

Oligarchs to the fore once again in Ukraine

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The composition of the newly installed Ukrainian government is a devastating indictment of claims that the country has undergone a “democratic” revolution.

In addition to fascistic elements from the Svoboda Party controlling six key government ministries, the new administration has appointed prominent oligarchs to head regional administrations in Ukraine’s most important industrial areas in the east.

Ihor Kolomoyskyi was named head of Dnepropetrovsk Regional Administration. The region was central to the former Soviet Union’s military (including nuclear and space) sectors. Kolomoyskyi, a metals, banking and media tycoon, is variously rated as the second or third richest person in Ukraine, with his net value estimated at up to \$6.5 billion. Co-founder of the PrivatBank, he has extensive interests in aviation, media, finance, oil, metal, petroleum and ferroalloys.

A Ukrainian-Israeli citizen (although his dual status is not recognised in Ukraine), his Jewish roots are regularly cited by supporters of the United States and European-backed putsch to whitewash the fascistic, anti-Semitic politics of many of those with whom he now shares government.

Slawomir Matuszak, in a paper “The Oligarchic Democracy: The influence of Business Groups on Ukrainian Politics, 2012”, states that in no other Eastern European country does big business have “such a strong influence on politics” than in Ukraine. “One may risk stating that it is the interplay of the interests of the oligarchs that is the real mechanism which shapes Ukrainian politics”, he writes.

Even before recent events, the Privat Group, based around the PrivatBank, was known for “successfully lobbying for its own interests” and its “extremely aggressive way of doing business,” he explains.

A former supporter of Yulia Tymoshenko (another of Ukraine’s richest oligarchs) and Viktor Yushchenko in the Western-backed 2004 “Orange Revolution”,

Kolomoyskyi is reported to be a major supporter of Berlin-sponsored Vitali Klitschko’s Ukrainian Democratic Alliance for Reform (UDAR), which played a lead role in the Kiev protests.

The key business sectors of the group, including the PrivatBank itself, are based in Dnepropetrovsk.

Appointed deputy head of the Dnepropetrovsk administration is Boris Filatov, one of the region’s wealthiest businessmen and a member of the Board of Trustees of the European Association of Ukrainians, headquartered in Brussels.

Commenting on events in Crimea after his appointment, Filatov apparently posted on his Facebook page, “This scum should be given promises, guarantees, and any concessions... And hung... They should be hung later.”

He praised Stepan Bandera, the Nazi wartime collaborator and leader of the Organization of Ukrainian Nationalists. “I am proud of Bandera. He is my Hero. Particularly, as I see that people are ready to die under red-and-black flags”, Filatov wrote, according to the Russian news organization RT.

Serhiy Taruta, Ukraine’s 10th richest man and a metals magnate, was appointed as the new regional governor of Donetsk, centre of the coal and steel industry. He runs one of the biggest steel operations in Europe, the Industrial Union of Donbass. Taruta is another ally of Yushchenko who, in an interview following his appointment, called upon “all who cherish Ukraine and its future to consolidate [their] strength to preserve the territorial integrity of our nation” against Russia.

Prior allegiances—i.e., to Russia or Europe—have little bearing on the positions now taken by Ukraine’s oligarchs. As Matuszak notes, “It is often the case that the overriding goal of a given grouping’s existence is to represent the oligarchs who sponsor it.”

Indeed, the person most credited with ensuring the

departure of Viktor Yanukovich was until recently a major financier of the president's Party of the Regions, Rinat Akhmetov. Last week, he joined Taruta in pledging to "do everything possible" to protect the homeland against supposed Russian threats.

Ukraine's richest man and the 47th richest man in the world (worth an estimated \$15.4 billion), Akhmetov is the founder and president of the leading financial and industrial firm System Capital Management (SCM). The country's largest producer of iron ore, its subsidiary METINVEST is one of the largest steel businesses in Europe. Through its mining and power generation company DTEK, the firm has extensive energy interests.

Akhmetov is the archetypal representative of the criminal layer that, following the collapse of the Soviet Union, amassed huge fortunes plundering state assets through gangster means. Wikipedia cites Ukrainian author Serhiy Kuzin's *Donetsk Mafia: Anthology*, writing that Akhmetov held the role of a "mafia thug" in his early years as assistant to mafia boss Akhat Bragin, and inherited his financial empire after the latter's death.

It cites the February 3, 2006 WikiLeaks diplomatic cable in which then-US Ambassador John Herbst referred to Akhmetov's Party of Regions as "long a haven for Donetsk-based mobsters and oligarchs" and described Akhmetov as the "godfather" of the Donetsk clan.

Akhmetov's clashes with the leaders of the Western-backed Orange Revolution were largely bound up with their competing corporate interests. Even while described as "joined at the hip with Yanukovich," Akhmetov was reportedly funding Yushchenko.

It was back on December 13 that Akhmetov first publicly signalled a change in his allegiance, voicing solidarity with the Maidan protests. That was just two days after US Assistant Secretary of State Victoria Nuland (famous for her "F**k the EU" telephone call) publicly joined Maidan demonstrators in the Ukrainian capital, and three days after Secretary of State John Kerry denounced the Yanukovich government.

As Spiegel Online admitted in February, Akhmetov's statement was part of preparations by "two of the country's most powerful oligarchs"—Akhmetov and Dmitry Firtash—to pave the way for the departure of the man who had made them rich.

Firtash is a central figure in the power and chemical industry, who also has extensive interests in real estate, media and Ukraine's emerging titanium business. The co-owner of the gas intermediary RosUkrEnergo, which oversees gas delivery from Russia to Ukraine, he is president of the Federation of Employers of Ukraine. Cables disclosed by WikiLeaks allegedly connect him to the reported Russian crime boss Semyon Mogilevich.

Between them, Akhmetov and Firtash control almost half of the Party of the Regions.

According to *Der Spiegel*, having received the signals from the US and European powers loud and clear, Akhmetov switched his backing to Arseniy Yatsenyuk while Firtash switched to Klitschko. As their media channels changed to favourable coverage of the protests, "The message of the oligarchs was clear: We're letting Yanukovich fall," *Spiegel* wrote in commentary now entirely absent from German media reports on events.

The aim of the oligarchs, in tandem with the fascists and extreme-right paramilitaries and their Western backers, is to help the imperialist powers isolate and carve up Russia, while imposing a policy of scorched earth austerity against the Ukrainian working class.

US-appointed Prime Minister Yatsenyuk is pledged to implement "very unpopular measures", stating that he will be "the most unpopular prime minister in the history of my country."

Kenneth Rapoza in *Forbes* cites Vladimir Signorelli, president of the investment research firm Bretton Woods Research LLC, stating, "Yatsenyuk is the kind of technocrat you want if you want austerity, with the veneer of professionalism."

"Yatsenyuk was saying that what the Greeks did to themselves we are going to do to ourselves," said Signorelli. 'He wants to follow the Greek economic model'."



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