



Ukraine: Industry, welfare, and national identity.
Prof. Erik S. Reinert
Tallinn University of Technology

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A time of ideological shifts.

- US: The ideological extremes Trump and Sanders both agree on a) *free trade is no longer good for the US*, b) the US (private) *health care model is inefficient*.
- UK: Brexit.
- The old EU periphery: sinking deeply into debt and getting poorer (Greece, Italy, Spain, Portugal).



An 1848 moment....

...when the old order collapses because it is attecked from the political right and the political left *at the same time*.

Overly abstract theories collapse. The old elites are under attack from «all sides».



The 1848 Generation: three books – all from 1848 – covering the political spectrum from left to right, all recanting David Ricardo (i.e. creating less abstract theories).

• Marx & Engels, Communist Manifesto.

Marx was so radical he had to flee to England.

• Bruno Hildebrand, *Economics of the Present and the Future*.

H. was so conservative he fled to Switzerland.

• John Stuart Mill, Principles of Political Economy.

English liberalism recants on free trade!



The crisis that started in the 3rd World is now reaching the West.

- Third World 1970s: De-industrialization, falling wages and disappearing middle class in small Latin American countries.
- Second World 1990s: Massive destruction of industry in former Soviet Block. Wage collapse.
- First World 2010s: De-industrialization, falling wages, disappearing middle class, Brexit, Trump/Sanders.



Rediscovering the link between industry and «civilization»?

"From manufacturing you may expect the two greatest ills of humanity, superstition and slavery, to be healed".

Ferdinando Galiani (1728-87), Italian economist.



Understanding the similarities between communism and Western capitalism!





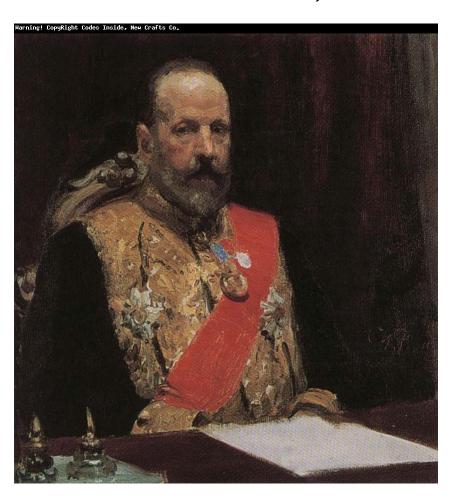


The man who brought Friedrich List to Ukraine (and also worked here)

Sergei Witte (1849-1915) who served under the last two tsars.

Formula: Diversify out of the raw materials (agriculture) into industry, maximize the division of labour + infrastructure (railways, roads)

Translated Friedrich List into Russian.





Build on a Ukrainian economist who understood industrialism well.



Michael Tugan-Baranowsky (1865-1919)