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New Trade Union World Briefing - Ukraine

Ukraine: gas crisis eases the miners' great depression

Brussels, 30 January 2006 (ICFTU OnLine): The cut off in the supply of Russian gas to Ukraine on 1 January 2006 has reopened the debate on the country's energy independence. Could the huge coal reserves in Ukraine's subsoil help to build this independence? Ukraine's mining trade unions believe so, but are also well aware that most of the mines are in a growing state of disrepair and require massive investment. Their dilapidation - the result of bad management of the State mines and the machinations of oligarchs bent on making a quick fortune - has also contributed to making Ukrainian mines amongst the most dangerous in the world.

In 2005, 157 workers died as a result of accidents in Ukrainian mines, 7768 were injured. Thousands of retired miners continue to toil in the pits, as their pensions are too low to provide them with a decent standard of living. Women and children are working in the clandestine mines that are proliferating wherever coal can be found close to the surface. All of this under the gaze of the unscrupulous businessmen who have become powerful "oligarchs" by exploiting the numerous flaws in the Ukrainian authorities' management of the mines. Having made their fortunes, they are now investing in their own businesses, such as football clubs.

Entitled "Ukraine: the miners' great depression", this Trade Union World Briefing (<http://www.icftu.org/displaydocument.asp?Index=991223357&Language=EN>) released today by the ICFTU sheds light on the disastrous social situation in the coalmining region of Donbass in southeast Ukraine. Its towns and cities are now referred to as "depressed", having lost their economic heart with the closure of the coalmines and the subsequent sharp decline in social services, which had until then been provided by the mine (such as road maintenance, funding for schools and nurseries, etc.). There were 1.2 million mining jobs in Ukraine when it became independent in 1991. Today, there are only around 300 000. Many ex-miners have had to resort to leaving the country.

The Ukrainian government wants to privatise all the coalmines still in operation, to the great dismay of the mining unions, who consider the public authorities to be the only viable investor, given the massive injection of funds needed to renovate the mines, which will only start to make a profit after several years. For the unions, the authorities' bad management is responsible for the growing dilapidation of most of the State mines, and their consequent lack of profitability. The corruption of all too many bureaucrats at all levels has allowed oligarchs to amass fortunes at the expense of the mines and their workers. "Some privatisations were handled by groups of people in power who considered the State budget to be a supplement to their own businesses," affirms Volodymir Novikov, Ukraine's deputy minister of fuel and energy. Only 10 out of 167 mines, that is, those requiring very little investment to become profitable, are currently in the hands of serious private investors.

This new Trade Union World Briefing also raises the question of Ukraine's energy independence. Following Russian gas giant Gazprom's suspension, on 1 January, of its supplies to Ukraine, owing to a disagreement over prices, the Ukrainian energy ministry notified three power stations of the need to replace part of the gas with coal.

Although a solution has, in the meantime, been found to this crisis in relations between Russia and Ukraine, the episode has rekindled hopes in the Donbass region, where the mining unions believe that Ukraine has sufficient coal reserves to be energy independent. Major economic and ecological challenges will nonetheless have to be taken up if the Ukrainian government commits to this path.

(*) To read the Trade Union World Briefing : "Ukraine: the miners' great depression":
<http://www.icftu.org/displaydocument.asp?Index=991223357&Language=EN>

The ICFTU represents 155 million workers in 236 affiliated organisations in 154 countries and territories. ICFTU is also a member of Global Unions: <http://www.global-unions.org>

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