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Is There Another Maidan Brewing in Ukraine?

By Josh Cohen

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Since the parliamentary elections in October and recent events in eastern Ukraine, the Ukrainian people have been largely focused on the perceived external enemy in Russia. At some point, however — especially if the Minsk II cease-fire continues — Ukraine's citizens will turn their gaze inward toward Kiev — and they might not like everything they see.

Ukraine's economy is currently in a state of collapse. After shrinking 7.5 percent last year, Ukraine's economy is now projected to contract by another 6 percent in 2015. Not surprisingly, the effects of Ukraine's economic problems are largely borne by ordinary people.

The average monthly salary at current exchange rates is only $170, and headline inflation is nearly 30 percent. Even worse, according to a study by the Cato Institute, when the collapse in the value of Ukraine's currency is taken into account, the real inflation rate is 272 percent — meaning that Ukraine is at risk of experiencing hyperinflation that would devastate Ukrainians' spending power.

Unfortunately, these numbers may not even tell the full story of what Ukraine's people are facing. As a result of a stringent austerity program mandated by the International Monetary Fund, Ukraine's parliament has already enacted sharp cuts in pensions and other social income support expenditures for retirees and public employees, frozen Ukraine's minimum wage and cut public sector wages.

Meanwhile, in the energy sector, the price of gas used by consumers is expected to triple, which threatens to make gas and utility bills — not to mention basic necessities — unaffordable for millions.

The flip side of this is that Ukraine's citizens will want to see real improvements come out of these painful reforms, particularly in the fight against the corruption that Ukrainians see on a daily basis. Ukraine was judged by anti-corruption NGO Transparency International to be the most corrupt country in Europe in 2013 and a key impetus for the Maidan revolution was the desire to bring an end to what had become a predatory mafia state.

Unfortunately, however, progress in the fight against corruption remains uneven at best. In August 2014 Tetiana Chornovol, one of Ukraine's most prominent anti-corruption advocates, resigned as head of the government's National Anti-Corruption Committee. In a widely read article on the website of Ukrainska Pravda titled ''Goodbye Cabinet of Ministers,'' Chornovol slammed the post-Maidan government, asserting that "there is no political will in Ukraine to carry out an uncompromising, large-scale war against corruption."

By all accounts, while the government is no longer blatantly run as an organized mafia state, corruption remains endemic throughout Ukrainian society. In a recent interview with Ukraine's EMPR Media, Tomas Fila, head of the European Business Association, asserted that the post-Maidan ruling parties continued to remain involved in corrupt activities.

Fila's concerns are demonstrated by the scandal surrounding Ukraine's tax service. Amid much fanfare, 36-year-old investment banker Igor Bilous was appointed to head the tax service in March 2014. Bilous epitomized the type of young reform-oriented activists of the Maidan protests. Less than a year later, however, Bilous was fired amid allegations that his inspectors were colluding with police and prosecutors in a variety of corrupt schemes.

This is not to say Kiev has taken no steps to fight corruption. Ukraine has created a new anti-corruption law enforcement bureau which will operate as an independent national law enforcement agency with authority to investigate government officials at all levels from the president on down. Government officials are also now required to annually disclose financial information that will be publicly accessible. These steps have the potential to help.

The challenge is one of perceptions. According to a survey by the Kiev International Institute of Sociology (KIIS), a wide majority of Ukrainians believe the level of corruption has either not improved or even gotten worse. "90 percent of people are dissatisfied with how Poroshenko has performed in the fight against corruption," said KIIS general director Volodymyr Paniotto.

The risk is that Ukrainians will be much less inclined to suffer economic austerity themselves if they believe that government officials are carrying on with business as usual. Volodymyr Ischenko, who studies social protest movements in Ukraine at the Center for Social and Labor

Research in Kiev, has already observed rumblings of social and economic discontent within Ukrainian society.

Ischenko has collected data on public demonstrations from August 2014 and the end of 2014, and he has seen some striking differences. Whereas the earlier demonstrations were generally pro-Ukraine and anti-Russian — what Ischenko termed "patriotic demonstrations" — by the end of 2014 Ischenko was observing a far greater number of protests against social and economic conditions in Ukraine.

"Many 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?" said Ischenko.

Ischenko cannot predict exactly when Ukraine may see additional widespread social upheaval, but he worries that the spark could come from the right wing private militias who have carved out a tremendous amount of autonomy for themselves due to the weaknesses of the Ukrainian state and military.

Many of the most controversial battalions have already intimated that they could overthrow the existing government if conditions in Ukraine do not improve. Azov has promised to "bring the war to Kiev," while Aidar militants recently tried to storm the Defense Ministry to protest plans to fold the battalion into the regular military.

Kiev Prosecutor Sergei Yuldashev has even publicly stated that he's worried about Aidar trying to mount a coup at some point. Meanwhile, the Donbass Battalion's commander Taras Konstanchuk threatened parliament's deputies, saying that "until we start controlling what they actually do, nothing will make sense. We should come into the building and say: What kind of laws are you adopting, you lazy bums? There's only one way you'll leave here, and that's feet first."

"If there is another Maidan, right-wing forces would play a leading role," said Ischenko, "they would attack the government for not 'defending the nation' plus for causing for poverty and a social crisis. Between corruption, the economy and the nationalist right, the rough ingredients for another big upheaval exist — it reminds me a bit of 1930s Europe during the Depression," concludes Ischenko.

It's important to note that none of this means mass upheaval is right around the corner. Although anti-austerity protests by ordinary citizens have increased, to date Kiev has managed to keep the lid on widespread social unrest.

If there is a "Maidan 3," however, its shock troops may not be the type of young democratic activists favored by the West.

Josh Cohen is a former USAID project officer involved in managing economic reform projects in the former Soviet Union. He contributes to a number of foreign policy-focused media outlets and tweets at @jkc_in_dc

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