

By Alec Luhn

*Economic minister's resignation plunges Ukraine into new crisis  
Aivaras Abromavičius and his entire team quit complaining of ingrained corruption, a  
major blow to president and government*

*Відставка міністра економіки занурює Україну в нову кризу.  
Айварас Абромавічус та вся його команда скаржиться на глибоку корупцію, що  
завдає серйозного удару по президенту та уряду.*

*Після заяви міністра економіки про свою відставку та вкорінення корупції, яка стає основною  
перешкодою для країни на шляху реформ, Україна поринула у нову кризу. Зокрема,  
Абромавічус завив, що корупціонери у високих коридорах влади блокують просування  
системних реформ і намагаються отримати контроль над державними підприємствами, що  
підпорядковані міністерству.*

<http://www.theguardian.com/world/2016/feb/04/economic-minister-resignation-ukraine-crisis-aivaras-abromavicius>



Ukraine has been thrust into a new political crisis after the economic minister and his team tendered their resignations complaining of ingrained corruption, which has replaced the simmering separatist conflict as the country's main obstacle to reform.

The economic minister, Aivaras Abromavičius, resigned on Wednesday, and was followed on Thursday by his first deputy, Yulia Kovaliv, and the rest of his team. Two deputy ministers and Ukraine's trade representative have also resigned. The parliament has reportedly begun debating whether to accept the resignations.

Parliamentary speaker Volodymyr Groysman on Thursday warned that Ukraine was "entering a serious political crisis", calling for the government's coalition agreement to be rewritten with a new plan for economic growth and the reform of the judicial and electoral systems.

A former fund manager born in Lithuania, Abromavičius was one of a group of reform-minded foreign officials hired for their international experience and lack of local corruption networks after a pro-western government took power in 2014.

His resignation letter on Wednesday marked a major blow to the president, Petro Poroshenko, and the coalition government, who have come under increasing fire for the slow pace of reforms. The International Monetary Fund has been holding up a \$1.7bn bailout to demand harsh cuts to the pension system and a stronger fight against corruption.

Abromavičius said in the letter that corrupt officials had blocked systematic reform and were attempting to gain influence over state enterprises such as natural gas company NAK Naftogaz, which Abromavičius's ministry began to manage in December.

"Neither I nor my team have any desire to serve as a cover-up for the covert corruption, or become puppets for those who, very much like the 'old' government, are trying to exercise control over the flow of public funds," he said.

In particular, Abromavičius accused MP Ihor Kononenko, who is deputy head of Poroshenko's faction and has often been described as the president's "grey cardinal", of attempting to install cronies in the management of several state companies and a deputy economic minister in charge of Naftogaz. Kononenko called Abromavičius's allegations "an attempt to blame lawmakers from our party for a failure to solve issues", news agency Interfax-Ukraine reported.

Poroshenko looked to be in full damage-control mode on Wednesday and Thursday, meeting with Abromavičius and then ambassadors from the G7 to discuss the government's plans. Promising an investigation, the president said on Facebook he had asked Abromavičius to stay and that the minister "went to think". Ukraine's anti-corruption bureau later said it had opened a criminal investigation into Abromavičius's complaints.

A sign of increased infighting in Kiev, the resignation letter will likely alarm foreign investors as well as the EU and US. On Wednesday, Ukraine's Eurobonds slumped on the back of the news. Ten western ambassadors including those of France, Germany, the UK and the US have spoken out in support of Abromavičius in a statement.

Kiev-based analyst Volodymyr Fesenko said although the scandal would harm Ukraine's image and was unlikely to result in the dismissal of implicated officials, it had forced the president to support his minister against business interests. He said the new government that many expected to be formed in the coming months would need to include more reformers like Abromavičius.

"This scandal showed that Ukraine still has a big problem with the influence of big business on the economy and government," Fesenko said. "Unlike many countries in Europe, we have a very close connection between big business and government, they're like Siamese twins."