

Thousands of Ukrainians protest Kiev regime's draconian utility price hikes

Alex Lantier
25 May 2015

Protests are mounting against decisions by the NATO-backed regime in Kiev to drastically increase prices for energy, water, and other basic necessities. Protesters reportedly set up a mock gallows near government buildings in downtown Kiev this weekend. The protests follow a march on May 16 of an estimated 5,000 people in Kiev to protest the price hikes.

The right-wing government in Kiev is slashing spending on subsidies to basic goods to funnel the money to the Ukrainian regime's Wall Street creditors and boosting military spending on the war against Russian-backed forces in east Ukraine. As a result, consumer prices for basic necessities are skyrocketing.

On May 1, hot and cold water prices rose by 71 percent. A month before, natural gas prices had increased by 285 percent, passing from just over 1,000 hryvnia (US\$48.20) to over 4,000 hryvnia per thousand cubic meters of gas.

Ukrainians were already struggling to pay their utility bills, with one report in January showing that nearly 30 percent of Ukrainians were unable to pay their bills after utility rates rose 35 percent last year and prices for food, transport, and medicine increased between 50 and 200 percent. Now, broad layers of the Ukrainian people are threatened with destitution.

Protesters at the May 16 rally in Kiev carried signs denouncing the government, such as "[Prime Minister Arseniy] Yatsenyuk means poverty for Ukraine."

On May 21, protesters set tires on fire outside the Ukrainian parliament in Kiev, clashing with police and fighting to gain entrance to the parliament.

The protesters came from the "Financial Maidan" movement, which is demanding that private loans taken out by Ukrainians in foreign currency be restructured, based on the exchange rates before last year's NATO-backed putsch installed the current regime in Kiev. Now, after the hryvnia collapsed from roughly 5 to 20 per US dollar, the cost of servicing foreign loans owed by private

citizens has quadrupled.

Social anger is rising in Ukraine at the reactionary and undemocratic policies of the Kiev regime, which is plundering the country's economy in the interests of international banks and a handful of multibillionaire oligarchs in Ukraine. There has been widespread draft dodging against attempts to conscript western Ukrainians to fight Russian-backed forces in east Ukraine, as well as protests by coal miners who lost their jobs as industrial subsidies were withdrawn and mines were forced to close.

Already in March, a poll by the Kiev-based Research and Branding Group found that 58 percent of Ukrainians disapproved of President Petro Poroshenko's performance, and only one-third supported him. Yatsenyuk was even more unpopular, with only a 24 percent approval rating. Only 8 percent of those polled said they thought Ukraine was going in the right direction.

This is a devastating verdict on the reactionary character of the putsch launched last year with the backing of Washington, Berlin, and the European Union (EU) to install a pro-NATO, violently anti-Russian regime in Kiev. The move plunged the country into a civil war that has claimed at least 6,000 lives, forced 1.5 million people to flee their homes, and cost billions of dollars, even as Ukraine's economy and currency collapsed.

The putsch was the outcome of a series of rightwing, pro-EU protests on Independence Square (Maidan), billed by its Western backers as a struggle for democracy against the pro-Russian regime of President Viktor Yanukovich. He had refused a deal with the EU in 2013 calling for precisely the type of deep subsidy cuts and looting of the population now being carried out by the Kiev regime. Yanukovich feared that popular opposition to this agenda would lead to the collapse of his government.

In response, the CIA and its European counterparts mobilized anger in a thin layer of the urban middle classes

in Kiev and western Ukraine desperate to join the EU. With protests by a few tens of thousands of people, backed by US and EU officials and fascist anti-Russian gangs such as the Right Sector, they succeeded in defeating riot police and toppling Yanukovich's regime.

The far-right regime in Kiev, which enjoyed no backing in the country's industrial heartlands in east Ukraine that are economically and culturally tied to Russia, plunged the country into civil war. The result has been the social and economic disintegration of Ukraine, and the emergence of a proxy war in Ukraine between NATO and Russia that threatens to erupt into an all-out global war.

The current protests in Kiev are an initial expression of the deep opposition that exists in the working class in Ukraine and internationally to the reckless warmongering and financial looting carried out by the Kiev regime and its NATO backers.

Ukraine's first-quarter gross domestic product fell by a stunning 17.6 percent over last year, and is expected to fall a further 8.5 percent this year. Ukraine has also been devastated by the cutoff of relations with its main trading partner, Russia. Production in the war-torn provinces of Donetsk and Luhansk, previously centers of the country's heavy industry, has fallen by 50 and 87 percent, respectively, according to *Der Spiegel*.

A fifth of civil servants are to be fired, pensions have been slashed, and state spending has been cut 17 percent, further undermining the economy.

Nonetheless, US and European investors are demanding that Ukraine continue to pay back billions of dollars in loans, bleeding it white. Last week, a consortium of financial firms including Franklin Templeton Investments, T. Rowe Price, TCW Group, and BTG Pactual Europe announced it was in talks with Kiev to avoid taking any losses on their holdings of Ukrainian debt.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact