

# Heading Towards “Financial Maidan” in Ukraine? Inflation, Rampant Unemployment, Human Misery

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Theme: [Global Economy](#), [Poverty & Social Inequality](#)

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*Ukraine's economy is a sinkhole of economic Depression. It's teetering toward collapse.*

Its Q I GDP plunged 17.6% year-over-year. It's down 6.1% from Q IV 2014. Ten of the last 11 quarters saw economic contraction. Kiev depends on outside aid to keep operating.

Inflation is out-of-control. *The Financial Times* reported it reaching 61% in April. Its hryvnia currency is headed toward becoming worthless toilet paper. It's worth less than 5 cents to the dollar. Adjusted for its decline, real inflation tops 270% year-over-year.

Living standards are plunging. Poverty is a growth industry. So are unemployment, underemployment and human misery.

Most Ukrainians struggle to get by. They can't make ends meet. Skyrocketing prices makes basic goods and services unaffordable.

IMF diktats exacerbate already untenable conditions. They include laying off government employees, wage cuts, abolishing pensions for some retired workers, freezing them for others, and major cuts in other social benefits en route to eliminating them altogether – a prescription for economic collapse and perhaps Maidan II.

Corruption is out-of-control. Grand theft is standard practice. Government, military and business officials are on the take. Lucrative schemes are created to plunder the state budget.

Ordinary Ukrainians suffer hugely. An billionaire oligarch class amassed enormous wealth – gotten the old-fashioned way by stealing it.

At the same time, millions of dollars are spent daily waging war on Donbass. Ukraine budgeted \$5.4 billion for so-called defense and national security at a time it's bankrupt and can't pay creditors.

A [previous article](#) discussed its declared debt moratorium – a step toward default except for IMF loans.

Growing numbers of Ukrainians are justifiably angry. Intermittent protests erupted since late last year – the latest this week.

Crowds demonstrated outside parliament in Kiev. They burnt tires. They tried breaking into the building. Clashes with police erupted. Arrests and injuries followed.

Ukrainians are angry over economic crisis conditions affecting them hugely – including soaring prices, rising unemployment, poverty or sub-poverty wages for workers lucky to have jobs, lost social benefits, unchecked rampant corruption, and regime officials doing nothing to alleviate things responsibly.

At the same time, taxes are rising, hiked gas prices are unaffordable for millions, and tuition fees were imposed for the first time.

Protesters oppose regime cost-cutting measures. They want legislation regulating bank credit and deposits. They want refunds on depreciated deposits in banks hard hit by economic crisis conditions.

They demand legislation allowing loan repayments at the same exchange rate in place when gotten – 5 hryvnas to the dollar instead of over 20 currently.

Parliament so far failed to pass legislation mandating it – or anything else helping ordinary people.

They demand National Bank of Ukraine chairman Valeriya Hontareva resign. They want prime minister Arseniy Yatsenyuk and finance minister Natalya Yaresko replaced.

“Out with the gang,” protesters shouted. Some vowed to stay the course until their demands are met.

During a December 2014 anti-regime demonstration, one participant said “(i)f our demands are ignored, we are ready to take radical measures.”

“We are addressing you, the servants of the people. You have already done everything, so that we don’t have anything more to lose.”

Viktor Medvedchuk is a former Leonid Kuchma regime head of presidential administration. He heads the Ukrainian Choice political organization. He opposes EU membership. Putin is his daughter Darina’s godfather.

Months earlier, he said Kiev “authorities have failed to learn anything from the Maidan. The government and the people are again on the opposite sides of the barricades.”

Moscow-based Institute for Social and Political Research Sergey Markov believes Kiev won’t let protests reach critical mass.

Legislation passed late last year permits “isolat(ing) trade union leaders and organizers of protests from society, while the protests will be suppressed violently,” he said.

Police states operate this way. Polls show growing dissatisfaction with Poroshenko.

Kiev-based Center for Social and Labor Research sociologist Volodymyr Ischenko says “(m)any people are starting to speak quietly about the idea of another Maidan – maybe not at the senior political level, but by regular people in everyday discussions.”

"The economy will deteriorate more and we are about to see huge energy price increases. This will affect not just the poor but the middle class as well, and the question is how long society will tolerate this?"

The ingredients for social upheaval are evident. Another Maidan may be just a matter of time – with perhaps no better outcome next time than in February 2014.

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