

Ukraine: Resisting the shock doctrine

Ukraine, debt, and reconstruction

Wednesday 19 July 2023, by [DHAR Sushovan](#), [SMITH Ashley](#), [TOUSSAINT Éric](#), [YURCHENKO Yuliya](#) (Date first published: 11 July 2023).

Ashley Smith chairs an event with Yuliya Yurchenko, Eric Toussaint, and Sushovan Dhar on the global movement against neoliberalism, debt, and the struggle in Ukraine.

In this discussion, **Yuliya Yurchenko**, **Eric Toussaint**, and **Sushovan Dhar** contextualize Ukraine's struggle as part of the global movement against neoliberalism and debt.

This [public forum](#) was organized by the [Ukraine Solidarity Network \(U.S.\)](#) on May 12, 2023 and was co-hosted by Haymarket Books. Each speaker made opening comments, with a discussion. Special thanks to Nate Moore for assistance with editing the transcript.

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Yuliya Yurchenko: I'm plugging in today from Kraków train station, having just come from Ukraine, where I spent the last two weeks talking with activists and trade unionists and meeting friends and family and comrades. I have witnessed firsthand the difficulties, to put it mildly, that the country is experiencing. The individual stories of people are the most telling events. Macroeconomic figures very often conceal a lot of the detail and nuance that is most important in countries in difficult times. This event about reconstruction and about debt is very important because in the case of Ukraine, there is a lot that is quite unique. But there is a lot that is quite expected and omnipresent in the global political economy. Historically, we have seen a lot of cases where countries riddled by wars and various other crises have been further depleted and alienated in their agency by debt servitude.

In Ukraine's case, the historical and conditional relationship with the U.S. investment partners and Russia, specifically in both economic and geopolitical dimensions, have also this debt dimension which includes trade areas and import and export dependency. Debt has been used as an instrument of external control and expropriation of national wealth. This is combined with a national system of

taxation and a trade regime which has diluted the capacity to make economic decisions, something that is meaningful for any political exercise of political sovereignty.

In [Marx's words](#), debt leads to an alienation of the state. This means that states cease to be autonomous nations of authority that are representative of the people. Even if the most well-meaning people come to power, they will be in the straitjacket of that conditionality. They will be economically paralyzed by the need to prioritize repayment of debt and interest on debt rather than prioritizing the needs of its people who are most in need.

Once you start looking into how these big aims [of the recovery plan] are supposed to be achieved, you begin to understand that the means do not match the ends.

We have seen the dispensation of multiple-reference financing instruments. There were some grants, but overwhelmingly there have been loans. Of course, the loans are infamously riddled with complex conditionalities. Ironically these go against their own current thinking that austerity doesn't lead to growth, that cuts to public spending doesn't lead to growth and recovery. They understand this, yet they ascribe even more conditionalities to these loans. Even the hardcore economic logic and numbers are not good enough to [overcome] their ideological mission of perpetuating the class project of expropriation through international institutions in the name of transnational capital that we see globally.

Indeed, in Ukraine's case, even the situation regarding the Russo-Ukrainian war is not convincing enough for the IMF and for the private lender specifically to write off the debts for Ukraine. The IMF and the private lenders do not want to create a precedent, because there is a very long queue of countries who are equally entitled to their debt being written off.

Regarding the recovery plan that is on the table for Ukraine. I'm involved in organizing a number of alternative, parallel events with the London recovery conference that will take part in June [[Ukraine Recovery Conference](#), June 21-22, 2023]. Last year in Switzerland, there was the first postwar recovery conference for Ukraine which had very amazing aims. It was agreed between different international partners and Ukrainian officials that there needs to be a new institutional architecture for the recovery of the infrastructure, economy, environment, and society. It was agreed that all this should be done on principles of partnership, transparency, rule of law, democratic participation, gender equality and inclusion, and sustainability. It sounds fantastic and is as ephemeral and watered down as it is big and promising.

Once you start looking into how these big aims are supposed to be achieved, you begin to understand that the means do not match the ends. For example, gender equality and inclusion cannot be achieved while at the same cuts in social funding, cuts to health care, cuts to education, and cuts to social reproduction [are enacted]. On top of that, lots of kindergartens and schools, for example, have been bombed. Their rebuilding is proposed to be done by attracting private investors to construct some sorts of fancy buildings. This is not a very cost-effective way of reconstructing anything. The initial plan was assessed to potentially cost \$750 billion U.S. dollars. But the full scale and scope of destruction right now is not accurately known, and until the war is over, it is impossible to know it.

One of the important things that is missing in this big plan is the human being at the center of the recovery. Some 12 million people are now listed as refugees. Regarding those who are in Russia and Belarus, there is a problematic use of the term "refugee." Nonetheless, they have been displaced in some form to these countries, often by force or by having no other choice due to the conditions of the war. Overwhelmingly, those who went to countries other than Belarus and Russia are women, children, and the elderly. Often men in these groups were not allowed to leave the country. So, we

have this demographic displacement catastrophe on our hands.

There is a whole host of professions, especially in the social reproduction function of the state, in the care economy, that fall onto the shoulders of women. It's not unique to the Ukraine situation there it's been quite pronounced. So, if we were imagining that in this recovery plan there is a prioritization of market-based economic recovery, attracting private investment, and cuts to social spending, there is nothing in the plan that would provide social architecture and finance and that would allow for women and children to come back. There is no conversation about a social housing program. When you have the complete depletion of job opportunities, when people don't have sources of employment, kindergartens and access to other services, what will they come back to? And how will they be able to participate in paid employment? It is simply impossible.

There is this assumption that people will simply come back and rebuild. I have already spoken to a number of trade unionists, and they're saying that they're losing those that could be training new ones. This happening in key industries: construction, health care, in those sectors that are the backbone of every economy. There is this whole discussion about the IT sector being the pivot of reconstruction. But who is going to clean the floors? Who is going to rebuild piping? Who is going to change electric wires? There is nothing created for those people to come back.

On top of all this, labor rights and labor codes have changed completely over the past year. Some 70 percent of the workforce has lost their right to employment and social protection. Last summer, the minimum wage was 6700 Ukrainian *hryvnia*, which reflected high inflation and devaluation of the currency. This gets you absolutely nowhere.

There is war, but there is no wartime economy. There is no initialization of key industries—indeed, privatization keeps happening.

The IMF and other neoliberal institutions in Ukraine are saying that there are quite a few jobs being created there. But the people I speak to can't find jobs. On top of that, there are those 12 million people who are abroad. Where will there be jobs for them? The scope and the scale of the recovery will be absolutely fundamental. For that, Ukraine will need a lot of money. They will need grants.

There is a lot of talk about the Marshall Plan. But the main lessons from the Marshall Plan I did not see reflected in these recovery plans. First of all, there was the write-off of debts. Second of all, there were grants given to countries, and states were allowed to act as investors and were allowed to directly buy food for families or buy supplies for industries. This is not the case in Ukraine. All we have here as part of the build-up to the London conference is that we need to attract private investment to come to the country. Private investors will not go to the country where there is still war. We don't need to be on Wall Street to know that.

There is war, but there is no wartime economy. There is no initialization of key industries—indeed, privatization keeps happening. On top of this, we have an accumulation of debt through rapid financing instruments, through bond-selling. People have also maxed out their credit cards and borrowed from friends and relatives. That also needs to be talked about.

Eric Toussaint: Of course, Ukrainian external and internal debt should be canceled, should be abolished. This is illegitimate, odious debt. It was already the case before the invasion of Ukraine that debt accumulated after independence [from the Soviet Union] was accumulated—contracted—to finance the neoliberal policies against the interest of the people of Ukraine. Since the beginning of the war, the apparent level of debt has not increased a lot. At the beginning of the war, the external debt of Ukraine was something like \$130 billion. Now it is \$132 billion. But that is the appearance. In reality, a big part of the financial assistance given to Ukraine is in the form of debt. The help

supposedly given by the IMF of \$15 billion following an agreement signed in March 2023, which prolonged a previous agreement, is actually \$15 billion of debt. And because it's debt, the interest rate on this debt will be something like 7 or 8 percent.

The creditors ... try to increase the debt to have more power to blackmail the ... government and the population of Ukraine in order to impose more neoliberal policies in the interest of the Western capitalist classes.

Of course, IMF financial assistance, as Yuliya told us, is directly linked with the prolongation of neoliberal policies—more privatization, and legal changes to open the economy more to foreign investment and foreign interest. And I have to add immediately the financial assistance that's coming from the European Union. It's approximately 30 billion euros. It has not yet been disbursed. Something like 10 billion has been disbursed to the Ukrainian government. And it's debt.

What the European Union is doing with Ukraine is what they did with Greece after 2010. The European Union made an agreement in 2010 with the IMF to gather money to give to the Greek government with very strong and brutal conditionalities. And that's exactly what the European Union, the European Commission, is reproducing with the type of assistance given to Ukraine. And the two things are linked. If you read the agreement signed by the Ukrainian government with the IMF, it is said that this agreement is given with the conditionality to improve structural reforms in order to allow the country to integrate with the European Union. So, the European Union, the European Commission, and the IMF will impose on Ukraine different types of policies in the interest of the Western European capitalists and as a condition to integrate with the European Union.

The U.S. has given grants to Ukraine. They are implementing something similar to the Marshall Plan at the end of the 1940s that rebuilt the European economies aligned with the USA during the Cold War. The U.S. understood that it's better for its economy to give grants, but the grants are also linked with conditionalities. They ask the Ukrainian government to open space in the Ukrainian economy for U.S. interests. And although the U.S. is giving grants, the IMF is a tool totally controlled by the U.S. and Europe. The financial assistance given by the IMF is consistent with U.S. interests: The U.S. will use conditionalities imposed by the IMF in favor of interests of U.S. capitalists.

We need to finance not the external debt but the real human development and reconstruction for Ukraine.

The debt trap for Ukraine is very dangerous. With the new financial assistance given to Ukraine, in the next ten years, the debt will increase by something like \$40 billion. Essentially, from \$132 to \$170 billion. And the creditors know perfectly that it will be impossible for Ukraine to pay back all this debt. So, what is happening? The main creditors decided in July 2022 to authorize the Ukraine government to suspend the payment. They decided in October 2022 to prolong the suspension until 2027—around the time they anticipate the war will end. Knowing that it will be impossible for Ukraine really to pay back the debt, they will use this as leverage in the negotiation around the restoration of the debt. In exchange for some debt alleviation, maybe \$20 billion or \$40 billion, there will be more conditionalities attached.

They try to increase the debt to have more power to blackmail the Ukraine government and the population of Ukraine in order to impose more neoliberal policies in the interest of the Western capitalist classes. In this discussion, China (which is a creditor) and Turkey (which is also in some way a creditor) will negotiate with the Western powers. They will try to have a part of what will be given to the creditors.

China is part of the IMF and the World Bank with 6 percent of the vote. They will establish conditions on any agreement reached with other creditors regarding debt alleviation in exchange for some concession in favor of China. China is very interested in the project of the Silk Road which will pass through Russia or Ukraine. The question of gas export is part of the problem. The question of privatizing public enterprises like the Ukrainian gas corporation is also a priority for the IMF and the Western creditors.

We have to understand that the question of the debt will be in some way at the center of the negotiation in the next few years as an instrument to impose more shock therapy. It won't be to initiate shock therapy. The shock therapy had already happened in the 1990s and 2000s. This will make the situation more difficult for the people of Ukraine.

We should say that the suspension of debt payment is not a solution but rather the full cancellation of the debt for Ukraine—of course along with other policies. It is clear that the Zelensky government is a right-wing government. It's a neoliberal government. It's in favor of debt because they want to make the creditors happy. This includes selling domestic bonds to domestic creditors, the oligarchs and the Ukrainian rich. For us an alternative program to the neoliberal program is the consolidation of the debt but with socialization of production and expropriation of the banking sector as well as fiscal reform in favor of the poorest classes of the country. In other words, we need to finance not the external debt but the real human development and reconstruction for Ukraine.

Sushovan Dhar: When Ukraine became independent in 1991, it did not inherit any debt from the Soviet Union. It was a debt-free country at its birth. But over a period of time there has been such an accumulation of debt that it is considered in the top tier of countries linked by the debt crisis today alongside Sri Lanka, Pakistan, Zambia, and Ghana. For these countries there is no other way but to default on debt payments.

Much, if not the entire part, of the debt is illegitimate. This debt is odious because it was borrowed against the interest of the population and the population has to pay. This forms the very basis of our demand for the cancellation of the debt. Ukraine is at war. It's in a formal war. It's a little different situation than other countries that have defaulted, many of which are going to default very soon. Furthermore, it's one of the poorest countries in Europe. And there is a great humanitarian crisis. The number of refugees is enormous: About 8.2 million people are currently living outside of Ukraine, 5.4 million are internally displaced people, and 5.6 million people are former refugees who have returned. These are the figures from the United Nations. To resettle them, to reestablish their livelihood and income opportunities, and to provide a dignified life at the most basic level would be an enormous challenge. Therefore much of this debt is unsustainable, illegitimate and odious.

At this point in time, Ukraine is "caught between the devil and the deep blue sea." It's like a political chess board. But ultimately Ukrainians are paying for a game which is being decided somewhere else. A war is being funded with debt. And what do we have at the end? Economists are looking at 2027 as a reference point, assuming that the war ends sometime there. We don't really know. There's no light at the end of the tunnel. But even if it ends in 2027, what economists tell us—the subtext—is that there are not enough resources in Ukraine to pay for this debt. Yet Ukrainians will have to pay for the debt. Much of the debt was accumulated during the period of chaotic and irresponsible borrowing by the oligarchs to fund neoliberal changes, the new privatization, and a whole looting of the country which already made lives miserable.

Therefore, we must demand an international audit of Ukrainian debt, because in war situations, you don't find an active civil society that exists in other parts of the world not at war. Following an audit, there should be a unilateral repudiation of the portion of the debt that is illegitimate and odious. This will depend, of course, on the question of restoring political as well as economic democracy. I

believe Yuliya in an interview discussed how the oligarchs completely control the country, both the economy and the politics. Capitalism teaches us that there's a separation between politics and economics, but in Ukraine we see them as one. Perhaps we need new analysis to define cases like Ukraine where political and economic authority is merged into one.

We demand reforms. We demand a meaningful and dignified life for ordinary Ukrainian people. We say "no" to loans [and "yes" to] humanitarian assistance and grants for the Ukrainian people. We need to restore jobs and withdraw a number of black laws—it's very difficult to unionize in Ukraine. There's a loss of jobs. The minimum wage is at a horrible level. Inflation is skyrocketing. And on top of this, the labor reforms of the Ukrainian Zelensky government make it very difficult for unionization. We need the restoration of all sorts of rights for the people of Ukraine.

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In fact, this demand I think should be picked up as a part of Ukrainian solidarity globally. Sooner or later we are going to reach another debt crisis. I can't predict if this will happen in 2 years, 5 years, or 10 years. But you already see countries falling like a deck of cards. First Sri Lanka defaulted. Zambia has defaulted. Pakistan is in a very bad state. Our neighbors in Bangladesh are the latest to have a precarious balance-of-payment system.

All these struggles against illegitimate, odious debt are part of a common and united struggle— for a dream for a better world, for a transformative agenda. And for a transformative agenda, I think the cancellation of debt should be one of the major demands along with many other demands we should articulate.

AS: It's extremely important to have such a forthright expression of solidarity with Ukraine from Global South activists given the debate that's gone on throughout the world.

Panelist response and discussion

YY: Indeed, the situation is catastrophic and quite dangerous. We all know that any regime of accumulation has its limits and any class sanctions have their limits. In Ukraine [these limits have] been pushed since 2014, but they have been partially displaced by the contingency of the Russian invasion. But now the situation is at such a boiling point that there are so many people with arms in their hands, and they've been further expropriated to the point that I do fear the worst possible scenario of an internal armed conflict.

Returning to these various debts and conditionalities. Sushovan mentioned that both Ukrainian politicians and international advisers are not working for the working people of Ukraine. I want to add that they're not working for domestic industry either. There is nothing being done to prioritize domestic industries. How are you going to get a recovery going if you're only giving the green light to foreign investors with no conditions for protecting workers and working conditions, providing proper salaries, health and safety at work, pension contributions, or environmental standards? You cannot. If you do not nourish domestic industry, you cannot have stability and growth. This is a self-defeating proposition. It's as simple as that.

The party Servant of the People—what they call the collective Zelenskys—continue [under] the doctrine that the neoliberal plutocracy regime had instilled. During Yanukovich's reign [the previous presidency], there were industrialists and oligarchs in the government. Now there is a whole cadre created that executes this neoliberal doctrine without even being told to do it. They believe that

deregulation will instill something fantastic in the country. Of course, some of them get paid to vote this way. This doesn't mean though that there are no decent members of parliament. But there is a whole cadre, not only in the parliament, but throughout the country, of experts and managers who think that libertarian marketeering will bring prosperity to the country. It doesn't work like that.

Regarding energy and the plunder of natural resources, there have been conversations between the state gas and oil company and companies like Burisma and Halliburton about shale gas and fracking. Ukraine has lots of shale gas. They are discussing the potential exploration of the bed of the Black Sea, the Carpathian mountains, and the northeast region of the country, which is densely populated.

Now consider the sustainability principles that are proclaimed in their recovery plan. How do they not see the contradictions in this? Even if we are to assume that there was no foul play there are contradictions constantly. Their declared vision and their declared mission are in complete contradiction with the means they're supposed to be executed with.

There is another important issue worth mentioning. A law was pushed through parliament that would make it easier to bring foreign workers into the country. It was passed in the last three days and there will be a second reading of it before it becomes law. I really hope that it will be rebuked because both domestic and foreign industrialists understand that there will be problems with maintaining a labor force. But there is also a reserve army of labor, of refugees, of the destitute. Many politicians in richer countries, including the country where I live (the UK) want to get rid of these populations. We already know about the concentration camps of refugees in Turkey. My fear is that they will ship these populations to some sort of metal-ore or lithium mining region in Ukraine under extortionate conditions. This is the kind of dystopian vision that we really need to fight against.

ET: Of course we should question the policy of our Western governments. It's clear that they are in favor of a proxy war. They are using the territory of Ukraine in this war. Of course, Ukraine and the population has the right to resist, and we support the right to resist. But it is clear help given by the Western countries is to defend their own imperialist interests. We should oppose the imperialist interests and the imperialist policy of the Western countries just as we oppose the aggression from imperialist and capitalist Russia.

In Europe, for instance, it is not clear what conditions are attached to the weapons sent to Ukraine. It seems at least a part will increase the Ukrainian debt. Another part is in the form of grants. But there is some transparency which is needed, and we have to struggle around this question. The fact is that they are using the pretext of the war to increase military expenses and to update the military hardware.

There are very big interests. Not only U.S. corporations are producing weapons but German, French, and UK corporations are producing and selling weapons to their government, which afterward are given to Ukraine—or which *replace* what is given as weapons to Ukraine.

Regarding the Global South, the OECD published figures of development aid that the North is "officially" giving to the Global South. They are now calculating the cost of helping Ukrainian refugees as part of the official development aid to the Global South. Help given to Africa last year was reduced by 10 percent. But the overall ODA (Official Development Aid) increased because of the expenses incurred in Europe, in Poland, in Moldavia, in Belgium, etc. Of course, it's important to welcome refugees from Ukraine. But clearly, this shouldn't count as financial aid given to the Global South.

So, the Global North economies are writing off acceptance of refugees as financial aid. We have to

denounce this situation especially because in Europe the governments are making a lot of noise about Ukrainian refugees. We have to point out this hypocrisy coming from Biden as well as the European Union with respect to the people who want to come from Africa to enter the European Union. This is a big scandal. We have to denounce Europe as a fortress.

SD: We must have a slogan “No more debt to fund the war.” Before the war, Ukrainian debt was \$130 billion. Currently, it is \$132 billion. Not much has changed on the surface. But much of the debt that Ukraine has contracted over this period of time is all hidden. Last November, I believe, the European Union announced with great fanfare that there’s an 18 billion euro package to help Ukraine. It’s all in the form of loans.

For those IMF loans that have been deferred to 2027—but not cancelled—they will charge interest for the remaining period. That’s not going to be waived. There are also notorious things called surcharges in pending IMF loans. Basically, IMF loans, which are over 187.5 percent over the quota for the country attracts a surcharge. In addition, it’s 200 basis points [2 percent extra] on the pending interest.

There’s also a timeframe of 36 to 51 months, depending on the type of credit, that attracts a certain surcharge which is around 100 basis points. So, you have a 200 basis point charge, a 100 basis point, and on top of that you have the loans, which are effectively 8 percent. This is going to increase the cost of the loans that will come due in 2027.

I do not see the Ukrainian government talking to the IMF or World Bank ... about the things that will simply fall apart if donations and free work cease—Yuliya Yurchenko

This is a time bomb ticking, or rather, an atom bomb ticking. We don’t know what the consequences will be. These are issues that require serious attention. These are issues that require wider publicity. Because not many people around the world, even if they’re in solidarity with the Ukrainian population, has much of an idea to it.

Much of finance is shrouded in mystery and technicalities. That’s what the tyranny of finance is. It looks very technical but it’s nothing complicated; it’s very simple. There is interest cost, and interest on interest, and there are surcharges that are going to increase the debt level—and we must be at the forefront of campaigning against it.

AS: Yuliya, you spoke earlier about the human cost of this, the real impact—that often the discussions get so technical around debt and reconstruction that they can disguise what this will mean for regular people. Can you talk about what impact this is going to have on working class people, oppressed groups, in particular women, LGBTQ, migrants, etc., within Ukraine? What will the impact of these kinds of odious debt terms and neoliberal plans for reconstruction mean for the Ukrainian people?

YY: It will mean a continuation of the humanitarian catastrophe, but within the prism of “responsibilization.” This is part of the neoliberal doctrine, which makes people responsible for their own misfortunes—misfortunes that are in fact created by the systems that serve capitalist accumulation and not basic human needs. This means depletion of funding for all sorts of social and reproductive functions of the state from education to health care. I expect we will see new attacks on the Ukrainian rail system and an attempt to privatize it. The fact that this enterprise was not privatized but was one centralized organism was key in helping evacuate people, in helping bring supplies and ammunition to the front, but also food and medical supplies.

I live in Britain, where rail used to be nationalized. Then it was privatized and broken into pieces. If

that were to happen in Ukraine, it would mean more people moving below the poverty line. It means even further feminization of poverty. It means a whole segment of the population who will continue to be physically and mentally traumatized in very severe forms. There is nothing in these recovery plans, beyond volunteers and various international organizations such as the Red Cross, who are providing people with assistance.

Right now in the current phase of the war, if it were not for people moving together, volunteering, and providing help in any sort of way like evacuating animals, bringing insulin to the villages on the front lines, etc, there would be no assistance. There were people with disabilities who could not evacuate. There was no one to look after them and this was not organized by the state. Even in the conditions of war, these people were left to the grace of strangers. Imagine what is going to happen when it is all over? And supposedly the economy is booming and [your problems are] all your fault?

Ukrainian politicians and average people see there is an internationalization of responsibility for our own problems. They are systemic problems, and they shouldn't be an individual's fault, especially if your problems are the result of a war. It's like maxing out your credit card because inflation is high and you need to feed your kids and there is no work for you. A lot of people don't want to evacuate from frontline areas because they have nowhere to go. And there is no guarantee that they will have somewhere to stay. There is no guarantee that they will have financial support to buy basics like bed linen and crockery and other necessities. At home, even if they live under shelling, they still have some basic comforts. That is terrifying.

This is one of the things I'm trying to calculate—but it's very difficult to find concrete numbers—is the amount, or percentage of, the budgetary hole compensated for with donations and free work that volunteers at home and abroad are supplying. Because it is not just bilateral or international assistance to Ukraine from individual countries or big foundations. It's lots of small donations from individuals.

When I see planning and negotiations about debt restructuring with the IMF it is somehow assumed that that hole in the budget has been plugged by donations and volunteers. As if this aid is always going to be there. Because I can't see numbers with that. I do not see the Ukrainian government talking to the IMF or World Bank or EPRD (European Program for Reconstruction and Development) about the things that will simply fall apart if donations and free work cease. This is another very high risk factor. We know from interviews and the reports of various non-governmental organizations that donations are drying up. And the good will of people is drying up. The wave of initial support that we have seen towards the Ukrainians at the beginning is not quite there anymore. Not in the same form and at the same level.

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Governments everywhere are blaming this war for high energy prices which we know have much more to do with privatized extortionate rates that energy companies are imposing rather than anything else. The result is xenophobia and social tensions. The average person sees that refugees are getting something that they are not, and they become resentful. I do not judge them for that. But I do know that the problem lies elsewhere. And without a serious redistribution, without bringing key industries under public control at the very least, in Ukraine and elsewhere, we are going to have more of these tensions internationally, we are going to have more wars and hatred. This will strengthen the far right and outright fascist right. That is something that we learn from history—but also something we see all around us. We don't even need history books to know this is happening.

To stop this, we need fundamental redistribution and seizing of assets that should have never been

in private hands back into our control so we have a chance of having a planet to live on.

For example, in the middle of the war, the biggest energy distribution companies like company DTEK, owned by the biggest oligarch, are still talking about bringing the energy prices back to the international market level. These are enterprises that should have never been privatized in the first place, because even according to the current heavily watered-down legislation about privatization of state assets, industries that are key, such as energy, are supposed to be exempt from privatization. All of these industries have been privatized in contradiction with current legislation. Therefore, aside from that fact that we are in a wartime economy, there is a legal case to bring them back into public ownership. But there isn't a political will to do so. As we already discussed, the current political thinking is contrary to the interests of the country and the interests of people.

Regarding the how the situation affects minority groups, disabled people, the elderly, and LGBTQI people. These groups, for a variety of reasons, are socially and economically vulnerable. They will be at the mercy, and dependent on the grace of, international donations and volunteers willing to individually help them.

I do not see a serious infrastructural, structural, and financial scaffolding in the current or proposed policies that would secure and guarantee a decent quality of life. This is a tragedy. We know it is possible to have prosperity without destroying the planet, while creating jobs and looking after the planet and each other. It is possible to have monetary exchange. There can be goods and services that we need provided, produced and redistributed to individuals, groups, and countries that are in need through international solidarity frameworks. Then we can have some sort of chance in Ukraine and elsewhere. This will require a radical shift in thinking, and looking past the divisive class politics that are pushed on us internationally.

In the meantime, I'm very worried about the kind of politics that these divisions are producing. Socio-economic deprivation brings out the worst in people. It's hard to feel solidarity if you can't feed your children. And this is something that we need to fight against together. One of the key fights, of course, is writing off of debts internationally which cripple even the most well-meaning governments' ability to support the basic needs of their populations.

AS: Eric, who is the actual holder of the debt on Ukraine? How does it break down by IMF, World Bank, among the different countries—the U.S. or the European Union?

The European Union and the European Central Bank brought catastrophe to Greece. They seem to be doing something equally devastating in Ukraine. Is there criticism that can be mounted against the European Union, the IMF, and World Bank to puncture the illusions and any kind in the economic arms of Western imperialism?

ET: The IMF, The World Bank, and the European Investment Bank have investments that total more than \$20 billion of the Ukraine external debt. Countries like Germany, France, and Italy of the European Union are bilateral creditors. The European Commission has a plan of assistance to Ukraine. There are bilateral arrangements with the USA, Russia, and China. Although it is not exactly clear the amount due to China, it appears to be around \$5 billion. For Russia, it is about \$3 billion. And there are private bondholders like BlackRock. BlackRock is the main investor in Ukrainian external bonds—sovereign bonds. But there are other investment firms and banks.

I mentioned that there is a suspension of payment until 2027. But there is an exception for the IMF and the World Bank. The payment to the IMF and the World Bank are keeping on because they maintain their seniority as a creditor. The IMF has invented a form of maintaining the reimbursement to them without asking Ukraine pay directly. I'll explain.

The IMF has made an agreement with the G7 and the European allies of the G7 inside the IMF. This includes Belgium, the Netherlands, Lithuania, and Finland, among others. These countries are giving money to the IMF through a trust fund to pay back what Ukraine should pay to the IMF. This is the same with the World Bank. It's totally scandalous. I am in the process of writing an article that will show the list of the payments to the IMF quarter-by-quarter in 2022, '23, '24, '25, and '27.

Concerning the energy crisis, the expenses of the European Commission in confronting the energy crisis of 2020-2022 and beginning of 2023 is ten times the loans given to Ukraine. And this money is given to the big corporations. This helps explain the superb profits of the big Western corporations who are exploiting gas and oil. The European commission is presenting itself to the European public as being generous for the people suffering from the Russian invasion. In reality, this is pure rhetoric. These are loans to Ukraine, which means more debt for the Ukrainian people, and a gift for the big corporations of the energy sector in Europe.

AS: Sushovan, when you look at the situation of Ukraine, it's subject to military invasion. It's also subject to Western economic imperialism. You would think that there would be a spontaneous sentiment in the Global South of identification with Ukraine's struggle for liberation and against debt. But as we've seen, there's an enormous debate within the Global South governments and people about Ukraine, whether it should be supported in its struggle for liberation. Michael Karadjis laid this out in a really important [article](#) which was recently reprinted on Commons where he showed the gap between what the governments are saying and what the people are thinking.

I think all of this is important in the run-up to the [BRICS Summit](#) which is going to be happening in South Africa later this year [August 22-24] where a lot of government representatives have taken either a neutral or a somewhat uncritical posture towards the Russian invasion and haven't expressed solidarity with Ukraine. Could you comment a little bit about the debate, what you think should be advocated from the position of the Global South vis-à-vis Ukraine.

SD: There are very complicated debates which are going on at this time. I will tell you about India. It's not openly opposed to the Russian invasion; neither has it gone into the Russian camp very openly. It's an ambivalent position. It's been buying Russian oil at a cheap price. It's taken every advantage that it could take from the war.

It's very difficult to deal with the thing in the BRICS. China and Russia are very strong blocks. I don't think the BRICS are going to take a position. I think the BRICS are going to more or less toe the Putin and Xi Jinping line. They won't go like the G20, where Russia's war [was condemned](#); in G20, it's more where the Western countries dominate. These are different platforms where various diplomatic wars are being played out, with very ambivalent positions of different countries.

Globally, of course, there is a huge solidarity with the Ukrainian people. But there's also a sort of reaction against Western imperialism because it has created precedents in many parts of the world, including the whole Arab world, Asia, Southeast Asia, and Latin America. Unfortunately, because of this, the Ukrainian people are getting held hostage to that reaction. Much of the whole progressive Left is lost. There is a huge amount of confusion within the Left. Some of them essentially defend the Russian position and place all blame on NATO expansion and the imperialism of the United States.

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It's very shameful to see people supporting war, especially among notable and well-meaning people from the Left who are otherwise in solidarity with many struggles around the world. The same

people who are supporting Russia are also supporting Chinese loans in Africa. It's a very complicated thing. On the one hand, there is a general sense of solidarity with the Ukrainian people. On the other hand, there's also a danger of Russophobia, especially in western Europe and other parts of the globe. It's like walking a tightrope: there is a need to oppose Chinese imperialist expansion but we also need to be careful it doesn't turn into Sinophobia. Certainly the major task is building the global solidarity movement.

AS: Yuliya, regarding the resistance within Ukraine to the debt and the neoliberal terms of the projected reconstruction, we've read about the trade unions in the country trying to resist Zelensky's restriction of labor rights. Can you give us a sense of the awareness of regular people about the kinds of problems of debt and neoliberal reconstruction—and the potential of resistance to it—even in the war conditions that people are suffering through?

YY: The issue of debt in Ukraine is not new. It's a problem that has been accumulated and aggravated over the years. It first became a national scandal when the global financial crisis finally reached Ukraine—already in 2009. The IMF was in a position of imposing wholesale conditionalities for restructuring different sectors, including devaluation of currency on three different occasions.

The IMF is quite familiar to the average Ukrainian. They come with conditions and with the whip. Indeed, Zelensky played a comedic role during his presidential electoral campaign. It was called *Servant of the People*. He played a teacher who was openly talking against the IMF within Ukraine. If it gets to the point of that kind of trope, you get an idea how familiar people are with the role the IMF plays. But there is also a very strong understanding of the restrictions and the straitjacket binding policymakers in Ukraine because of those conditionalities.

A few of my friends have been doing interviews with internally displaced persons and with refugees. With these stories there is a very clear understanding of who is the aggressor in this war. There is a very clear understanding of who oligarchs are and what their role is. There is a very clear understanding that the U.S. has also played a role in all of this: "We don't like NATO, but we need NATO weapons." There is very clear material understanding of all of these complex things that we address in theoretical language.

It's simply fantastic to see how much clearer every person's understanding is compared to some of the people who we used to call comrades before this war started. The situation is much clearer to the average Ukrainian, and to grannies and grandpas on the front line. This is communicated through their interviews. They see things clearly, but they also understand the restrictions. If relations are broken, there is a collapse of trade relations which leads to a collapse of all sorts of different things. So, there is a very sober view of what is at stake.

There is an understanding that what is happening is wrong. There is an understanding that it needs to change. There is a very strong popular demand for an alternative political force. There are indeed a lot of activists and organizations. There are anarchists, there are socialists, and there are feminists and LGBTQI activists—who are instrumental in terms of helping displaced persons during the first waves of displacement and later—and who also know about different policies that need to be fought for and what kind of change is needed, including that the conditionalities attached to debt need to end. Household indebtedness is also part of irresponsible and criminal extortionate policies and cuts. So, there is that material understanding.

There is a popular demand for socialism whose name we dare not say because of what Russia does with the narrative. It's not because all Ukrainians are right-wing. They are not. It's because of what Russia did with the Soviet legacy. In the conditions of war, where it's, "Let's make the USSR a reality again," of course you're going to be rejecting it. But if you ask people what they want, they

want social provisions, they want state funding. They want what socialist public and economic policy is. And they understand that the IMF comes with the whip. They understand that the West has its economic interest and they're trying to plunder the country. They also know that the oligarchs are playing the same game, just under a different flag with a number of different passports.

There are groups that are fighting for socialism. A group that I'm a member of, [Sotsialnyi Rukh](#) (Social Movement), has been working with different political organizations and activist organizations around the world. We have been working with people on this call on the campaign to write off Ukrainian debt and also popularizing the narrative that Ukraine is just one of the many countries that is under debt discipline and should be building solidarities with other working people around the world who are being extorted by private lenders and international organizations.

There are campaigns and popular demands for all of this. There are also political organizations who are working to build coalitions. They are popularizing the narrative in Ukraine and abroad—and building solidarity so that this international fight and movement breaches the divides that have been pushed on to us through capitalist narratives and their dominance in the popular press. We are doing this so that we can kick out our heads, and kick them out of our governments, and take back the means of production and the planet so that we have it for ourselves.

AS: In closing, I want to thank our sponsors, the Ukraine Solidarity Network in the United States as well as Haymarket Books and in particular Sean Larson who did the invaluable technical work that is often unappreciated by people around the world. Amanda Lundberg did the captioning so that people with hearing difficulties can participate in the panel.

The [Ukraine Solidarity Network](#) in the United States will be sponsoring a [speaking tour](#) this coming September entitled: "Resisting Russian imperialism: Ukraine's struggle for self-determination." It will feature Alona Liasheva, who is from Yuliya Yurchenko's group, Sotsialnyi Rukh, and is also part of [Commons](#) journal. She will be joined by Ilya Budraitskis in New York and Chicago and in the Bay Area by Ilya Matveev. That speaking tour will commence at the [Socialism 2023](#) conference in Chicago. If you want to see them live and in person, be there at Socialism 2023 in Chicago, or see them in New York or the Bay Area. And keep an eye on announcements from the Ukraine Solidarity Network for those events.

Ashley Smith
Yuliya Yurchenko
Eric Toussaint
Sushovan Dhar

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P.S.

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