

Protests against utility hikes in Kiev

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Thousands of demonstrators took to the streets of Kiev on Wednesday to protest against recent utility price hikes. Participants, whose numbers were estimated at between 5,000 and 20,000, blocked roads and marched through the center of Ukraine's capital, gathering in front of the building that houses the Cabinet of Ministers. Police and national guardsmen kept watch over the demonstration.

On July 1, the government doubled the cost of hot water and heating, just months after imposing significant increases in the cost of gas and electricity. These latest moves follow repeated utility price hikes over the course of the last two years that have resulted in a near tripling of costs for basic services since late 2013. Electricity prices are set to rise again in September.

The International Monetary Fund, holder of the purse strings on a \$17.5 billion bailout package, insists that Ukraine bring the cost of utilities up to so-called market levels.

Protesters at Wednesday's march demanded the immediate rescinding of the price hikes, as well as an increase in wages to meet the legal minimum of 3,067 hryvnia (\$123) per month and the boosting of pensions and other social benefits. They held aloft signs that read, "Utility tariffs—terror against the people," and "The growth of tariffs—a step towards destitution." Media coverage reported chants of "European salaries for European prices."

Head of Ukraine's National Commission for Energy, Housing, and Utilities Services Regulation, Dmytro Vovk, made clear on Wednesday that from the standpoint of the government the populace had nothing to complain about as the cost of household electricity in leading European countries is 10 times higher than in Ukraine.

According to activists, 30 to 40 percent of a Ukrainian family's income is spent on utilities. This

immense burden has been exacerbated by a general rise in consumer prices, which have increased by 79 percent over the last two years. In 2015, overall inflation stood at 43.3 percent and the value of the hryvnia fell.

There are widespread expectations of further increases in the near future in the costs of foodstuffs—dairy products, water, beer, and sweets, among others—as the government prepares to pass new sales tax legislation. One industry analyst predicts that this will take a further 500-800 hryvnia out of the average family annual budget (\$20-32 US), in a country in which the average monthly wage is \$200.

Eighty percent of the Ukrainian population now lives on less than \$5 per day, a United Nations measure of basic poverty. There has been a dramatic fall in the production of bread and baked goods over the past five years, a decline attributed to slumping demand driven by spreading poverty. Ukrainian workers frequently do not get paid, with wage arrears in the country rising by over 42 percent last year.

In an interview in late June with the *Kyiv Post*, a miner from the country's northwest explained that miners are basically double-charged for electricity; first they do not get paid for their work digging coal and then they get gouged paying for the electricity produced with the coal they extracted.

On Wednesday, Ukrainian Prime Minister Volodymyr Groysman met with leaders of the Federation of Trade Unions, which organized the demonstration. "Common language has been found," he tweeted, while giving no indication that the government had any plans to reverse course.

Despite efforts on the part of Ukraine's trade unions to keep a handle on the situation, discontent in the country continues to grow. In recent remarks, former utilities minister Aleksei Kucherenko predicted a further intensification of social protests during the fall. "For the moment, people have only received their hot

water bills,” he said. “After this, electricity prices will rise by nearly 30 percent starting from the first of September. And then they’re going to see their heating bills. And there’s going to be an entirely different reaction.”

The relentless assault on the living standards of the Ukrainian working class is a direct outcome of the right-wing, US-backed coup executed in Kiev in 2014. Taking advantage of broadly felt dissatisfaction with the corrupt regime of Viktor Yanukovich, which was supported by Russia, Washington and Brussels mobilized far-right forces in Kiev on the basis of virulent Ukrainian nationalism, anti-Russian chauvinism, and commitment to market austerity.

The result—rather than ushering in a new era of democracy, as was claimed at the time—has been a disaster for millions of ordinary Ukrainians, 9,500 of whom have been killed during the conflict in the Donbass, 1.7 million who have been turned into refugees, and tens of millions who have been transformed into paupers.



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