

Dissimilar Politics in Mariupol and Kramatorsk TWO UKRAINIAN CITIES ON THE EASTERN FRONT

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In the late spring of 2014, Donetsk People’s Republic (DPR) militants seized Mariupol and Kramatorsk, but they were soon recaptured by the Ukrainian army. Both cities are close to the DPR military border and are typical company towns containing several dominate enterprises that provide significant portions of local employment. City politics in this part of Ukraine has traditionally been controlled by the preferences and resources of the major local industries. Since 2014, these practices have been subjected to the complexities of the front lines of war. By comparing the political processes in Mariupol and Kramatorsk, the fundamental realignment of Ukraine’s pre-Euromaidan national party system can be observed. Indeed, party systems’ spatial functions become extremely important when a state needs to reintegrate its territories after a civil war. The local political regimes in Mariupol and Kramatorsk faced similar challenges—from hostile takeover bids by Rinat Akhmetov to navigating revolutionary pressures—but dealt with them differently. Significantly, the Poroshenko administration saw advantage in the disharmony among the Kramatorsk elites and took immediate steps to foster competitive local politics as a way to keep the city oriented toward Kyiv.

Ukrainian Cities of Industry

“Company towns” are a phenomenon in many countries as testified by terms such as *arbeitersiedlung* in German, *kigyo jokamachi* in Japanese, *gonsi shizhen* in Chinese, and *monogorod* in Russian. Company towns in Eastern Ukraine have extremely oligarchic socio-political structures that are derived from their socialist past when the enterprises provided public housing, power, gas, water, lunch and milk for schools, automobiles for major events (such as funerals), and various municipal tasks like snow removal. Even after the transition to capitalism, the major local enterprises continued to perform significant public duties. This condition helped the companies become powerful electoral machines in an era of competitive elections.

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In recent decades, the Azov and Ilyich Steelworks in Mariupol and the New Kramatorsk Machine building Factory (NKMF) and Energomashspetsstal (EMSS) in Kramatorsk held positions as “city-forming enterprises.” Although their employee numbers have decreased to less than half compared to their socialist era heyday, they continue to pay, from their corporate budgets, for items such as pensions to retired workers and renovations of local playgrounds, bus stops, and school buildings. Because of the community support they provide, the directors of these corporations are influential and in the past they have essentially determined the mayorship and the City Council. Due to their clout, the leaders have received various monikers such as “red directors,” oligarchs, and “job-givers” (*rabotadateli*).



These local regimes are an extreme form of what political scientist Henry Hale terms “[patronal](#) regimes,” although I would tentatively call them “regimes of job-givers.” These regimes are self-sustainable by nature, but at the same time, they tend to attract the attention of external actors due to their abundant economic and electoral resources. The Mariupol and Kramatorsk local political regimes have recently faced three considerable external challenges: the expansion of Rinat Akhmetov’s business empire in the 2000s, attacks by both Euromaidan and DPR supporters in 2014, and Poroshenko’s attempts to reintegrate these cities into the new national party system.

Rinat Akhmetov and the “Job-Givers”

Kramatorsk belongs to the machine-building belt stretching from Ukraine’s Kharkiv to Russia’s Rostov-on-Don. Production by the NKMF and other heavy-industry factories of Kramatorsk are highly complementary to the Russian economy. Before 2014, about 70 percent of orders received by the NKMF came from Russia, but this shrank after 2014. In contrast, Donetsk’s coal industry and Mariupol’s metallurgy plants often rival their counterparts in Russia. In local politics, the two Mariupol metallurgical factories supported longtime Mayor Yuriy Khotlubei who served from 1989-1994 and 1998-2015. In Kramatorsk, NKMF and EMSS rotated the right between them to nominate the mayor. Among the job-givers in Mariupol and Kramatorsk, NKMF Director Georgy Skudar has a higher level of nationwide authority because he has been the de facto chairman of the industrial director circles of Ukraine. In 1999, Skudar persuaded the directors to support the incumbent presidential candidate Leonid Kuchma against the Communist candidate Petro Symonenko.

In 2000, Rinat Akhmetov set up a firm called System Capital Management (SCM) that began to buy numerous businesses and it absorbed the Azov Steelworks in 2006. By 2010, Akhmetov overcame the desperate resistance of one of the last local “red directors,” Volodymyr Boiko, head of the Ilyich Steelworks. During Boiko’s resistance to Akhmetov’s takeover, he supported Viktor Yushchenko in the 2004 presidential election and became an MP from the Socialist Party of Ukraine. Boiko’s political rebellion temporarily stopped the shift of votes from leftist parties to the Party of Regions (POR).

SCM’s first target in Kramatorsk was TyazhPromKomplekt (Heavy Industry Complex), whose director was Valerii Karpenko. During his resistance to Akhmetov, Karpenko lost two sons. Burning with revenge, he became one of the leaders of Yuliya Tymoshenko’s Fatherland Party in Kramatorsk and in vain challenged the Party of Regions candidate in the 2006 mayoral election. The relative strength in Kramatorsk before 2014 of the national-patriots (pro-Orange/pro-Maidan forces) can partly be attributed to Karpenko’s activities. In contrast, EMSS Director Maksym Efimov made a deal with Akhmetov, passing him a major portion of his stocks and staying on as EMSS director. Skudar did a similar thing to stay on as NKMF director. On the eve of the Euromaidan revolution, industrial leaders in Mariupol quickly changed their orientation from Boiko to Akhmetov, while in Kramatorsk, the directors’ surrender to Akhmetov was conditional – they made a deal and stayed on as managers.

The Donetsk People’s Republic and “Job-Givers”

During the spring and summer of 2014, Mariupol’s strategic importance facilitated the consolidation of the city’s industrial and municipal leaders. In contrast to Governor Andriy Shyshatsky and other region-level politicians, Mariupol was too close to the Russian border for city leaders to be under the illusion of using “Novorussianists” (the future DPR activists) for political purposes. After Viktor Yanukovich fled on February 21, 2014, the leaders of Mariupol’s Party of Regions organizations promptly came to the consensus that they would distinguish themselves from both the national-patriots and the Novorussianists. On April 13, 2014, DPR activists [occupied](#) the Mariupol City Council building, leading Kyiv to immediately include Mariupol on its list of Anti-Terrorist Operation (ATO) territories.

Violence peaked on May 9, when the Azov Battalion of the Ukrainian Internal Army disrupted the anniversary of the victory of the Great Patriotic War (World War II). The May 9 incident seemed to push city and industry leaders to the DPR side; they cooperated with DPR paramilitaries and organized volunteer patrols. On May 14, the city and police leaders, the general directors of the metallurgical factories, together with a DPR representative, offered flowers at the ruins of the police building destroyed by the Ukrainian Internal Army on May 9. However, several days before Ukraine’s presidential elections on May 25, 2014, fierce pressure from Kyiv changed Akhmetov’s mind and he began to criticize the DPR aggressively, calling it a ruinous choice for the Donetsk region.

Mayor Khotlubei and the directors of the metallurgical factories followed Akhmetov's lead. Newspapers ceased to criticize the May 9 incident and began to report about the DPR paramilitary violence. Akhmetov's "betrayal" of the pro-Russian population pushed DPR supporters further toward radicalism and they intensified their requests for the nationalization of oligarchs' properties. Even laborers of the metallurgical factories controlled by Akhmetov did not respond willingly to the alternative peace-seeking actions he proposed.

The Ukrainian Internal Army recaptured Mariupol on June 13, but the city continued to see violence. In the course of the DPR counteroffensive in August 2014 (until the Minsk-I agreements of September 5), allied DPR and Russian troops with tanks reached the city's eastern border on August 27. Donetsk Governor Serhiy Taruta abandoned the city. At that time, the city only had a few hundred troops from the Azov Battalion protecting it. For unknown reasons, the Russian Army did not advance. "The Russians could have passed Mariupol without noticing that they had passed it," the Mariupol City Council Secretary later told me in an interview.

Remarkably, Mariupol leaders changed their policy from equidistant to overtly pro-Kyivan in solidarity, a situation that Kramatorsk leaders could only envy. Indeed, the latter appeared disarrayed to be under seizure by the DPR. Three mayors came and left in less than two months. On April 12, simultaneously in Slavyansk and Krasnyi Liman, DPR activists occupied the Kramatorsk City Council building. The Euromaidan government immediately included Kramatorsk on the list of ATO objects ensuing in a serious incident on May 3 when the Ukrainian Army shot 21-year-old nurse Yuliya Izotova and her fellow passengers in a car. In facing this crisis, Mayor Gennadiy Kostyukov received no orders or suggestions from Governor Taruta or from the central government. Exhausted, he resigned on May 23. City Council Secretary Andriy Borsuk became acting mayor but he resigned on July 1 (after six citizens were killed by the Ukrainian Army's shelling of the central part of the city). Andriy Pankov then became acting mayor of Kramatorsk and he continues to serve to this day.

During this period of occupation, there seemed to be less tactical coordination between Kramatorsk's NKMF and EMSS than there was between Mariupol's two metallurgical factories. EMSS' Efimov overtly attended a pro-Ukrainian meeting on April 17 while NKMF's Skudar was known as having repaired DPR military machines and instruments in his factory. On July 5, DPR paramilitaries, together with Igor Strelkov's retreating troops from nearby areas, abandoned Kramatorsk and relocated to the city of Donetsk.

Reconstruction and "Job-Givers"

To try to incorporate Eastern Ukraine into post-Euromaidan Ukraine, Poroshenko engineered three measures, as follows:

- 1) His administration generously financed the restoration of cities that border the DPR and Luhansk People’s Republic (LPR), partly to use these cities as display windows to attract the goodwill of locals.
- 2) He devised a specific proportional electoral system for the 2015 local elections to prevent the absolute hegemony of the Opposition Bloc (OB), the successor party of the Party of Regions.
- 3) He tried to split the local elites in awareness that Ukrainian national-patriots were powerless in that region.

He achieved the third measure in Kramatorsk by creating competition between NKMF and EMSS. On August 2014, Efimov left the Party of Regions and visited Kyiv to talk with Poroshenko, who subsequently promised Efimov support from the Petro Poroshenko Bloc (PPB) in the upcoming parliamentary elections. In these elections, as well as in the local elections the following year, national-patriots and all of the pro-presidential parties in Kramatorsk rallied around Efimov and isolated the Opposition Bloc, which was supported by NKMF. As a result, an extremely competitive situation emerged, which was unthinkable in eastern Ukraine before 2014.

Table 1. Elections in Kramatorsk after 2014

| Year | Election | Pro-NKMF | Pro-Efimov |
|------|------------------------------|---------------------------------------|---------------------------|
| 2014 | Parliament | Boyarskiy (incumbent) 31.1 percent | Efimov 34.12 percent |
| 2015 | City Council | Opposition Bloc 23 deputies | All others 19 deputies |
| 2015 | Mayor | Pankov (incumbent) 52.7 percent | Efimov 47.3 percent |

After the City Council elections, Opposition Bloc deputies collectively left the party and created an intra-Council fraction named United Kramatorsk in order to distance their activities from national opposition politics and to concentrate on the city’s daily issues. It became difficult to be part of the national opposition party in Kramatorsk, which is the provisional seat of the Ukraine-controlled part of the Donetsk region and where the military-civilian administration is located. Moreover, NKMF’s Skudar did not belong to the Opposition Bloc’s two major clans (Akhmetov’s and Dmytro Firtash’s) therefore he had little interest in sponsoring the Opposition Bloc. Akhmetov restructured his shrinking empire by selling NKMF and EMSS stock (to Russians), leading both Skudar and Efimov to become more independent from Akhmetov than they had been before 2014.

To counterbalance the Opposition Bloc-United Kramatorsk's isolation, Kramatorsk Mayor Pankov tried to win wider support beyond the NKMF's traditional clients. He told me that the NKMF was no longer city-forming and he could not have won the 2015 election had he relied solely on the NKMF. During the 2015 mayoral election, Pankov asked former lawyer and city deputy from Tymoshenko's Fatherland party, Svitlana Falichenko, to help him with his electoral campaign. After being elected, Pankov invited Falichenko to be vice mayor (much to her surprise). Pankov also nominated, on the other hand, Denys Oshurko, who was the leader of the official Youth Organization of the NKMF, to be City Council Secretary. The NKMF's Youth Organization was created from the factory's Soviet Komsomol and it continues to play a vital role in Kramatorsk's "job-giving" regime. Pankov told me that the national-patriots are the most active group of the population, so he cooperates with them. This cannot but create a sense of self-esteem among Ukrainian national-patriots, who often compare Pankov's attitude with Donetsk Governor Pavlo Zhebrivskyi's overt contempt of them.

The disappearing opposition between "job-givers" and the national-patriots surely generates dissidents from the latter camp. An example is Volodymyr Rzhavskyi who founded the Petro Poroshenko Bloc organization in Kramatorsk in 2014. He criticized the illegal trans-border trade between Ukraine and the DPR-LPR, which was protected by Donetsk Governor Oleksandr Kikhtenko. Rzhavskyi had been critical that the multi-faceted "corruption schemes" of pre-Euromaidan Donetsk had been left intact. As punishment, Kikhtenko conscripted Rzhavskyi into the army. Being an eternal opposition figure, Rzhavskyi began to come closer to United Kramatorsk deputies regarding social-economic and anti-corruption issues. The Mariupol organization of the Petro Poroshenko Bloc excluded Rzhavskyi from the party while leaving him as a member of Petro Poroshenko Bloc City Council fraction.

In contrast to the competitive situation that developed in Kramatorsk, in Mariupol, in advance of the 2015 local elections, Poroshenko could do no more than persuade retiring Mayor Khotlubei to found a Mariupol branch of Our Region, a party of pro-Poroshenko state officials and entrepreneurs. Unshaken support by the Azov and Ilyich Steelworks after the Euromaidan enabled the Mariupol organization of the Party of Regions to transform itself into the Opposition Bloc by the 2014 parliamentary elections. In these elections, the Opposition Bloc [gained](#) 61percent of the eligible vote in the party-list proportional component of the contest, which is more than the Party of Regions gained in the city in both 2006 (52 percent) and 2012 (47 percent).

In the leadup to the 2015 local elections, suffrage in the Ukrainian-controlled Donetsk region became a heated issue. Donetsk's "senior military sergeant" Pavlo Zhebrivskyi requested that all citizens living near the conflict front, including Mariupol and Kramatorsk, be deprived of voting rights. He was concerned about local security but central and local national-patriots joined his outlook with the intention of keeping former Party of Regions politicians away from local politics. Though Poroshenko

repeatedly argued that elections should be held in Mariupol, local national-patriots, who commanded the majority of the City Electoral Committee, continued to be against conducting elections there. Eventually, they found “falsified ballots” in the printing house of the newspaper *Priazovskii rabochii*, which they regarded as pro-Opposition Bloc and as being controlled by the two metallurgical factories. Because of this development, local elections in Mariupol were postponed until November 10, which resulted in an overwhelming victory for the Opposition Bloc in both the mayoral and City Council elections.

Conclusion

When socialist company towns adapt to a new epoch involving competitive elections, “job-giving” regimes emerge such as in Mariupol and Kramatorsk. To resist the expansion of Akhmetov’s SCM Holdings, some of these regimes allied with the leftist or national-patriotic opposition. When this resistance was crushed, Mariupol became a so-called “outer citadel” of Akhmetov’s business empire while Kramatorsk surrendered to him conditionally. Mariupol’s leaders reacted to the challenges of DPR paramilitaries in a unified manner, while Kramatorsk leaders entered disarray. During the DPR’s control of Kramatorsk, the disagreement between Skudar and Efimov became public, allowing Poroshenko to exploit their differences, split the local elites, and create competitive politics, which was inconceivable in regional eastern Ukrainian cities beforehand. Credit should be given to Poroshenko’s endeavor to reintegrate Ukrainian-controlled Donbas populations through elections and rejecting requests by the national-patriots to deprive them of suffrage. City politics in this part of Ukraine are not only impelled by the front lines of war, they are laboratories where it is possible to observe the fundamental realignments of Ukraine’s pre-Euromaidan national party system.