

# Ukrainian government uses coronavirus crisis to pass IMF-backed reforms

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Ukraine, officially the poorest country in Europe according to the International Monetary Fund, is on the brink of an explosive outbreak of coronavirus cases that will bring about untold social misery and death in a country already devastated by years of oligarchic capitalist rule.

While the number of just 14 registered cases in Ukraine remains relatively low compared to the rest of Europe, the real number of coronavirus cases is undoubtedly much higher due to the totally inadequate testing efforts and the large number of Ukrainian migrant workers throughout Europe who have returned home after Europe began its own shutdown.

Approximately 70,000 Ukrainian migrant workers reside in the northern Italian provinces of Lombardy and Veneto, which have been particularly hit hard by the spread of the coronavirus.

Despite the likelihood of an already present widespread infection Ukraine's Ministry of Health has reported just two deaths due to the coronavirus to date. Last week, the Ukrainian government shut its borders to foreigners. The government has now also imposed a quarantine on the country, shutting down schools, domestic travel, bars, and restaurants. The new limitations came into effect on March 18 and are set to last until April 3.

On Saturday, the Ukrainian health minister Ilya Yemets declared that "All pensioners will die" from the virus. After a public outcry, he was forced to apologize. However, the blunt statement is in line with those of German Chancellor Angela Merkel and UK Prime Minister Boris Johnson, both of whom have announced that 60-70 percent of their population will get infected, without taking the adequate measures to combat the spread of the virus and create the health care and social infrastructure desperately needed to mitigate its impact.

In fact, in Ukraine, the impact of the virus threatens to be particularly dramatic. An estimated 60 percent of the population live beneath the subsistence level, and health care spending per capita has been low, making any additional medical costs crippling for millions of workers and pensioners. The average monthly salary is just \$200.

There are currently 11.3 million pensioners in Ukraine, in a country of approximately 40 million. The advanced age of more than one-fourth of the country will certainly exacerbate the severity of the coronavirus outbreak within Ukraine due to its high mortality rate among older individuals and those with preexisting health conditions.

In addition, some 3.5 million people are already estimated to be in need of humanitarian assistance, due to the six-year-long civil war that was provoked by the US-backed far-right coup in Kiev in 2014. About 1.4 million people have been displaced, and many of them still don't have permanent residence and safe shelter.

The Ukrainian oligarchy has no intention of saving the countless lives of pensioners and workers now at risk. On the contrary, Ukrainian President Volodymyr Zelensky has cynically used the opportunity to combine the imposition of far-reaching restrictions on public life with an appeal to parliament to swiftly pass a sweeping set of anti-working-class reforms demanded by the International Monetary Fund.

Calling on the Ukrainian parliament to remain in session in the face of the crisis Zelensky stated: "Now in a situation of a global pandemic and the threat of a global financial crisis, the Ukrainian parliament must pass laws that are vital for the economy, introduce tax, land, labor reforms, appoint ministers of economy and energy, and the prosecutor general of Ukraine."

In addition to calling for the passage of land and labor

reforms which have been explicitly demanded by the IMF, Zelensky also stated that Ukraine's finance ministry would hold additional talks with the IMF to secure even more financial support as a result of the crisis.

In December, Ukraine obtained provisional approval for a new \$5.5 billion loan program, but the release of funds is dependent upon the passage of a widely opposed land reform bill that remains stalled in parliament and a labor reform bill that will severely undermine workers' rights and make Ukraine Europe's first "at-will employment" country. The labor reform bill deprives workers of any protection against firings by their employers. Both measures are directly targeted against the Ukrainian working class and have the potential to trigger mass opposition.

The Ukrainian state currently operates on a budget deficit of approximately \$642 million and owes billions of dollars to the IMF in loan repayment.

Just prior to the coronavirus outbreak Ukraine's GDP fell by 0.5 percent due to a downturn in industry as a result of the coronavirus outbreak in China and the Ukrainian hryvnia undertook a marked decline after improving for much of 2019.

By explicitly calling for approval of such anti-working-class legislation while in the midst of an impending social and humanitarian crisis, the Zelensky government is making clear that it seeks to use the pandemic to further the interests of Ukraine's oligarchic capitalist ruling-class while ignoring the devastation the coronavirus will bring.

In the same address, Zelensky called for an additional meager \$36 per month for the country's pensioners, who currently receive less than \$185 per month.

Just prior to his address on Monday, rather than calling for rapid expropriation of funds to combat the virus from the country's obscenely wealthy oligarchs, Zelensky met with Ukraine's top oligarch criminals to beg for help. During the meeting, Zelensky reportedly asked for help obtaining 500 ambulances and \$490 million in funds to fight the virus while stating, "Business should be socially responsible during difficult times for the government. Ukrainians should feel protected when they go to state hospitals. And I insist that you help now."

Among the attendees were Rinat Akhmetov, Ihor Kolomoisky, and Viktor Pinchuk—all billionaires many

times over who obtained their wealth by stealing state assets after the dissolution of the Soviet Union in 1991 and the restoration of capitalism. Despite Zelensky's begging and their immense wealth, these oligarchs mustered a pathetic 14 ventilators to donate to the country's Health Ministry and Kiev-area hospitals—a slap in the face of the population, millions of whom now face the prospect of serious illness and death.



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