

Soft capitalism and a hard industry: virtualism, the 'transition industry' and the restructuring of the Ukrainian coal industry

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Abstract

This paper examines the geographical transfer of economic knowledge and practices from centres of neoliberalism in North America and Western Europe to post-soviet Ukraine. The paper argues that a 'transition industry' emerged in the wake of the disintegration of the soviet system whose purpose was to realize economic transition in central and eastern Europe. The paper discusses the emergence of a community of academic and professional economists affiliated to international financial institutions and academic and professional economic research organizations in Kyiv engaged in promoting the Washington consensus. This community identified the coal industry, located in the Ukrainian Donbas, as a barrier to structural economic reform and the political realignment of the country. The paper then examines the way the World Bank unsuccessfully attempted to force the coal industry to conform to its own policy prescriptions. The example points to the articulation not only of extra-local and internal processes of neoliberalization, but also with indigenous informal marketization. In this instance the World Bank's vision failed to materialize because state power could not be allied to its neoliberal project.

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