

Ukraine's Sickness and Europe's Cure: Neo-Liberalism and Neo-Fascism Join Hands

By [Eric Draitser](#)

Global Research, February 25, 2014

Region: [Europe](#), [Russia and FSU](#)

Theme: [Global Economy](#)

The situation in Ukraine is evolving by the hour. Right wing ultranationalists and their "liberal" collaborators have taken control of the Rada (Ukrainian parliament) and deposed the democratically elected, though utterly corrupt and incompetent, President Yanukovich.

Former Prime Minister, and convicted criminal, Yulia Tymoshenko has been freed, and is now making common cause with Noe-Nazi Right Sector, Svoboda, and other fascist elements, while the opposition's nominal leaders such as Arseny Yatsenyuk and Vitali Klitschko begin to fade into the background.

In Moscow, Russian President Vladimir Putin undoubtedly watches with anxiousness. In Washington, Victoria Nuland and the Obama administration rejoice. However, perhaps the most critical development of all is soon to emerge in Europe, as the forces of Western finance capital prepare to welcome Ukraine into the fold. They will come bearing the usual neoliberal gifts: austerity and "economic liberalization."

With the overthrow of the Yanukovich government, the \$15 billion of promised Russian financial assistance to Ukraine is in doubt. According to [Moody's](#) rating agency, "Ukraine will require \$24 billion to cover a budget deficit, debt repayments, natural gas bills and pension support just in 2014." Without Moscow's continued bond purchasing and other forms of financial aid, and with pro-EU forces taking control of the country's economic and foreign policy, the outcome is not hard to predict: a rescue package from Europe and the IMF with all the usual austerity conditions attached.

In exchange for European "aid", Ukraine will be forced to accept the driving down of wages, significant cuts to the public sector and social services, in addition to a rise in taxes on the working class and slashing of pensions. Moreover, the country will be compelled to accede to a liberalization program that will allow Europe to dump goods into the Ukrainian market, deregulation and the further opening up the country's financial sector to predatory speculation and privatization.

It doesn't take psychic powers to predict these developments. One merely has to look at the wave of austerity in European countries such as Greece and Cyprus. Furthermore, Eastern European countries with similar economic and historical conditions to Ukraine – Latvia and Slovenia specifically – provide a roadmap for what Ukraine should expect.

The Model of "Success"

As Ukraine's pro-EU "leadership" under Tymoshenko & Co. (and the fascist Right) begins to eye the future, they will immediately look to Europe to address the most pressing economic

concerns. The Ukrainian people however would do well to examine the precedent of Latvia to understand what lies in store for them. As renowned economists Michael Hudson and Jeffrey Sommers [wrote](#) in 2012:

What enabled Latvia to survive the crisis were EU and IMF bailouts...Elites aside, many emigrated...Demographers estimate that 200,000 have departed the past decade – roughly 10 per cent of the population...Latvia experienced the full effects of austerity and neoliberalism. Birth rates fell during the crisis – as is the case almost everywhere austerity programs are imposed. It continues having among Europe's highest rates of suicide and of road deaths caused by drunk driving. Violent crime is high, arguably, because of prolonged unemployment and police budget cuts. Moreover, a soaring brain drain moves in tandem with blue-collar emigration.

The myth of prosperity to follow EU integration and bailouts is just that, a myth. The reality is pain and suffering on a scale far greater than the poverty and unemployment Ukraine, especially the western portion of the country, have already experienced. The most highly educated, those most equipped to take up the mantle of leadership, will flee en masse.

Those leaders who remain will do so while lining their pockets and ingratiating themselves to the European and American financiers who will flock to Ukraine like vultures to carrion. In short, the corruption and mismanagement of the Yanukovich government will seem like a pleasant memory.

The “liberalization” that Europe demands will create massive profits for speculators, but very few jobs for working people. The best land will be sold to foreign corporations and land-grabbers, while the resources, including the highly regarded agricultural sector, will be stripped and sold on the world market, leaving farmers and city dwellers alike in grinding poverty, their children going to bed hungry. This will be the “success” of Ukraine. One shudders to think what failure would look like.

In Slovenia, another Eastern European country that has experienced the “success” Europe strives for, the economic dictates of Brussels have ravaged the country's working people and its institutions. The Organization of Economic Cooperation and Development (OECD) issued a 2013 report in which it recommended that, as a first step, Slovenia act to “help the banking sector stand on its feet again,” adding that, “additional and radical measures are necessary as soon as possible.”

Furthermore, the OECD recommended the full privatization of Slovenia's banks and other major firms, despite predicting a more than 2% contraction of the economy. In laymen's terms, Europe recommends that Slovenia sacrifice itself and its people to the forces of international finance capital, nothing less. Such is the cost of European “integration.”

Ukraine is undergoing a transformation of the worst kind. Its political institutions have been trampled upon by a motley collection of delusional liberals, slick politicians in fancy suits, and Nazi extremists. The social fabric is tearing apart at the seams, with each region searching for a local solution to the problems of what used to be their nation. And, in the midst of it all, the specter of profit-seeking financiers with dollar signs in their eyes is all the Ukrainian people can expect.

[**Comment on Global Research Articles on our Facebook page**](#)

[**Become a Member of Global Research**](#)

Articles by: [Eric Draitser](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca