Ukraine government reshuffle brings in officials tied to US and ruling oligarchy

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On Wednesday, March 4, the entire Ukrainian government was dismissed after the parliament (Verkhovna Rada) voted overwhelmingly to accept the resignation submitted by Prime Minister Oleksiy Honcharuk earlier this week. Shortly thereafter, Ukrainian President Volodymyr Zelensky fired Honcharuk’s entire cabinet. A day later, on March 5, the Verkhovna Rada passed a vote of no-confidence in the state prosecutor general, Ruslan Ryaboshapka.

Honcharuk is leaving after just six months in office, the shortest tenure of any Ukrainian prime minister in history. He is replaced by Denys Shmyhal who previously served as Deputy Prime Minister. From 2017 to 2019, Shmyhal worked as an executive at an energy firm owned by Ukraine’s wealthiest billionaire oligarch, Rinat Akhmetov. Shmyhal also has close ties to former President Petro Poroshenko.

Honcharuk had previously offered his resignation to President Zelensky in January after recorded conversations were leaked of Honcharuk stating that Zelensky had a “primitive” view of economics. Zelensky’s rejected that resignation offer, however, claiming the prime minister had “more work to do” for the people of Ukraine. Shortly thereafter, Zelensky reshuffled his personal staff.

In a speech on Wednesday before the Verhovna Rada, Zelensky sharply denounced the previous government, blaming it for the ongoing contraction in the industrial sector, the lack of medical and pension reforms, and the fact that miners have gone without salaries for months.

In a demagogic appeal to nationalist and far-right forces, he also denounced the government for allowing foreigners to take over Ukrainian company boards, stating, “With all respect to our international partners and with all appreciation for their help, the citizens of our country on governing boards of our companies are feeling like an ethnic minority.”

The composition of the new government indicates that a major motivation for the government reshuffle was to appease the increasingly heated inner-oligarchic infighting. In recent months, Zelensky, a former popular TV figure and comedian with no prior political experience, has faced significant opposition from elements in the oligarchy and state apparatus that were hostile to his attempts to find a negotiated settlement with Russia over East Ukraine.

More than his predecessor Poroshenko, Zelensky has oriented his foreign policy toward a close collaboration with German and French imperialism. Last fall, thousands of far-right elements demonstrated against his government with the open backing of Poroshenko.

Several of the ministers now appointed have previously served under presidents Petro Poroshenko, Yulia Tymoshenko and Viktor Yushchenko. All these three administrations insisted on the closest possible ties with US imperialism. They supported and were brought to power through pro-Western protest movements that were heavily funded and backed by the US.

The new foreign minister, Dmitry Kuleb, began his career under Poroshenko. In a recent interview, he stated, “In the long-term, I am for some kind of normalization of relations with Russia, but …Russia must pay a price for its aggression.” He insisted that Russia had to return Crimea “no matter how much time it will take.”

The new defense minister, Andrey Taran, studied at the National Defense University in Washington, which is directly funded by the US Department of Defense, in the mid-1990s. He was a high-ranking general in the Ukrainian army in the first two years of the civil war in East Ukraine until his retirement due to age in 2016.
The new finance minister is Igor Umansky, who earlier served as a high-ranking official in the finance ministry under both Tymoshenko and Poroshenko. He was an advisor to Poroshenko in 2016-2019. The new minister for the occupied territories (the separatist-controlled parts of Eastern Ukraine) is Alexei Reznikov, who was part of the delegation negotiating the Minsk agreement in 2016 under Poroshenko.

Tellingly, only Arsen Avakov, Ukraine’s Interior Minister, was able to keep his position in the new Cabinet of Ministers that was approved by Ukraine’s parliament Wednesday. Avakov served in the same position during the right-wing regime of former President Poroshenko. He has close ties to Washington and controls the country’s national police force and possesses well-known ties to Ukraine’s most notorious neo-Nazi militia, the Azov Battalion. A number of posts in the new government, including that of the energy minister, remain to be assigned.

Prime Minister Denis Shmygal declared that the priorities of the new cabinet would be to strengthen “national defense”, resolve the conflict in the Donbass and have Crimea, the peninsula annexed by Russia in early 2014, returned to Ukraine. He also stated that the government would focus on improving the “investment climate” in the country, a barely veiled announcement of a continuation of the aggressive push for austerity.

The government reshuffle comes amid an enormous social and political crisis in Ukraine. In February, polls revealed that for first time since his election in April of last year that Zelensky’s own approval ratings, which at their height stood at over 70 percent, have now fallen below 50 percent. Honcharuk’s cabinet was supported by just 6 percent of Ukrainians.

The country is still embroiled in a six-year long civil war in eastern Ukraine that has claimed the lives of 14,000, displaced 1.4 million and left 3.5 million in need of humanitarian assistance. Over 60 percent of the population live below the subsistence minimum.

With the firing of the cabinet and Honcharuk, Zelensky seeks to both deflect popular anger and rally the forces of the Ukrainian oligarchy for a massive assault on the living standards of the Ukrainian working class. While many ministers in the former government were very young and considered inexperienced, now most of the government consists of established figures of the Ukrainian state and oligarchy with close ties to US imperialism.

Last fall, Zelensky announced the most far-reaching privatization plan in the country since the restoration of capitalism in the early 1990s. Honcharuk had been in charge of leading the privatization, and one of his decisions in office this week was to approve the transferring of a “record” 431 state-owned enterprises to a state property fund for privatization. While announcing the privatization, Honcharuk bragged that his government had sent 961 state-owned enterprises on the road to privatization “ten times higher than in the previous ten years.”

The privatization drive has also incorporated the shutting down of Ukraine’s remaining coal mines, most of which are located in eastern Ukraine. The coal mines, which have long been a center of working class opposition to the government, are highly dangerous and miners often toil for weeks or months without pay. A recent proposed government planning document suggested that only 14 of Ukraine’s current 33 state-owned mines will remain in operation once the unprofitable mines are closed for good. In December 2019, miners went on a nationwide walkout for one day to protest the withholding of their salaries for months on end.

In addition to the privatizations of mines and companies, the government also seeks to end a moratorium on private land sales. This would allow Ukrainian farmland to be sold to both domestic and foreign real estate speculators, including its prized black earth soil. A recent poll demonstrated that over 73 percent of the Ukrainian population were completely opposed to the land reform bill.

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