

Mass protests by Ukrainian entrepreneurs against a new tax law

On 16 November, in Kyiv and many other Ukrainian cities, protests took place on a scale not seen since 2004. In Kyiv more than thirty thousand people from throughout Ukraine protested in front of Parliament; in Khmel'nitski there were around 10,000, and in at least six other cities the numbers of protesters reached several thousand. Representatives of small and medium businesses were protesting against a draft tax code being considered by parliament.

Regardless of whether the protest action proves to be effective, it creates a new quality in Ukrainian public life, the more so as the protests were not organised by any political party.

The new tax code is intended to replace the set of existing laws, and provides for numerous changes which will make life harder for small entrepreneurs, primarily merchants. The most important change is the removal of the lump-sum tax and the restriction on the use of simplified taxation. The code also substantially increases the powers which control bodies will be able to use towards entrepreneurs. It is expected to be adopted on 18 or 19 November. The first protests against it took place on 4 November, when a small 'tent city' appeared in the park in front of parliament. These protests have been organised by local small-business organisations, which have rejected a proposal of political support from Yulia Tymoshenko. The protest action has united businessmen from across the country, from Lviv through Donetsk and Crimea.

The current protests, together with the demonstrations against the new labour code, indicate that opposition is building up in Ukraine to the current government's social policy. For the first time we are witnessing interregional action in defence of the threatened economic and social interests of the middle class and hired labourers. <TAO>