomas D. *Aggression Against Ukraine: Territory, Responsibility, and International Law*. New York: Palgrave Macmillan, 2015.

Hough, Jerry F. *The Soviet Prefects: The Local Party Organs in Industrial Decision-Making*. Cambridge, MA: Harvard University Press, 1969.

Hough, Jerry F., and Merle Fainsod. *How the Soviet Union Is Governed*. Cambridge: Harvard University Press, 1979.

"Iefremov vypravdovuiе deputativ-rehionaliv, iaki vystupaiut' proty ievrointehratsii." *Tyzhden'*, September 2, 2013. URL accessed April 10, 2017: <http://tyzhden.ua/News/88323>.

Kibita, Nataliya. *Soviet Economic Management Under Khrushchev: The Sovnarkhoz Reform*. Routledge/Taylor & Francis Group: London and New York, 2013.

Koniukhov, S.N. ed., *Prizvany vremenem. Ot protivostoianiiia k mezhdunarodnomu sotrudnichestvu*. Dnipropetrovsk: ART-PRESS, 2004.

Kotkin, Stephen. *Armageddon Averted: The Soviet Collapse, 1970-2000*. Oxford: Oxford University Press, 2008.

Ledeneva, Alena. *How Russia Really Works: The Informal Practices That Shaped Post-Soviet Politics and Business*. Ithaca: Cornell University Press, 2006.

Liashko, Oleksandr. *Gruz Pamiati: Trilogiia: Vospominaniia: Kniga Tret'ia, Chast' Pervaia, Na Stupeniakh Vlasti*. Kyiv: Delovaia Ukraina, 1997-2001.

"Meeting of the Politburo of CPSU, 12 July 1984," *Cold War International History Project Bulletin, Issue 4* (Washington, DC: Woodrow Wilson International Center for Scholars, 1994), 81.

Nove, Alec. *An Economic History of the USSR*. Hazell Watson & Viney Ltd.: Great Britain, 1969.

Oryshchuk, Fedir. "Motor Sich hotuyut do natsionalizatsiyi?" *Glavkom*, October 31, 2017. <https://glavcom.ua/publications/motor-sich-gotuyut-do-natsionalizatsiji--448050.html>.

Orishchuk, Fedor. "Rinat Akhmetov stremitel'no teriaet total'nyi kontrol' nad Donbassom," *Novoye Vremya*, August 5, 2014. <https://nv.ua/publications/nv-rinat-ahmetov-stremitelno-teryaet-totalnyy-kontrol-nad-donbassom-6147.html>

Perepelitsa, Hrihorii. "Military-Industrial Cooperation between Ukraine, Belarus, and Russia: Possibilities, Priorities, Prospects," In *Swords and Sustenance: The Economics of Security in Belarus and Ukraine*, edited by Robert Levgold and Celeste A. Wallander, 129-158. Cambridge, MA: The MIT Press, 2004.

Platonov, Volodymyr. *Iuzhnoe Sozvezdie: Glavnie I Generalnie*. Dnipropetrovsk: Prospekt, 2008.

Plokyh, Serhii. *The Gates of Europe: A History of Ukraine*. New York: Basic Books, 2015.

Portnov, Andriy. "Chomu Kharkiv i Dnipropetrovsk ne staly Donets'kom i Luhans'kom,?" *Ukrainska Pravda*, February 4, 2016.

Romanenko, Yuriy. "Kolomoisky Protiv Poroshenko i Akhmetova: Kharkovskiyi-dnepropetrovskiyi front." *Glavcom.ua*, June 15, 2015. <http://glavcom.ua/columns/romanenko/130089-kolomojskij-protiv-poroshenko-i-ahmetova-harkovskodnepropetrovskij-front.html>

"SBU raids Motor Sich aircraft engine manufacturer in "sabotage" probe," UNIAN, April 23, 2018. Accessed April 24, 2018: <https://economics.unian.info/10092023-sbu-raids-motor-sich-aircraft-engine-manufacturer-in-sabotage-probe.html>.

"SBU provodit obyski v "Motor Sich" v Zaporozh'je," TASS, April 23, 2018. Accessed April 24, 2018: <http://tass.ru/mezhdunarodnaya-panorama/5150215>.

Shelest, Petro, and Iurii Shapoval. *Petro Shelest: Spravzhnii sud istorii shche poperedu: spohady, shchodennyky, dokumenty, materialy*. Kyiv: Geneza, 2003.

Shapoval, Iurii. "Petro Shelest: 100th Anniversary of the Birth of one of Ukraine's Most Spectacular Political Figures," *Den'*, no. 6.

Sinovets, Polina and Mirana Buderyn. "Interpreting the Bomb: Ownership and Deterrence in Ukraine's Nuclear Discourse." *NPIHP Working Paper #12*, December 2017.

Tompson, William J. *Khrushchev: A Political Life*. Basingstoke: Macmillan in association with St Antony's College, Oxford, 1995.

Urban, Michael. *An Algebra of Soviet Power: Elite Circulation in the Belorussian Republic, 1966–86*. Cambridge, UK: Cambridge University Press, 1989.

Vrublevskii, Vitalii. “Volodymyr Shcherbitskyi: Pravda i Vyhady; Zapisky Pomichnyka: Spohady, Dokumenty, Chutky, Lehendy, Fakty.” In *Volodymyr Shcherbitskyi: Spohady Suchasnykiv*. Kyiv: Vydavnychiy dim “In Iure”, 2003.

Walker, Eduard. *Dissolution: Sovereignty and the Breakup of the Soviet Union*. Lanham: Rowman & Littlefield, 2003.

Williams, Carol J. “Ukraine’s freeze on military exports to Russia carries risks,” *LA Times*, November 26, 2014. <http://www.latimes.com/world/europe/la-fg-ukraine-arms-russia-20141125-story.html>.

Yurchenko, Yuliya. “Black Holes” in the Political Economy of Ukraine: The Neoliberalization of Europe’s “Wild East.” *Debatte: Journal of Contemporary Central and Eastern Europe* 20, 2-3 (2012): 125-149.

Zhen, Liu. “Chinese firm’s stake in Ukraine military aircraft engine maker ‘frozen,’” *South China Morning Post*, September 16, 2017. <http://www.scmp.com/news/china/diplomacy-defence/article/2111493/chinese-firms-stake-ukraine-military-aircraft-engine>.

Zhuk, Sergei. *Rock and Roll In the Rocket City: The West, Identity, and Ideology in Soviet Dnepropetrovsk, 1960–1985*. Washington, D.C.: Woodrow Wilson Center Press, 2010.

Zhukov, Yuri M. “Ekonomika separatizma na vostoce Ukrainy.” *Liga. Novosti*, November 11, 2015. [http://news.liga.net/articles/politics/7096887-ekonomika\\_separatizma\\_na\\_vostoce\\_ukrainy.htm](http://news.liga.net/articles/politics/7096887-ekonomika_separatizma_na_vostoce_ukrainy.htm).

Zhukov, Yuri M. “Trading Hard Hats for Combat Helmets: The Economics of Rebellion in Eastern Ukraine.” *Journal of Comparative Economics*, November 1, 2015.

Zhukov, Yuri M. “Why the Ukraine Rebellion is Unlikely to Spread.” *Newsweek*, November 25, 2015. <http://www.newsweek.com/why-ukraine-rebellion-unlikely-spread-397530>;

№ 229: Iz postanovleniia TsK KPSS i Soveta Ministrov SSSR № 726-348 “O sozdaniia ballisticheskoi rakety R-14””, Moskva, Kreml’, 2 iiulia 1958. Sovershenno sekretno. Osoboi vazhnosti,” Ivkin, V. I., sost., G. A. Sukhina. *Zadacha Osoboi Gosudarstvennoi Vazhnosti: iz istorii sozdaniia raketno-iadernogo oruzhiia i Raketnykh voisk strategicheskogo naznacheniiia (1945–1959 g.): sbornik dokumentov* (Moskva: ROSSPEN, 2010).

### Archives

Tsentrāl’nyi derzhavnyi arkhiv hromads’kykh ob’iednan’ Ukrainy (TsDAHOU), F. 1, op. 16, spr. 92–6.

TsDAHOU, F. 1, op. 53, spr. 566, ark.4.