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Russia and Ukraine: a contest less of war and more of governance

Росія і Україна: змагання різних моделей правління

У минулому році між Росією та Україною розгорталось військове змагання. У новому році, коли обидві ці держави зіткнулися з різким економічним спадом, вони зосередилися на вирішенні своїх внутрішніх проблем в рамках змагання на рівні внутрішньополітичних реформ. І враховуючи її недавно придбані свободи, Україна може перемогти.

<http://www.csmonitor.com/Commentary/the-monitors-view/2015/0104/Russia-and-Ukraine-a-contest-less-of-war-and-more-of-governance>

Call it a tale of two countries, or close neighbors with very different types of governance.

Last year, Russia and Ukraine were in a low-level war over territory, sparked by Ukraine's drive to live outside Moscow's shadow. This year, with that conflict frozen by a ceasefire, they instead face steep economic declines. Both have been forced to turn inward. Without quick reforms, either regime could lose popularity and fall.

For the rest of 2015, the Ukraine-Russia clash may be less about power plays against each other and more about which country can rule with the winning principles for economic recovery.

Their contest over domestic reform is worth watching. Many nations wonder which governing model – autocratic or democratic – brings sustainable growth. With their overlapping history, culture, and religion, Russia and Ukraine offer a unique test as they cope with acute internal challenges.

So far, despite its endemic corruption and huge debt, Ukraine is ahead. Since November, it has had leaders in place who were elected in relatively clean elections and on campaign promises of fundamental reform, such as downsizing government to reduce

incentives for graft. Most of the new ministers have been selected for their youth and ability to speak English.

Although of different parties, Prime Minister Arseniy Yatsenyuk and President Petro Poroshenko seem united in a political coalition intent on promoting transparency and accountability. To its credit, Ukraine does not have a charismatic individual to whom the people look for leadership. Ever since Russia posed an immediate threat in 2014, most Ukrainians have realized their future lies in their collective hands.

The new regime in Kiev, however, feels political heat, not only from civic activists who helped oust a corrupt leader last February but from the European Union and International Fund. It needs another \$15 billion in addition to the \$17 billion already promised by the IMF. Reforms are needed quickly, even if they upset the business oligarchs who control major industries.

In contrast, Russia is largely run by one man, President Vladimir Putin, who courts and commands oligarchs while squashing major dissent. While his popularity is high after his military adventures in Ukraine, he now faces a collapsed currency, high inflation, Western sanctions over his taking of Crimea, and long-term decline in oil revenue to his state budget. Russia also faces a population decline and an exodus of its richest and most entrepreneurial people.

Mr. Putin's main reform so far is designed to close off the economy from foreign competition. Elections and major media are have become tightly controlled. And the most critical reform – of police and the courts – is not happening, despite a need for rule of law in civic and property rights, not to mention in curbing corruption.

Rather than push democratic reform, Putin hopes that oil prices will recover within two years and his government can survive on the more than \$400 billion in foreign reserves earned from years of high oil prices.

Russians are being offered a tenuous security at the cost of their freedom while Ukraine, venturing into new freedom, feels very insecure. Which one will succeed?

For two countries so steeped in history, each should know freedom is the best horse to ride.