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Decentralization in Ukraine: Reorganizing Core–Periphery Relations?

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Abstract

This article seeks to determine whether (and how) Ukraine’s Decentralization Reform is reorganizing core-periphery relations. Involving a profound rescaling and reterritorialization of the nation-state, the reform is widely considered one of the most transformational policies of the three decades of the country’s independence and is credited with fostering local self-governance and motivating resistance in the war with Russia. However, such emancipatory ideals promoted by Western institutions and reflected in urbanist literature are contradicted by ongoing economic restructuring—*austerity, privatization, and deregulation*—where the devolvement of responsibility has placed Ukrainian localities into the competitive environment of place entrepreneurialism. The article outlines how the Decentralization Reform’s attempts to address uneven geographical development are instead reproducing unevenness across local, national, and global scales and advancing the (re)production of neoliberal capitalist space. The global philanthropic project of rebuilding Ukrainian cities in the face of imperial war is intensifying this dynamic, making Ukrainian (sub)urban space an important site for exploring alternatives within and beyond the post-Soviet condition.

Keywords

core–periphery relations; decentralization; place entrepreneurialism; Ukraine; uneven geographical development

1. Introduction

Decentralization is a key topic in the study of urban transformations and state–society relations in the former Soviet bloc. As an ideal widely promoted by international development organizations, it emphasizes the need for local self-governance in political, administrative, and fiscal processes to correct spatial inequality arising

from the dismantlement of a redistributive state. In practice, decentralization reforms have contributed to a significant rescaling of the nation-state that re-implicated (sub)urban space in the transition from centrally planned to neoliberal market economies in new ways.

In its early years, at least, the Soviet Union tried (but failed) to abolish disparities between the city and the countryside (Crawford, 2022), leaving behind inherited landscapes of inequality after its collapse. Today, the neoliberalized, rescaled nation-state no longer even attempts to address such uneven geographical development. Rather, it (re)produces the crises necessary for global capitalist accumulation to continue and prevail over the local scale (Brenner, 2004; Harvey, 1989; N. Smith, 2002). Place entrepreneurialism, which emphasizes making localities more attractive for external investment in a coercive environment of inter-urban competition rather than developing redistributive projects to improve living conditions (Harvey, 1989), has become the dominant spatial strategy in post-Soviet space. Related urban civic boosterism legitimizes austerity in the name of decentralization and is linked to the differentiated paths post-Soviet cities and their respective nations will walk to the promised European, Western future.

This argumentative essay seeks to determine whether (and how) Ukraine's Decentralization Reform is reorganizing core-periphery relations. It does so through analysis of academic and grey literature on the reform. The productive processes of the reform implementation are foregrounded over cultural aspects (e.g., issues of local identity). Therefore, to examine this transformation of statehood within the geographies of contemporary capitalism, I draw on Marxist geographical theories of uneven development (Harvey, 1982/2018; N. Smith, 1984/2008) and the new political economy of scale (Brenner, 2004; Swyngedouw, 1997), which understands scales of organization and action as social constructs and processes with interconnections and interdependencies. Sensitive to the discussions about where the Eastern European experience fits within the urban theory of the "Global Northwest" and the "Global Southeast" (Bernt et al., 2015; Ferenčuhová & Gentile, 2016; Müller, 2019; Tuvikene, 2016; Yiftachel, 2006), this investigation thinks relationally and comparatively in/of common struggles of the urban question (Hae & Song, 2019; Kipfer, 2022). I also loosely draw from Golubchikov's (2017) "urbanization of transition," which is concerned with the ideological aspects of "post-socialist" urban transformations and their global implications. At heart, the article is inspired by an insistence that studies from the periphery are necessary for understanding the core (Keil, 2018; Soja, 1989/2011).

The article begins by delving into the intersecting concepts of decentralization, uneven geographical development, and place entrepreneurialism, setting the stage for a brief history of Ukraine's Decentralization Reform. It then organizes the Ukrainian Decentralization Reform's socio-spatial consequences into three interlocking scales. The first captures the relationship between the city and countryside, including suburbanization as the globally dominant capitalist production of space, empirically demonstrated in "post-socialist" contexts (Hirt, 2006; Stanilov & Sykora, 2014) like Ukraine (Gnatiuk, 2017). The second scale considers the reorganization of governance between the local and national levels to address Ukraine's "regional problem." The third scale examines Ukrainian urban space and its global positionality, that is, in relation to Europe and the West and in the geopolitical context of imperial war and dynamic rebuilding processes. Throughout, I demonstrate how the Decentralization Reform's political, administrative, and fiscal processes centered on place entrepreneurialism have contradictorily centralized power and capital in all of these interlocking scales of territorialization.

2. Decentralizing Post-Soviet Space and Uneven Geographical Development

The sharp turn towards neoliberal free-market policy has inevitably led to dramatic socio-economic and spatial outcomes across post-Soviet space. This historical context offers unique insights into class formation and inequality associated with capitalist urban development (Cybriwsky, 2016; Ghodsee & Orenstein, 2021; Lancione, 2022; Logan, 2019), state-society relations and governance (Baća, 2021; Ishchenko & Zhuravlev, 2021; Rekhviashvili, 2022; Vorbrugg, 2015), and questions of welfare and social reproduction (Cook, 2011; Lyubchenko, 2023; A. Smith, 2007). Decentralization of power, the devolving of state economic and spatial planning to local authorities (under laws of “local self-governance”), has been a major factor alongside the transfer of land ownership from the state to private hands (Hirt & Kovachev, 2015; Stanilov & Sykora, 2014). Like neoliberal restructuring elsewhere, the process has not been matched with a transfer of institutional and financial capacities. The additional lack of local-level expertise in addressing the spatial needs of a radically changing society, including the introduction of inter-urban/regional competition, has led to ad hoc approval of private developments and, overall, highly fragmented patterns of development (Stanilov & Sykora, 2014).

Observations of various processes of decentralization in the post-Soviet context reinforce the connection made between the capitalist production of space and suburbanization (Hirt, 2006; Stanilov & Sykora, 2014), a global phenomenon motivated by the pursuit of the expanded reproduction of capital (Ekers et al., 2015). Subsumed under “planetary urbanization” (Brenner & Schmid, 2011/2014), the post-Soviet city is part of an increasingly worldwide condition, where spaces beyond what is traditionally understood as the city core or suburban periphery have become integral parts of the urban fabric. Gentrification as a “global urban strategy” (N. Smith, 2002), the consummate expression of neoliberal urbanism, plays a pivotal role in replacing the state’s earlier functions of social reproduction with the production of the financialized real estate sector.

Indeed, in the contemporary moment of neoliberalization, urban and regional policy has rescaled and transformed the state from a managerial intermediary to promoting territorial competitiveness, or place entrepreneurialism (Harvey, 1989). This also redefined and, in fact, inverted the national state’s role as mediator of uneven geographical development: “It is no longer capital that is to be molded into the (territorially integrated) geography of state space, but state space that is to be molded into the (territorially differentiated) geography of capital” (Brenner, 2004, p. 16). Therefore, the task of state spatial intervention (national, regional, local) is no longer to alleviate but to intensify uneven geographical development in order to strengthen place-based assets for global competition. The spatial unevenness is produced through the contradictory development of capitalism: the simultaneous dialectical tendencies of differentiation (i.e., the social construction of borders, scales, or “spatial fixity”) and equalization (i.e., the universalization of the wage-labor relation, expressed most clearly by the market and circulation process; Harvey, 1982/2018; N. Smith, 1984/2008; Soja, 1989/2011). Thus, to overcome economic crises or the consequences of spatial fixity, capital “jumps” to new places, as the two tendencies will never reconcile. A form of spatial fix, place entrepreneurialism is developed through various projects and initiatives to attract mobile capital. In practice, it entails market-friendly policies of deregulation, such as lower business taxes, investment into the aesthetic of the built environment, and branding a local identity. Its centerpiece is the public-private partnership, where the public takes on risk for the benefit of the private sector (Harvey, 1989).

In post-Soviet decentralization processes, such competitiveness has become necessary for regions and localities forced to replace earlier universal state investment arrangements. Importantly, the politically

seductive aspect of place entrepreneurialism is that it suggests an increase in local autonomy. For instance, the reduction in state spending often correlates with a rise in civic boosterism that attempts to privately fill gaps under the guise of communality (Harvey, 1997). Suggested notions of collaboration and cooperation among public actors, businesses, residents, and other localities are contradicted by the requirements of inter-urban competition to continue the circulation and accumulation of capital.

3. Decentralizing Ukraine

In the 1990s (i.e., the chaotic “shock therapy” period), decentralization reforms were a contentious issue in Ukraine, largely due to the threat they posed to regional powers. There were concerns that unrestrained regional power would lead to separatism in the Eastern Donbas region and Crimea (Leitch, 2016). In 1994, the Association of Ukrainian Cities was established by the US Agency for International Development (USAID) to eventually become the most powerful NGO and lobby representing and advocating for the interests of Ukrainian local governance (Platforma, 2023). The Association of Ukrainian Cities was empowered by the 1996 Constitution and 1997 State Law on Local Self-Government. It also collaborated with the World Bank, USAID, and the UK’s Department for International Development to support the 2000 Budget Code Reform (i.e., fiscal decentralization), which demarcated 176 cities of oblast (regional) significance (COSs), based largely on the legacy of Soviet territorialization. These urban centers enjoyed closer relationships with the national government through an increased share of tax revenue and, subsequently, saw the related development of local elite patronage networks (Leitch, 2016). According to the 2014–2020 State Regional Development Strategy, regional disparities were also heightened (Cabinet of Ministers of Ukraine, 2014a).

The country’s official Decentralization Reform took hold in 2014 with the adoption of the Concept of the Reform of Local Government and Territorial Organization of Power (Verkhovna Rada of Ukraine, 2014a) following the pro-European “Maidan” nationalist protests centered in the capital, Kyiv. That year also saw the Russian annexation of Crimea, which catalyzed a war with Russian-backed separatists in the Eastern Donbas region—a key turning point in Ukraine’s history. In light of this, the “self-organization” of Maidan protestors (Channell-Justice, 2022) served as inspiration for establishing a national project of decentralization. Its new rationales and priorities went beyond getting closer to Europe and the West to also include resisting the insurgent Donbas and Russian demands for federalization. By weakening oblast (regional) and rayon (subregional) powers, the reform was positioned as a means of preserving national territorial integrity. Thus, from the outset, decentralization in post-Soviet Ukraine was directly linked to the ultimate expression of uneven geographical development—war (Lenin, 1917/2021; N. Smith, 1984/2008). The weight of Ukraine’s position as a borderland between imperialisms (Ishchenko & Yurchenko, 2019) was placed on the local level of governance under the guise of “empowerment.”

In a broad sense, the Decentralization Reform has entailed a public-private partnership between the state and Western donors and NGOs (e.g., USAID, EU’s Ukraine–Local Empowerment, Accountability and Development Programme, and the UN Development Programme). Its strategic aims have included social and economic development to address inadequate infrastructure through “competitiveness” (Cabinet of Ministers of Ukraine, 2014b)—place entrepreneurialism. This has been achieved through a profound rescaling and simultaneous reterritorialization of governance, guided by laws such as the Law on Cooperation of Territorial Communities (Verkhovna Rada of Ukraine, 2014b) and the Law on Voluntary

Amalgamation of Territorial Communities (Verkhovna Rada of Ukraine, 2015). Amalgamated territorial communities (ATCs) were created based on the COS model—Approximately 12,000 villages were re-formed into 1,469 ATCs over two stages. The first stage (2014–2019) involved amalgamation through “voluntary association” with incentives (i.e., 60% of income tax revenue and bonus subsidies from the national government). Government-controlled agricultural land was also transferred from rayons to ATCs. Villages that did not voluntarily join amalgamations were denied benefits and lost 25% of their income tax revenue. The second stage saw the forced amalgamation of the remaining localities (approximately one-third of all ATCs) and the consolidation of 490 rayons into 136 larger ones (Pidubnyi et al., 2022).

In the plethora of Ukrainian scholarship supporting the reform, decentralization is often understood to entail a reconfiguration of the state, not a linear retreat or expansion. As defined by Skrypniuk (2015, p. 23):

Decentralization is a form of democracy that enables the preservation of the state and its institutions while allowing for the expansion of local self-governance. It activates the population to ensure their own needs and interests and broadens the sphere of the state’s influence on society. This replaces state influence with self-regulating mechanisms produced by society itself, and by reducing state spending as well as taxation for the maintenance of the state apparatus.

In this definition, the increase in local self-governance also correlates with the reduction of state spending, typical of neoliberal restructuring. Proponents such as Chepel (2015) looked to the experiences of other European countries, including Denmark, Norway, Sweden, Poland, Czechia, Estonia, and France, to cite benefits of decentralization, such as “the removal of excessive obstacles to business and entrepreneurship,” a “transparent investment climate,” “financial independence,” and the ability to “more effectively address issues locally” (pp. 38–39).

Today, Ukraine’s Decentralization Reform is widely celebrated for its reallocation of public resources to empower local governance and withstand crises. It is also credited with fostering the horizontal voluntarism that has offered invaluable wartime resistance to the brutal Russian invasion, which began in February 2022 (Brik & Brick Murtazashvili, 2022; Movchan, 2022; Romanova, 2022; Romanova & Umland, 2023). Decentralization and local self-governance have also taken center stage in discourses on rebuilding damaged cities and villages and how this largely private effort can be institutionalized to further reshape state-society relations (Dulko, 2023; OECD, 2022; Ukrainian Urban Forum, 2023).

Critique of the implementation of decentralization largely remains sympathetic to the cause, normally advocating for stronger regulatory mechanisms to avoid misinterpretation of the reform (cf. Chepel, 2015; Dudley, 2019). However, recent studies reveal deeper issues. Bader’s (2020) investigation, for example, exposes how local elites have exploited the reform to further personal or special interests at the expense of the public good. Dolan-Evans (2023) extends this argument, suggesting that decentralization processes in politics, administration, and finance contribute to increased inequalities and empower oligarchic influence, complicating the idea of a grassroots rebuilding effort.

Despite these challenges, advocates like Romanova and Umland (2023) argue that decentralization’s overarching promise, especially in the context of the Russian invasion, lies in the active reorganization of core-periphery relations. This perspective finds support in recent Ukrainian urbanist literature, which sees

the Decentralization Reform—specifically local self-governance and public–private–community cooperation—as necessary for just urban development, resisting the control of private developers and promoting Ukrainian-led planning over global influences (Dronova et al., 2021; Hrynkevych et al., 2021; Nesterenko, 2022; Ro3kvit Urban Coalition for Ukraine, 2023). However, Ukrainian urban studies’ largely post-structural approach (presumably to reject Marxism and its Soviet associations, a position shaped by the current geopolitical conjuncture) sidesteps crucial political-economic insights: neoliberal spatial production of state rescaling and the (re)production of uneven geographical development. In an important exception, Fedoriv and Nazarenko (2021) draw on the former theoretical perspective to conclude that the reform is exacerbating inter-urban competition and, thus, inequality. Building on this analytical note, the present discussion focuses on how state rescaling is interrelated with uneven geographical development.

The remainder of this article is rooted in the question of whether decentralization is even possible when implemented by the nation-state and powerful international institutions. The emancipatory ideal of local self-governance is hardly represented in the ongoing neoliberal restructuring for privatization, austerity, and deregulation typical of the post-Soviet experience, as seen in Ukraine (Yurchenko, 2018) and accelerated through war (Ishchenko, 2022; Korotaev, 2022). Another fundamental tension exists between these ideals and the (re)centralizing mechanism of martial law enacted since the 2022 Russian invasion. The historical-materialist perspective maintains that it is impossible to address spatial inequality between city and country without the abolition of private property and thus changing the mode of production (Engels, n.d.; Lefebvre, 1977/2003; Marx & Engels, 1848/2002). This argument, along with the state’s tendency for appropriating local self-governance into its ideology (Lefebvre, 1977/2003), therefore points to the need for critical scrutiny of decentralization reforms in the production of post-Soviet space.

4. The (Sub)Urban Question

The Decentralization Reform’s rescaling and reterritorialization appear to have strengthened cities—particularly COSs established by the preceding Association-of-Ukrainian-Cities-led reforms—at the expense of their suburban and rural peripheries. While these cities enjoyed a closer relationship with the national government, they were also made responsible for economic development, meaning a locality’s success was based on increasing its local tax base, rather than on national or regional social programs. This typical neoliberal devolvement mechanism increased volatility and competition between localities. Meanwhile, ongoing privatization and deregulation efforts pushed by an alliance of transnational capital and NGOs created local elite patronage networks of rent-seeking and clientelism (Leitch, 2016; Yurchenko, 2018).

Over nearly three decades of national independence, sharp socio-economic differences emerged between city cores and the rest of the territory. This was driven by wide-scale social stratification, private land use, and a profit-seeking real estate sector (Gnatiuk, 2017). The Decentralization Reform of 2014 failed to question the structures underpinning such inequality; instead, it replicated the problematic COS model for newly formed ATCs. Decentralization was supposed to stamp out “corruption” by devolving funding and responsibilities; allegedly, elite patronage would crumble under increased local accountability (Dudley, 2019). However, there is little evidence that this has happened. Admittedly, the previous Soviet “matryoshka doll” system left villages with few resources to spend on infrastructure maintenance and repairs. Yet, under the new, rescaled model, oligarchs could siphon off the increased funding flows through privately contracted infrastructure projects, effectively reconsolidating their power (Bader, 2020; Dolan-Evans, 2023; Dudley, 2019).

The so-called voluntary formation of ATCs was itself highly uneven. The national government's incentives contradicted the "bottom-up" character of decentralization, and while the ATC decision-making process was technically open to village councils and citizen groups, it was dominated by the heads of central municipalities (many with established ties to oligarchs). This resulted in a remarkable 77% of newly elected ATC leaders being former heads of the ATC's central municipality (Bader, 2020). Clearly, the peripheries did not have equal power and resources during the ATC formation (cf. Chepel, 2015), and the amalgamations did not result in the redistribution of resources and infrastructure from the ATC center to the surrounding combined communities.

The main beneficiaries of the Decentralization Reform were COSs, as their financial revenues soared to the highest per capita among all tiers of local government (Dudley, 2019). The contradictory centralizing aspect of the reform is evidenced by the fact that income taxes are paid based on place of employment, not residence; therefore, most revenue goes to the major cities (COSs) where most companies are registered (Romanova & Umland, 2023). This flawed allocation system has inevitably fed into the increased inter-urban competition characterized by place entrepreneurialism.

The plethora of literature promoting decentralization in Ukraine as local empowerment rarely discusses the deeply unpopular enforced amalgamation (after the "voluntary" period) of ATCs in 2020–2021 ("The opinion of citizens about the Decentralization Reform," 2020). Dolan-Evans (2023) offers unique insights from the frontlines of the conflict in Donbas, where often overlooked resistance to ATCs took place. Some villages feared the reconcentration of socio-economic benefits to administrative centers and the loss of key public infrastructure. The ATC amalgamations indeed created so-called redundancies, leading to significant austerity cuts to social services, education, and healthcare and the closures of facilities affecting tens of thousands of public sector jobs, largely held by women (Dolan-Evans, 2023). The new ATCs are unequipped to serve their populations and the condensed services are now located farther away for some, increasing what Ryabchuk's (2023) similar study in Donbas identified as "infrastructural vulnerability."

Just prior to the full-scale Russian invasion, national state subsidies were discontinued to ATCs (Romanova & Umland, 2023), furthering their reliance on local tax bases and volatile private investment instead of sufficient public investment. Making localities compete for tax revenue has been further complicated by ongoing depopulation exacerbated by war.

5. The Regional Problem

The Decentralization Reform's effects on the relationship between the city and the countryside have implications for the nation-state and its territoriality. From its inception, the reform was tied to the question of oblast (regional) power. The stakes were heightened after the pro-European Maidan protests of 2014 and the ensuing Russian annexation of Crimea and war in Donbas. This conflict can be broadly understood as warring between Ukraine's political and capitalist factions of the Russian-aligned East and Western-aligned West, with the latter gaining ground (Yurchenko, 2018). In other words, the threat to national territorial integrity was a key impetus for rescaling and reterritorializing local governance. While there were suggestions to eliminate the regional scale of territorialization, the Decentralization Reform actually played a crucial role in the Minsk Agreement process, which proposed a temporary autonomy grant for Donetsk and Luhansk oblasts.

Mezentsev and Mezentsev (2022) present an (uncritical) comparison of liberated cities as developing, entrepreneurial, bright, Ukrainian, and future-oriented. In contrast, occupied cities were seen as declining, dull, Russian, backwards-thinking, and nostalgic for a Soviet past. The localities experiencing a decline in the peripheries of liberated cities—thus deviating from Mezentsev and Mezentsev’s (2022) central framework—are less explored. Cities liberated by Ukraine in the early stages of the conflict were empowered through decentralization and amalgamation. This process created new centralities. For example, Kramatorsk, a COS, became the administrative center of Donetsk Oblast in Eastern Ukraine; it replaced the currently-occupied Donetsk, which was once a burgeoning central industrial hub for the Eastern Ukrainian capital.

According to proponents, bringing “ATCs closer to the center” (Romanova & Umland, 2023, p. 376) strengthened Ukraine’s territorial integrity. Furthermore, local-level responsibility was seen as essential for Ukrainian resistance during the full-scale war with Russia (Brik & Brick Murtazashvili, 2022; Movchan, 2022; Romanova, 2022; Romanova & Umland, 2023). After all, the independence of local communities helped resist the Russian takeover, which assumed that occupying the regional administrations would force surrenders (Movchan, 2022). However, these claims of increased political legitimacy, solidarity, and community pride are not unique to the Decentralization Reform—“self-organization” in response to an existential threat would likely have occurred regardless. For example, a law enacted just before the Russian invasion allowed municipalities to directly support the military through financial contributions, form territorial defense and paramilitary units, and cooperate with national/regional military administrations (Romanova, 2022). Such claims also completely sidestep the fundamental contradiction between decentralization and martial law: Why should a supposedly decentralized society support something as centralized as national military control? What relevance does national territorial integrity ultimately have to the stated goal of local self-governance?

The falling profit rates of Russian capitalist factions have driven a violent pursuit of new rent-seeking opportunities (Ishchenko, 2023). Russia is thus playing a key role in the creative destruction process integral to uneven development by destroying lives, homes, public infrastructure, and (privatized) resources. While Western and national resources have poured into the defense effort, the IMF-indebted Ukrainian government has doubled down on deregulation, privatization, and austerity measures during the war (Ishchenko, 2022; Korotaev, 2022), increasing the necessity of Western NGOs in the delivery of basic needs and assistance in shaping local governance strategies (Ryabchuk, 2023).

The declining eastern ATC peripheries present a stark contrast to the gentrifying, militarily protected, (re)centralized Kyiv. Even Kyiv’s suburban peripheries—globally celebrated for protecting the capital (i.e., the nation)—have already been 60% rebuilt by largely private philanthropic efforts since the brief but brutal occupation in 2022 (Lutaj, 2023). Western Ukrainian cities, also seen as models of decentralized urban governance (see e.g., Nesterenko, 2022), have seen rents increase by 96–225% to capitalize on the active depopulation and decline of eastern cities (Liasheva, 2022; “Orenda zhytla pid chas vijny,” 2022). The local has been reoriented to strengthen the nation-state’s territoriality by weakening the regional. Thus, Ukraine’s eastern regions and their urban peripheries bear the brunt and pay the price for Ukraine’s westward outlook and “Europeanization.”

6. A Globalized Project

The Decentralization Reform's exacerbation of spatial inequality produced a global–local predicament that speaks to Ukraine's position on the global stage, specifically its Europeanization and Western integration. While there is no official link between the Decentralization Reform and the EU, it was widely understood to be a key prerequisite for EU accession. This understanding was previously reflected in Ukraine's 1997 ratification of the European Charter on Local Self-Government, which instructs that “powers should be exercised on a level as close to the citizen as possible” (Dudley, 2019, p. 12). The so-called “grassroots Europeanization of Ukraine” (Romanova & Umland, 2023, p. 385) has been characterized by the governance of Western institutions and NGOs. For instance, Dolan-Evans (2023) demonstrates how IMF conditionalities (e.g., austerity) are indirectly satisfied by the reform; the supposedly bottom-up domestic initiative centered around “competitiveness” is recast as an imposition by Western institutions who have made decentralization a major focus of their missions (e.g., USAID, the Swedish International Development and Cooperation Agency, Germany's Gesellschaft für Internationale Zusammenarbeit—the latter under EU-funded Ukraine–Local Empowerment, Accountability and Development Programme).

The violent effects of neoliberalization and war have driven fragmented and technocratic third-sector governance, narrowing the possibilities for livelihood and political engagement, especially in frontline Eastern Ukrainian communities (Ryabchuk, 2023). Romanova and Umland (2023, p. 376) also note a “widening expectation–capability gap” among ATCs, so significant support from external international donors is necessary. These places are transformed into beneficiaries. War-making as state-building and centralization parallels the phenomenon of war-making and third-sector development; “a humanitarian economy...feeds off war, a defense-humanitarian industrial complex” (Ryabchuk, 2023, p. 54). These programs advance the neoliberal responsabilization of people in conflict-affected areas to “naturaliz[e] the dominance of the capitalist economy and entrepreneurial subjectivity” (Svytich, 2023, p. 2). In these complex alliances—“conglomerates of relationships” akin to public–private partnerships—all actors (regardless of “non-profit” status) support a neoliberal economic agenda (Svytich, 2023, p. 7). For example, the funding that moves through the USAID's Economic Resilience Activity project ultimately benefits US corporations (Svytich, 2023).

The rescaling of the state, along with deregulation and place entrepreneurialism, facilitated an influx of global capital to local areas (Brenner, 2004; Harvey, 1989; N. Smith, 2002). The urban scale is a key site of neoliberalization: It is embedded in the global circuits of capital in a reproduction of global geopolitics. The patron (Ukraine) in a philanthropic relationship is not “empowered” by the donor (West). Rather, rescaled urban governance makes the local dependent on the global/international and reproduces neoliberal ideology that serves the West, troubling the notion that the Decentralization Reform is bringing Ukraine closer to the (imperial) core.

Ukrainian localities, devastated by the ongoing Russian attack, will need to rebuild destroyed housing and public infrastructure. However, the massive displacement of both people and economic activity will create more distortions in the allocation of tax share, local governments' main source of revenue. Furthermore, the roles, responsibilities, and finances of local governments have been upended by martial law, making it difficult to allocate aid for resettlement and reconstruction (Levitas, 2022). Western governments and multilateral donors (e.g., the US, the EU, and the World Bank) have developed ambitious reconstruction

plans for Ukraine, foregrounding the contradictions between international influence and the intended local, Ukrainian-led rebuilding. Another key tension is the concept of “cooperation”—with international groups and with other localities—as ATCs compete for scarce resources (Dulko, 2023). This globalized creative-destructive rebuilding process seeks to reorganize the core–periphery relation itself.

7. Conclusions

In Ukraine and other post-Soviet countries, urbanists emphasize a need for local self-governance and public participation to resist “corrupt” urban development and to rebuild Ukrainian homes and infrastructure. These emancipatory ideals stand in contrast to the violent economic restructuring that has placed Ukrainian localities and citizens into extremely precarious positions, only exacerbated by war. Unlike historical anti-imperial movements, this popularized nationalist struggle does not call for a strong public sector but involves the devolvement of responsibility to the local level, ultimately creating opportunities for transnational capital (Ishchenko, 2022, 2023).

Thus far, Ukrainian urban studies have largely rejected political-economic analyses (to detrimental effect). Therefore, this article drew on Marxist geographical theories to consider whether Ukraine’s Decentralization Reform is actually reorganizing core–periphery relations. It outlined how attempts to address uneven geographical development instead reproduced unevenness and advanced the (re)production of post-Soviet neoliberal capitalist space. Decentralization strengthened the centers of power while peripheralizing others in a profound rescaling and reterritorialization of governance. Specifically, cities (COSs) were empowered at the expense of their suburban and rural peripheries. These newly strengthened cities reproduced the centrality of the nation-state and its territoriality, at the expense of the southeastern regions now embroiled in a full-scale war. Ukraine has also been peripheralized on the global stage; its cities are strategic sites for the reproduction of neoliberal space to empower the West in an uneven patron–donor relationship.

Ukraine’s Decentralization Reform exemplifies Golubchikov’s (2017) understanding of “post-socialist” transition as conditioned by urban experiences and vice versa. Cities are collectively interwoven into a global ideological totality that extends and solidifies the triumph of neoliberal capitalism over state socialism. In this process, place entrepreneurialism disguised as an increase in local autonomy creates inter-urban competition to continue the circulation and accumulation of capital.

Urban scholarship must not position Ukraine’s Decentralization Reform outside the power of spatial relations, as if inter-urban and spatial competition are non-existent or irrelevant (Harvey, 1989, p. 15). Because the key characteristic of capitalism is its tendency towards political and economic centralization, there is no such thing as decentralization until the mode of production, including (philanthropic) social relations, is fully transformed (Davies, 2011). The complex, multi-scalar “decentralized” process of rebuilding Ukrainian cities in the face of imperial war is likely to intensify the reorganization of core-periphery relations, from the local scale to the global. In other words, Ukraine’s Decentralization Reform has geopolitical implications for the world (Romanova & Umland, 2023). This also makes Ukrainian (sub)urban space an important site for exploring alternatives within and beyond the post-Soviet condition.

Conflict of Interests

The author declares no conflict of interests.

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