

# REINDUSTRIALIZATION AS A KEY ELEMENT OF UKRAINE'S RECOVERY

**Calibrating economic policy to support societal resilience  
in the context of the Russian invasion**

**Policy Brief**

**24 March 2024**

**Brian Milakovsky**



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Conflict & Civiness Research Group

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### **PeaceRep's Ukraine programme**

PeaceRep's Ukraine programme is a multi-partner initiative that provides evidence, insight, academic research and policy analysis from Ukraine and the wider region to support Ukrainian sovereignty, territorial integrity and democracy in the face of the Russian invasion. PeaceRep's Ukraine programme is led by the London School of Economics and Political Science (LSE) partnering with the Kyiv School of Economics (KSE) in Ukraine, the Leibniz Institute for East and Southeast European Studies (IOS) in Germany, the Institute of Human Sciences (IWM) in Austria and Jagiellonian University in Poland. Through our collaboration with KSE we work closely with researchers, educationalists and civic activists in Ukraine to ensure that policy solutions are grounded in robust evidence and are calibrated to support democratic outcomes.

Image: All images may be subject to copyright. Roman Baluk / the Collection of war.ukraine.ua

**About the Author**

Brian Milakovsky is an expert on economic recovery and resilience in Ukraine. He worked in humanitarian and development projects in the country's east from 2015-2022, and since the beginning of Russia's full-scale invasion has focused on the localization and Ukraine's reconstruction economy. He is research associated of the Conflict and Civiness Research Group, based at LSE IDEAS, the in-house foreign policy think tank of the London School of Economics and Political Science.

## Country Director's Introduction

At the outset of the full-scale Russian invasion, PeaceRep's Ukraine team started from the scenario-based hypothesis that the goal of Ukraine and its allies should be to avoid a situation in which public authority breaks down, the Ukrainian state loses (de facto) its monopoly on the use of force and a number of different armed groups and networks emerge. In the 21<sup>st</sup> century, this form of conflict in which both state and non-state actors (aligned with sectarian ideologies/identities) engage in violent competition over resources and rents is far more prevalent today than conventional wars between states for political goals and the control of territory. In such scenarios of intractable conflict, the use of violence becomes associated with predation towards the civilian population involving political economies based on rent-seeking and criminality, usually in juxtaposition with a diverse range of external intervening powers. This incentive structure means that actors often acquire either a direct or indirect interest in the reproduction of violence, making these wars difficult to stop and hence 'intractable'.<sup>1</sup> These situations tend to arise initially when economic shocks have led to sharp falls in income and production in societies that are already very poor with weak infrastructure and state capacity.

If such a development were to arise in Ukraine, it can be read as a form of victory for the Russian aggressor given that it would make the country's entry into the European Union and NATO impossible. In addition, the first Russian invasion of Ukraine in March 2014 contained features associated with situations of intractable violence. It involved hybrid war techniques, including sectarian identity politics and a conscious attempt to create a predatory, kleptocratic political economy based on patron-client relations. In this sense, Ukraine's successful resistance to date can in large part be defined by its ability to maintain social cohesion, the functioning of democratic institutions and avert a wholesale economic collapse. Accordingly, one definition of 'victory' is Ukraine's successful development of an economically inclusive, prosperous polity with strong democratic institutions and the protection of fundamental human rights.

This analysis has, in turn, informed our research on meeting Ukraine's immediate economic needs and supporting its societal resilience in the war. The present policy brief explores the role re-industrialisation in creating conditions for long-term inclusive and sustainable development in Ukraine. The author, Brian Milakovsky, has substantial expertise in supporting Ukraine's economic needs at the micro-level, having worked for many years in the field undertaking research and advocacy projects supporting Ukrainian SMEs. Here he argues that a key goal of Ukraine should be to pursue re-industrialisation through an effective programme of state aid and use of preferential trade and procurement policy. To achieve this, Ukraine's allies should publicly indicate support for the steps that the government is taking in this direction, for example the recently announced "Made in Ukraine" suite of localization measures.

*Luke Cooper is Associate Professorial Research Fellow in International Relations at the LSE Conflict and Civiness Research Group, LSE IDEAS and the Director of PeaceRep's Ukraine programme.*

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<sup>1</sup> Cooper, L. and Kaldor, M., 2022. 'In Europe's gift: How to avoid a "forever war" in Ukraine', ECFR. <https://ecfr.eu/article/in-europes-gift-how-to-avoid-a-ukraine-forever-war/> (Accessed 26 Feb 2024).

## Pre-invasion Background

Even before Russia's destructive invasion of 2022, Ukraine was struggling to reverse one of the world's most severe cases of deindustrialization. After a catastrophic drop in industrial production after the collapse of the Soviet Union, Ukraine experienced a steady recovery throughout the 2000s which was cut short by the 2008 crisis. From this point onward a cycle of shock and incomplete recovery took place that included Russia's punitive industrial tariffs on Ukraine (2011), Russia's first invasion of the Ukrainian Donbas (2014) and COVID-19 (2020). By 2021 industrial production made up only 12% of Ukraine's GDP, well short of the target of 17-20% for OECD countries.

Throughout this period Ukraine struggled to catch up in industrial development not only with leading neighbours such as Poland, but also lower-income recent members of the EU like Slovakia or non-EU peers like Serbia. Ukrainian industry has the highest energy intensity in Europe; it takes Ukraine 5.3 times more Megawatts of energy to produce a million Euros of value added than it takes the EU (8000 vs. 1500 MW).<sup>2</sup> In 2020 Ukraine's gross value added per industrial worker (\$7923) was three times lower than Poland's and 1.5 times lower than Bosnia and Herzegovina's.<sup>3</sup>

Exclusion from traditional markets in Russia and the rest of the Commonwealth of Independent States impacted Ukraine's highest value-added industrial sectors such as chemical production, defence and aerospace machine building. Overall industrial exports to the European Union grew after the signing of the Deep and Comprehensive Free Trade Agreement in 2014, but the technological sophistication of Ukraine's "export basket" to the EU actually declined during this period, with lightly processed metal being the primary industrial product.<sup>4</sup>

The decline of many remaining Soviet-era large enterprises sets the pessimistic tone of these statistics, but in fact Ukraine still had a diverse manufacturing sector on the eve of Russia's full-scale invasion. It included many veteran enterprises that had successfully adapted and a vibrant layer of small and medium enterprises that developed from scratch in the 2000s and 2010s.

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<sup>2</sup> Thinking About Ukraine's Energy Future: Energy demand scenarios and policy targets on the road to Europe. Presentation by *Green Deal Ukraine*, October 9th 2023, Kyiv. Sponsored by DE Ministry of Education and Research.

<sup>3</sup> Data from <https://stats.oecd.org/>

<sup>4</sup> Ihor Huzhva and Yevhen Ivanov. 2021. *Deepening the Strategic Orientation: Trade relations of Ukraine and European Union countries in the context of the Association Agreement*. (In Ukrainian) Federation of Employers of Ukraine. Financed by Ministry of Foreign Affairs of Denmark

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## Impact of Russia's full-scale invasion

Russia's invasion has reduced Ukrainian industrial production by a full 1/3 from this already suboptimal position, and according to the UN reduced industry's role in GDP to 7%.<sup>5</sup> Russia has left a swathe of physical destruction across the country's most industrialized region, bombing key units of GDP production such as the AzovStal and Ilych metallurgy plants and the Avdiivka Coke Plant to ruins. To provide a small example, the author worked in a development program with six mid-sized manufacturers in the cities of Sievierodonetsk and Rubizhne (Luhansk Oblast), and in March-April 2022 every one of their facilities was physically destroyed.

But the decline is also due to depressed domestic purchasing, disrupted supply chains and export channels; the majority of building material producers interviewed in 2023 were operating at just 25-30% capacity despite being mostly outside the direct warzone.<sup>6</sup> As such, some of this decline could be addressable through interventions to restore working capital, cost-share investments in modernization and facilitate market expansion, while some of it requires large-scale capital investment in reconstruction of industrial facilities and value chains.

The impact of Russia's invasion is uneven across industrial sectors. Some are buoyed by a massive increase in defense-related state spending, such as machine building, metalworking, garment and food processing sectors. Metallurgy remains deeply hindered though it has rebounded somewhat from an initial 65% drop in production. The most uncertain future may be ahead for gas-dependent sectors such as nitrogen fertilizer production or ceramics due to dramatic increases in fuel prices that are projected to grow 15% annually.

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<sup>5</sup> Innovative Investments for the Economic Recovery of Ukraine. 2023. United Nations Development Program, UkraineInvest.

<sup>6</sup> *White Paper: Activating and Strengthening Ukraine's Reconstruction Capacity*. 2023. Volodymyr Vlasniuk. Ukraine Industry Expertise and the International Institute of Economic Research. USAID Economic Resilience Activity

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## Ukrainian industry and EU integration

Ukraine will face an enormous challenge to restore industrial capacity while also rapidly modernizing and decarbonizing to keep in step with the climate agenda of the European Union, with whom which Ukraine will begin the accession process.

If Ukraine is able to restore production to at least 2021 levels without lowering its energy intensity, let alone if it is able to *grow* its manufacturing economy at this high rate of energy use, then it will put at risk the European Union's ambitious decarbonization targets for 2050. In real terms, Ukraine had massive reductions in greenhouse gas emissions over the past 30 years, but this was largely achieved via *deindustrialization* rather than increases in efficiency. It was not until 2015 that the country saw a reduction in energy intensity of production while production actually *rose*, largely the result of new efficiency mandates.<sup>7</sup>

Thus, the EU and Ukraine stand at a crossroads: either exponentially increase support for decarbonization of industry, using the challenge of compliance with EU emissions standards as a springboard for Ukraine's industrial modernization, or simply sit back and allow further deindustrialization to "solve" the emissions problem. Without action the latter option could be driven by the EU's own policies, such as the Carbon Border Adjustment Mechanism, which by one estimate could cost Ukrainian metallurgy exporters \$1.4 billion in the first year when it comes into effect in 2026.<sup>8</sup>

The huge fiscal stress of war will only push Ukraine further behind EU peers. In 2023 the EU gave out 8.7 billion Euro in grants to leading metallurgy companies for decarbonization projects. Nearly half of these funds went to European factories owned by ArcelorMittal, the company which also runs Ukraine's largest steel mill in Kryvyi Rih.<sup>9</sup> Ukraine certainly will not have such funds at its disposal in the foreseeable future. Will the EU and other partners find a way to support decarbonization and modernization at Kriviy Rih, Zaporizhia and other key industrial centres?

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<sup>7</sup> *Green Deal Ukraine*, 2023

<sup>8</sup> The EU's carbon tax may devastate a country it is trying to keep alive: Ukraine. Federica de Sario. *Politico*, March 8, 2024

<sup>9</sup> Andrii Glushchenko. 2023. *For 8 months 2023 European governments have announced €8.7 bln for decarbonization of the steel sector*. GMK Center. <https://gmk.center/en/infographic/for-8-months-2023-european-governments-have-announced-e8-7-bln-for-decarbonization-of-the-steel-sector/>



## Recommendations on how Ukraine's allies including the United Kingdom can support Ukrainian re-industrialization

### 1. *Activate domestic investment in manufacturing through matching grants and credit subsidization.*

Despite the large emphasis placed on attraction of foreign direct investment (FDI) at the Ukraine Recovery Conference in London (2023), caution is advised over the extent to which FDI can provide the scale of capital needed for reindustrialization. This is largely due to it being one of the most instability-sensitive forms of capital, and current trends in the Russo-Ukraine war suggest that Moscow will be able to generate instability for years still to come.

Unquestionably, Kyiv and its partners should do everything possible to coax FDI into the country through a 'managed trade' policy with targeted incentives for priority sectors, but in the near term their core focus should look to activate funds from the most instability-tolerant investors: existing Ukrainian businesses.

The author is currently participating in a grant committee for a USAID-funded program to provide grants up to \$2 million to businesses prepared to invest at least as much. More than 300 firms applied, the large majority of which are in manufacturing and value-added processing of agricultural products. Though nearly every company notes shortages in liquidity due to the war, the great popularity of this competition demonstrates that many Ukrainian businesses have funds available and viable investment projects to restore and increase production and take hold of market niches opened during the war.

Many Western donors to Ukraine provide funds for grant programs or to boost liquidity at state banks, allowing for rebated loan programs such as the popular "5-7-9%". Essentially, this should be continued and greatly increased in scale to reflect industry's enormous needs. The larger the available matching grants or loans, the more pertinent they become for manufacturers. A 2023 report on Ukraine's building material production sector found many firms with financing needs in the range of \$2-10 million, which at the time were not being addressed by 5-7-9% due to caps on loan size.<sup>10</sup>

### 2. *Address technical bottlenecks to Ukrainian manufactured goods entering EU market*

Ukraine is rapidly adapting its legislative and regulatory framework to harmonize it with the EU acquis. One of the first fields in which it did so was in industrial product standards, for instance by adopting hundreds of testing regulations directly from the EU's Construction Materials Regulation. However, Ukrainian manufacturers raise the alarm that the necessary laboratory capacity is not in place to test compliance due to insufficient funding, destruction and occupation, and so they face a "regulatory cliff" both in terms of their exports to the EU and their domestic sales. In this particular case testing equipment needs are modest (\$15-20 million) and if met would help ensure market access for hundreds of Ukrainian manufacturers. This is just one example of the kind of technical bottlenecks that will emerge as harmonization with the acquis advances.

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<sup>10</sup> Vlasiuk 2023

### 3. *Provide intensive, facilitated access to key value chains and support for Ukrainian parts suppliers*

Ukraine's allies among wealthy states should pursue mutually beneficial trade diversification opportunities when Ukrainian parts manufacturer could become "nearshoring" suppliers for machinery producers. Research conducted in 2020 identified a cluster of viable parts makers in the Azov Sea region (Melitopol, Berdiansk, Tokmak, etc.) and potential clients in the UK Construction Equipment Association (as well as similar companies in the Republic of Ireland)<sup>11</sup> and several test shipments were under negotiation when Russia occupied the region in 2022.

Many of the Ukrainian parts manufacturers relocated to Kyiv or the west of the country and have resumed production. The first attempt to connect them with Western clients demonstrated that while quality and price were competitive, the companies had significant business culture and client management barriers to overcome. In early stages of market expansion they require deep consulting support, as opposed to one-off matchmaking. Furthermore, as a result of displacement some of these firms might be in need of matching grants or subsidized loans to fully restore production.

### 4. *Continue targeted procurement of goods and equipment for Ukraine within Ukraine, including in the defence sphere*

When the author gave remarks to FCDO experts at the London School of Economics on 6<sup>th</sup> March 2024 he learned that HMG already strives to source goods and equipment domestically within Ukraine for its support packages to that country. An example was given of high-capacity generators manufactured in Zaporizhzhia but distributed across Ukraine. This is excellent development practice and a key element of the Made in Ukraine programme that Economy Minister Yulia Svyrydenko proposes that Western partners adopt. Other donors who have received Kyiv's praise for domestic procurement include Japan and Denmark.

Multiple Ukrainian sources point to difficulties faced by private defence manufacturers in the country which rapidly scaled up capacity, but now face unstable and insufficient orders from Ukraine's strained budget.<sup>12</sup> In one of the most important fields of modern warfare, one source suggests Ukrainian drone factories are engaged at only 5-15% of their full capacity.<sup>13</sup> It thus appears that there is a place for "insourcing" arms within Ukraine for transfer to the country's armed forces as a means to stimulate the industrial economy and counter Russia's strategy of "military Keynesianism" in its own defence sector.

### 5. *Consider direct technology donation and skill transfer programme*

Numerous commentators invoke the Marshall plan in their calls for assistance for Ukrainian reconstruction, but some of the key interventions of that plan are missing from the public debate. In 1948-1949 the United States provided direct donations of

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<sup>11</sup> Strategic Development of Automotive & Farm Machinery Manufacturing and SMART Specialization in Southern Zaporizhzhia, Ukraine. 2023. Tom O'Callaghan. Prepared for the USAID Economic Resilience Activity

<sup>12</sup> For example, "The holding 'Defensive Forces of Ukraine' named the issues facing Ukraine's arms manufacturers." *Espresso.tv*. March 8, 2024 (in Ukrainian) <https://espresso.tv/suspilstvo-v-obednanni-tekhnologichni-sili-ukraini-nazvali-problemi-ukrainskikh-virobnikov-zbroi>

<sup>13</sup> "The largest Ukrainian manufacturers of drones almost did not receive contracts, are working at only 5-15%." *Defense Express*. February 26, 2024. [https://defence-ua.com/people\\_and\\_company/najbilshi\\_ukrajinski\\_virobniki\\_droniv\\_dosi\\_ne\\_otrimali\\_kontrakty\\_zavantazhe\\_nja\\_lishe\\_na\\_5\\_15-14569.html](https://defence-ua.com/people_and_company/najbilshi_ukrajinski_virobniki_droniv_dosi_ne_otrimali_kontrakty_zavantazhe_nja_lishe_na_5_15-14569.html)

equipment to key industrial facilities in war-affected European countries. This intervention was a means to invest in other countries' industrial capacity in the mid- and long term, which Washington recognized as necessary for political stability in Europe and the health of the global economy, while stimulating the American industrial economy in the near term, since the equipment was mostly American-made.

Even more remarkably, the US also launched the Productivity Assistance program, a "mass technology transfer" that brought thousands of factory managers and engineers to the United States to study productivity methods that were making the US a global leader in per-worker added value. These study tours were followed up by individualized plans to incorporate the practices the participants saw in the US into their own plants.

Many factors were affecting Europe's economy at the time and isolating the exact impact of Productivity Assistance is difficult, but its designer, the American economic planner James Silberman, claimed that the program "*enabled Western European industry to realize an annual increase in labor productivity of 4% or more, up from its historic level of about 1% per year...Germany, Italy, France, and the Netherlands - all countries in which the Marshall Plan productivity assistance was regarded as effective - experienced average annual change in industrial output per man hour of 7.4, 6.0, 4.3, and 4.7%, respectively, in the years 1951-57.*"

At the firm level Silberman claimed that "*within a year of the return of a study tour, a significant number of firms typically registered productivity increases of 25-50%, with virtually no increase in fixed assets.*"<sup>14</sup>

Considering Ukraine's current place at the bottom of the European ranks of gross value added per industrial worker, such a program could be transformational.

Logically, the European Union would take a lead in initiating a Productivity Assistance program at scale. However, this would require a significant recrafting of its current policy towards Ukraine and the wider 'neighbourhood' in the Western Balkans, Eastern Europe and the Caucasus - something that may be difficult to achieve in the complex European Union decision making process. The bloc's humanitarian assistance has been extraordinary, keeping afloat Ukraine's welfare state during wartime, and EU grant programs for business have also provided an important lifeline. But the problems on the Ukrainian-Polish border is only the most politically dramatic of the tensions between protectionism and liberalisation posed by Ukraine's on-going process of integration into the European governance system. Problematically, the EU is pursuing something akin to a 'one size fits all' policy for Ukraine's EU membership application. This treats it as a 'normal' market economy rather than a state fighting an all-out-war and consequently leads to the problem that Ukraine is, in effect, asked to operate on a 'level playing field' that is not remotely 'level' for Ukrainian producers vis-à-vis their European competitors. This means it could be difficult to maintain sustained policies aimed at unleashing pent-up productive activity in Ukraine. It may be up to countries with a less direct economic stake in Ukraine as a market for exports to provide this kind of assistance. The UK, USA, Canada, Australia and Japan could play a key role.

#### *6. Be an ideological ally to Ukraine in its attempts to practice basic industrial policy*

Indeed, Ukraine needs ideological allies in its attempt to stake out a space for re-industrialization policy during its journey to EU membership. The scale of industrial

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<sup>14</sup> Silberman, James M., Charles Weiss, and Mark Dutz. "Marshall Plan Productivity Assistance: A unique program of mass technology transfer and a precedent for the former Soviet Union." *Technology in Society* 18.4 (1996): 443-460.

devastation is such that without some protection such as local content minimums and targeted state aid, Ukrainian manufacturing will not stand a chance against Western competitors working in peacetime conditions. Ukraine should be particularly keen to legislate the localization of as much reconstruction loan funding as possible, since a model of importing goods on borrowed money is a classic debt trap.

Such allies are needed because EU response to Ukraine's experiments with industrial policy experiments before the full-scale invasion was negative. In 2017 Ukraine imposed a moratorium on export of unprocessed roundwood in an attempt to stimulate investment in its own processing industries. Brussels filed a complaint against Ukraine with the WTO and is winning its case, but resolution has taken long enough that the policy had its desired effect: In 2016-2020, capital investments in wood processing factories in Ukraine rose by 88.5%, which was 2.5 times the rate across industry as a whole. Furniture production rose by 50%.<sup>15</sup>

In 2020 the Verkhovna Rada passed a Localization law requiring a minimum of 15% of Ukrainian components in certain categories of vehicles purchased in public tenders, with this figure rising annually. But a last minute diplomatic intervention by the EU mission in Kyiv forced an exemption to the law for EU companies, citing Ukraine's WTO commitments as a signatory to the Agreement on Government Procurement (AGP).

Kyiv has not yet tested EU attitudes towards *mandatory* localization or other industrial policies during wartime, only proposing voluntary actions by donors. For understandable reasons Ukraine's leaders seek to avoid confrontation with Brussels. But it will be difficult to ignore the potential to stimulate Ukraine's industrial economy during the huge reconstruction to come. Ukraine can produce as much as 80% of the materials needed for its reconstruction, and businesses are investing in production of such key deficit materials as sheet glass.<sup>16</sup>

To set localization limits on reconstruction tenders, Ukraine would need to address why it is not holding to its commitments to ensure open access to its public tenders, as per the WTO AGP and Annex XXI of the 2014 Ukraine-EU Association Agreement. But a preliminary legal review of these agreements indicates that they both contain a standard "national security exemption" clause with the following wording:

*"Nothing in this Agreement shall be construed to prevent any contracting party from taking any action which it considers necessary for the protection of its essential security interests taken in time of war or other emergency in international relations."*

It is this author's assessment that Ukraine should make clear its explicit intention to utilise a national security exemption were its wartime localization laws to be challenged in EU courts or at the WTO. While Ukraine would only have to declare the exemption in the event of a legal challenge, the politics of this question is a more pressing, immediate concern for Kyiv. This is in part due to the highly political character of the EU membership process, which assumes Ukraine will increasingly conform to single market rules and doesn't provide the legal avenue for the country to declare a 'national security exemption' that exists in both Ukraine's EU Association Agreement and WTO rules.<sup>17</sup> Assuming the

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<sup>15</sup> Volodymyr Vlasiuk et al. 2022. "Manufacturing Industry: Employment, Economic Growth and a Capable State." Presentation to Verkhovna Rada Economic Development Committee. [https://komprompol.rada.gov.ua/news/main\\_news/74547.html](https://komprompol.rada.gov.ua/news/main_news/74547.html)

<sup>16</sup> Vlasiuk 2023

<sup>17</sup> Dzhurynska, I., & Cooper, L. (2023). Is the 'Buy Ukrainian' Policy Legal? An outline analysis of how EU and WTO law permits Ukraine to declare a national security exception to pursue a preferential procurement policy (PeaceRep Ukraine policy brief). Conflict and Civicness Research Group, London School of Economics and Political Science.

localization policy proves to be unpopular with the EU and its member states, Ukraine would need diplomatic support from countries such as the UK and USA to make the following argument: as international support of all kinds (civilian and military) becomes more unstable, Ukraine must foster the capacity to meet its own needs. Ensured minimum access to public tenders would provide domestic manufacturers with the confidence to invest and expand, which would facilitate a virtuous circle of increased tax payment, increased government support for reindustrialization and more rapid paying down of burdensome reconstruction debts. If Ukraine's industrial economy remains at its current nadir, the country will be extremely vulnerable to future reductions in foreign aid. We must place this in the context of Russia's open policy of "military Keynesianism" to prioritize massive arms production.<sup>18</sup>

Unquestionably, there are risks in excessive protection. Ukraine does not need dogmatic localization requirements for products it has no competitive advantage in producing, such as solar panels, advanced electronics, etc. The idea should be to target local content requirements to those sectors where capacity is high and there are pools of inactive domestic capital for investment and the reconstruction process should create a guaranteed level of demand, such as building materials, power plant equipment and cables, basic agricultural equipment.

Localization should also be "fine tuned" to provide domestic manufacturers with enough assured market access to create secure conditions for investment without protecting them entirely from competition in the global marketplace. Previously excessive protectionism likely stifled modernization in Ukraine's rail equipment sector before procurement reforms brought in a flood of foreign competition after 2014. But it would be naive to imagine today that competition alone will invigorate Ukrainian producers who are facing huge competitive disadvantages relative to foreign peers who aren't operating in a warzone. In summary, following this pragmatic policy approach, Kyiv and its partners should craft policies that give Ukrainian industries a leg up out of a bomb crater and back onto the level playing field.

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<sup>18</sup> Ishchenko, Volodymyr, Ilya Matveev and Oleg Zhuravlev. 2023. *Russian Military Keynesianism: Who Benefits from the War in Ukraine?* PONARS Policy Memo No. 865

### About PeaceRep

PeaceRep is a research consortium based at The University of Edinburgh. Our research is re-thinking peace and transition processes in the light of changing conflict dynamics, changing demands of inclusion, and changes in patterns of global intervention in conflict and peace/mediation/transition management processes.

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