“Reconstruction of Ukraine” Conference: The dispute over the spoils has begun

Peter Schwarz
27 October 2022

War promises profits. This is also true for the Ukrainian war. Before an end to the fighting is in sight, the dispute over the division of the spoils has already begun. Therein lies the significance of the so-called “Expert Conference on the Reconstruction of Ukraine,” which took place in Berlin on Tuesday under the patronage of German Chancellor Olaf Scholz and EU Commission President Ursula von der Leyen.

Huge sums are at stake. At the beginning of July, Ukrainian Prime Minister Denys Shmyhal put the financial requirements for reconstruction at $750 billion, while the World Bank and the EU Commission cited the sum of $349 billion in September. These figures, which refer only to the first three months of the war, are now considered outdated. And they do not include the billions with which the US and Europe are supporting the Ukrainian military.

A fierce dispute is raging over how such large sums are to be raised and who will benefit from them. One thing is certain, however. The Ukrainian population will not see any of it. Whatever ends up flowing will end up in the bank accounts of Ukrainian oligarchs and Western corporations. The latter not only expect good business from the “reconstruction” but also a dominant influence over the Ukrainian economy. German corporations, in particular, are waiting impatiently to profit from the consequences of the war and to play the leading role in Ukraine in the future.

The day before the reconstruction conference, German Chancellor Olaf Scholz and Ukrainian Prime Minister Denys Shmyhal opened the 5th German-Ukrainian Business Forum. The Committee on Eastern European Economic Relations (Ostausschuss der deutschen Wirtschaft), which organized the forum in collaboration with other business associations and the Ukrainian government, was pleased: “The large turnout at the conference showed the broad interest of German business in getting involved in reconstruction. It was the first such conference in Germany since the start of the war, and at the same time the most high-profile event of its kind to date.”

Working groups of German companies and business associations had written a dossier for the forum, “Rebuild Ukraine,” which encourages the Ukrainian government to “strategically use allocated funds and policy decisions in a way that creates incentives for the private sector to invest and create wealth.” It describes numerous investment opportunities and breaks them down into construction, logistics and infrastructure, digitalization, energy, health and agribusiness.

Ukrainian Trade Minister Yulia Svyrydenko promised the assembled business representatives to reduce the role of the state through privatization. German Economics Minister Robert Habeck (Greens) enticed them with the prospect: “Ukraine is a premium trading partner for raw materials, energy and as a supplier. It is therefore worth any commitment to bring Ukraine closer to the EU’s internal market.”

The following day, the conference addressed the task of raising the huge sums needed to integrate Ukraine into the EU internal market as a raw materials supplier and subcontractor.

“Even though one should always be careful with historical comparisons, what is at stake here is nothing less than creating a new Marshall Plan for the 21st century,” Scholz and von der Leyen wrote in a joint guest article for the *Frankfurter Allgemeine Zeitung*. Under the Marshall Plan, the United States had helped Western European capitalism get back on its feet after World War II.

“Reconstruction will be a big, big task,” Scholz added. “And we will have to invest a great deal to make

it work well. Ukraine can't do it alone. Nor can the European Union do it alone. Only the whole global community can do that."

Von der Leyen also stressed that no country or union could handle reconstruction alone. Strong partners such as the United States, Canada, Japan, Britain, Australia and other countries were needed, as well as institutions such as the World Bank. Every euro, every dollar, every pound, every yen was an investment in Ukraine, he said.

However, in Scholz's "global community" there are highly divergent views about the division of labour when it comes to "reconstruction." Washington, Brussels, Berlin and other European capitals are bitterly arguing over who pays, who decides and who benefits.

Washington's position is that since it bears the brunt of military support, Europe must therefore shoulder the lion's share of reconstruction. Germany's attempt to establish itself as the leading economic power in Ukraine is viewed with suspicion in the United States and in other European states. Washington is therefore not prepared to leave the management of Ukraine's "reconstruction" to Brussels or Berlin.

Conflicts also exist over whether Ukraine should be supported with grants or with repayable loans. The US and Germany are in favour of grants, while most other European countries are in favour of loans.

The conference in Berlin was not supposed to make any decisions but to scope out the terrain. Scholz and von der Leyen had invited high-level economic experts, government policymakers, members of think tanks and representatives of international institutions, such as the World Bank and the International Monetary Fund, to make "expert recommendations on how to proceed."

The German Marshall Fund (GMF) think tank produced a detailed study on the reconstruction of Ukraine. It advocates giving the leadership not to the EU but to the G7, the association of the seven leading Western industrialized countries, so as not to deepen the conflict with the United States.

"Because security and reconstruction are mutually dependent, they must be joint tasks of the West," Thomas Kleine-Brockhoff, the head of the GMF study, writes in the *Tagesspiegel*. "Under no circumstances should the United States take over military aid and leave reconstruction to the Europeans and other donors. Experience shows that mutual criticism would begin on day one."

The study goes on to suggest that an "American with global standing" be appointed as supreme coordinator. This is because only the US was "capable of bringing together the necessary global coalition and building consensus among Ukraine's partners."

Kleine-Brockhoff had already played a key role in provoking the Ukraine conflict in 2013-14 as director of the German Marshall Fund and as German President Joachim Gauck's chief of planning staff, about which the WSWS has reported.

The struggle for future economic control over Ukraine is just one aspect showing that this war is not about defending "democracy" but about imperialist interests. After a "reconstruction" as envisioned by Berlin, Brussels and Washington, Ukraine would not be "free" but a semi-colony of Western powers—a source of cheap raw materials and even cheaper labour; ruled by an authoritarian oligarchic regime that pays homage to Nazi collaborators, censors the press and has banned a dozen political parties since the war began.

Yet control of Ukraine is only a secondary goal for NATO. Its main interest is Russia, its vast landmass and immense raw materials. To inflict a military defeat on Russia and bring the country under their control, the US and its European allies are escalating the war ever further, even at the risk of a nuclear catastrophe.

Rejecting NATO and its war aims does not mean supporting the Putin regime and its reactionary attack on Ukraine. The war can only be stopped by an offensive of the international working class that combines the struggle against war and exploitation with a socialist program to overthrow capitalism.