

Ukraine government plagued by political infighting

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The government of President Volodymyr Zelensky has been plagued by internal crisis in recent weeks as recordings of disparaging statements made by Prime Minister Oleksiy Honcharuk regarding Zelensky appeared on social media.

In the audio Honcharuk can be heard discussing the country's economic situation with Ukrainian finance officials and stating that he had difficulty speaking with the Ukrainian president due to Zelensky's "very primitive understanding of the economy." Honcharuk also admitted to being a "complete ignoramus in economics" himself.

Regarding Zelensky's economic advisors Honcharuk stated, "There used to be good business managers, under whom the [economic growth] was 4.6 percent. Then Sorosites came, and the economic growth is 2 percent and less. And you cannot prove anything to anyone. And all of this, together, induces in the president a feeling that the situation is uncontrollable. We do not understand. We have no plans."

His contemptuous reference to Zelensky's advisors as "Sorosites"—referring to the Hungarian-American billionaire George Soros known for donating large sums of money to back western-leaning political parties and NGO's throughout Eastern Europe—betrays Honcharuk political sympathies for the far-right. Due to his Jewish background, Soros has become the target of right-wing denunciations by fascist forces throughout Europe.

Honcharuk has long maintained ties to these forces. Last October, Honcharuk appeared on stage in front of a swastika at neo-Nazi rock concert in Kiev to commemorate the official state holiday "Defender of Ukraine Day." He had also previously been photographed with members of the fascist Azov Battalion and the neo-Nazi C14 group.

Following the tape's release Honcharuk took to Facebook to claim that the audio recording had been "doctored" and called Zelensky "a model of honesty for me." On social media, he wrote "Its [the tape's] contents artificially create the impression that my team and I do not respect the president, who is our political leader." He also offered his letter of resignation to Zelensky in order "to remove any doubts about our respect and trust in the president."

The offer of a resignation was a targeted move, aimed at pressuring Zelensky to come out in full support for the government and Honcharuk's right-wing policies. Under Ukraine's constitution only the parliament can accept the resignation of an acting prime minister but Honcharuk never submitted a resignation offer to the parliament.

Zelensky responded to Honcharuk's phony resignation offer by meeting with him in a highly-scripted sit-down which was recorded on video. He rejected Honcharuk's resignation offer and stated that Honcharuk could not resign as he had "not yet repaid this loan to our society." He said, "I decided to give you a chance ... and a chance to your government."

Zelensky ordered an investigation into who made and leaked the recording. The president's office stated, "The unsanctioned surveillance and recording of conversations must not occur in the offices of the state authorities. This is a question of national security."

Whoever is behind the release of these high-level government conversations, it is clear that the Ukrainian oligarchy and its government are torn by sharp infighting over both domestic and foreign policies. These divisions are coming to the fore as the government is pressing ahead with the largest mass privatization effort since the restoration of capitalism in the 1990s, and attempts to negotiate a settlement with

Russia over the ongoing civil war in East Ukraine.

Honcharuk is in charge of leading these mass privatizations. As part of the privatizations, a long-standing moratorium on the sale of agricultural land including Ukraine's highly-coveted "black earth" is being lifted starting on October 1. This week Honcharuk announced that his Cabinet of Ministers will receive 26 million euros from the EU in order to carry out the sale of Ukrainian land. According to a recent *Rating* poll, 73 percent of Ukrainian citizens oppose the privatization.

In addition to overseeing the privatizations Honcharuk was also tasked with drawing up a list of state companies to be privatized. These privatizations could cost tens of thousands of workers their jobs. This is under conditions where 60 percent of the population are estimated to live under the subsistence minimum.

In accordance with the privatization plans, a new labor law legislation has been introduced to the Ukrainian parliament that strongly favors employers by allowing them to fire workers "at will," or in other words, for any reason or no reason at all. The draft law would also penalize any worker who fails to fulfill an employment contract by cancelling their right to unemployment benefits for two years.

Honcharuk previously served under former Finance Minister Aivaras Abromavicius, the Minister of Economy and Trade in the government of former-President Petro Poroshenko. Like his mentor Abromavicius, Honcharuk has taken the lead in conversations with the International Monetary Fund (IMF) over the continuation of loans to Kiev and most recently secured a conditional \$5.5 billion loan in December that is dependent on Ukraine continuing the mass privatizations.

Prior to Honcharuk's appointment, some officials within Zelensky's incoming administration floated the idea of Ukraine leaving the IMF program entirely. Zelensky's personal friend and political backer, billionaire oligarch Igor Kolomoisky, suggested that Ukraine should simply default on its loan repayments to the IMF and go its own way. Ukraine is scheduled to pay \$1.4 billion to the IMF in 2020.

During the crisis sparked by the leaked audio recording Honcharuk was careful to assure the West that any potential resignation would have "no effect" on Ukraine's participation in the IMF loan program.

As these assaults on the working class threaten to provoke mass opposition, there are growing tactical divisions within the oligarchy about how to best implement austerity. Differences over foreign policy also contribute to the tensions in Zelensky's government. Like Interior Minister Arsen Avakov, who maintains close ties to the US-funded far-right, Honcharuk is widely considered to speak for sections of the ruling elite that are firmly oriented toward US imperialism and oppose concessions to Russia.

In recent months, Zelensky has pushed for a negotiated settlement with Russia, through direct involvement of Berlin and Paris, while the US has been shut out of the negotiations. For his push for the Normandy talks in Paris in December, Zelensky has come under enormous pressure from sections of the oligarchy and the far-right. With the support of Poroshenko and other leading politicians, tens of thousands far-right demonstrators protested against the government and its negotiations with Russia last fall.



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