

ICPS newsletter

Ukraine needs a government that is sensitive to the needs of society

Strategic goals in the development of Ukrainian society are considered to be as follows: building a democratic society, raising living standards, providing sustainable economic growth, and integration into the European community. A prerequisite to the fulfilment of these fundamental tasks is carrying out administrative and budget reform. Participants of the first seminar on "Public administration and budget reform" conducted within the framework of the project "Ukraine's Future: A Plan for the President" focused on reaching agreement on a strategy for carrying out public administration and budget reform in Ukraine

The main goal of the public administration and budget policy system, according to the seminar participants, is to secure economic growth, efficiently distribute resources, and render state services to the citizens of Ukraine.

Mr. Oleksandr Paskhaver, President of the Centre for Economic Development, is confident that public administrative reform should be started from the formation of a joint political and parliamentary bloc—a body which will be interested in carrying out such reforms and provide linkage between the government and society. It is necessary to create a qualitatively new state apparatus that could make decisions, justify them and apprise policy-makers of the possible consequences of each decision. These tasks should meet the demands of a democratic society, i.e., parliament and opposition are active and freedom of speech is exercised. In the view of Mr. Paskhaver, in order to succeed in public administration reform, it is necessary to assess the technical forces capable of implementing this reform.

Other seminar speakers stressed that during Soviet times, because of the totalitarian nature of the regime, it was next to impossible to think of alternative strategies. So, a Soviet government machine, even if it exists now, cannot provide justified analyses of implementing

During November ICPS, jointly with the Freedom of Choice Coalition and the Coordination and Analysis Center for Ukrainian Business Associations, is carrying out a project titled "Ukraine's Future: A Plan for the President". The purpose of the project is to conduct a broad consultative process with public officials, people's deputies, and municipal leaders, as well as representatives of private business, non-government organisations, think tanks, academia, and independent media to identify policy objectives for promoting economic reforms and the means for carrying them out. Discussion is intended to promote an overall understanding of a development strategy for Ukraine.

This project entails conducting a series of seminars to identify the main points of view regarding important economic policy issues, including:

- public administration and budget reform;
- reforming the education system: improving the quality of human capital;
- reforming the social security system;
- development of small and medium business;
- policies facilitating competition in the agricultural and energy sectors.

The discussion results will be included in a document under working title of A Plan for President, which will be presented to the public on November 19 and published in the following issue of the monthly ICPS Policy Studies journal.

different political strategies.

Seminar participants pinpointed the following weaknesses of the existing system of public administration:

- absence of a political bloc interested in carrying out reforms;
- absence of state machinery capable of making and justifying decisions;
- absence of legitimate centres capable of working out strategies, as well as absence of transparency and feedback;
- absence of public control over decision approval and implementation;
- vagueness of state priorities;
- low quality of program documents;
- absence of responsibility and evaluation criteria for decision implementation.

Effective public administration, noted the seminar participants, is impossible unless the Cabinet of Ministers plays the role of a higher political body whose ministers clearly understand their strategic goals and are able to prove the expediency of such goals to others. It is necessary to create a political bloc responsible for administrative reform and reform in general, that would report to the President and the Verkhovna Rada.

The seminar participants proposed the following measures to improve the public administration system:

- creation of institutional capacity to analyse decisions;
- formation of political parliamentary bloc of a new type;
- creation of a qualitatively new state apparatus;
- focusing the government on achieving strategic goals;
- creation of a state apparatus which is sensitive to the goals of society;
- citizen participation in the decision-making process;
- ensuring openness and transparency for all procedures;
- formation of the government structure according to functional principles at all levels of the executive authority;
- introduction of clear-cut responsibilities on the part of officials for making and fulfilling decisions as well as securing division of authority and responsibilities.

Budget reform is at the intersection of administrative and economic reform. The seminar participants underscored that the main drawbacks of the budgeting process in Ukraine are: non-compliance with the breakdown of expenditures approved by the Law on the State Budget—because of faulty procedures for expenditure planning, as well as the accumulation of budget arrears, due to inflexible planning for the consuming

budget sector. Speakers noted that the Ukrainian budget is unrealistic, expenditure itemisation is not transparent, the principle of budget formation from bottom to top is violated, needs do not correspond to possibilities, and public control over budget spending is absent.

In order to improve the existing budgeting

process it is necessary that thorough analyses be made to (a) justify priority spending items; (b) define goals and set criteria for evaluation of task fulfilment by managing directors in charge of budget funds; (c) introduce procedures for analysing expenditure alternative. ■

A seminar on "Public Administration and

Budget Reform" within the framework of the project "Ukraine's Future: A Plan for the President", was held at ICPS on November 3, 1999. 52 experts participated in the seminar (among them 5 regional experts): 15 officials, 16 representatives of NGOs, 10 international experts and 5 representatives of the mass media.

Educational reform is a prerequisite for economic reforms

The lack of a strategic approach to educational reform threatens Ukraine's very future. New demands on the quality of the education stem from the social goals established for the transition period—development of a civil society and market economy, and providing equal opportunities for individual fulfilment. The second seminar of the project "Ukraine's Future: a Plan for the President" focused on developing proposals to improve the education system in Ukraine

Education has always performed the function of expanding intellectual resources and creating conditions for individual spiritual self-affirmation. In modern society, education is big business—a place where new humanitarian technologies are developed, and an instrument for acquiring new skills and knowledge which are in demand on the world labour market. Education plays an important role in the process of economic development and managing change in society.

Educational reform is a prerequisite for economic reforms, and a method of carrying out a consistent and responsible policy under democratic conditions. Education should become a method of promoting people's welfare and providing regional stability. Awareness of the role of this spiritual component of society is critical in the process of further educational reform.

Unfortunately, a strategic vision of the prospects for educational development under new conditions is absent. And participants of the seminar believe that government bodies that are responsible for management in the sphere of education underestimate the changes in modern life and aim their

efforts generally at the preservation of the high indices of the Soviet education system. No education policy aimed at meeting world education market demands, and no strategies for integrating the education system into the world community, have yet been worked out in Ukraine.

Other problems in the education sphere were also discussed during the seminar. Participants consider that the most acute educational problems are the following:

- absence of an educational development strategy;
- changes in living conditions are not taken into account while drawing up educational strategic plans;
- private sector is not accepted as a strategic resource;
- existing system provides only the accumulation of knowledge but does not teach how to apply such knowledge in practice;
- the system of educational management has not yet been transformed;
- the final product does not correspond to the needs of society;
- society does not understand the role of education;
- existing system of education creates conditions for corruption;
- effective systems for assessing the quality of teacher and institutional work are absent;
- education sphere is insufficiently financed.

To solve this problem, in the view of seminar participants, it is necessary to create primary institutional and organisational conditions to make the transition from a monopolistic-governmental to governmental-public management system in the sphere of education. Public and

parents should be involved in the process of educational reform. The function of government bodies in the sphere of education should be limited to rendering services in the process of defining strategic priorities for the development of education. Seminar participants proposed a number of measures to be taken in order to solve the problems in the sphere of education:

- development of principles of the governmental-public system of management in the sphere of education;
- establishment of educational policy-making institutions which could ensure sustainable development of the educational sector and implementation of economic reforms;
- retraining of all levels of managers in the sphere of education;
- development of the regional labour market as the main customer;
- decentralisation of the system of management in the sphere of education;
- unification of procedures instead homogenisation of knowledge and skills;
- increasing the role of parents' boards in defining school policies;
- increasing budget funds for education;
- public discussion of education budgets;
- reforming the system of teacher training and retraining;
- introduction of new criteria for assessing teachers' work;
- development of private teaching institutions;
- establishing a system of governmental credits and grants in the sphere of education. ■

A seminar on "Educational reform: Improving the quality of human capital" was held on November 5, 1999 at the International Centre for Policy Studies. 53 experts participated in the seminar (8 regional experts among them): 16 officials, 25 representatives of NGOs, 3 international experts, and 1 media representative.

This Week

Development of small and medium business.

The fourth seminar within the framework of the "Ukraine's Future: A Plan for the President" project will be devoted to the subject "Development of small and medium business". The goal of the seminar is to reach an understanding on strategies necessary for promoting the development of small and medium business in Ukraine, which will identify:

- guidelines for promoting the development of small and medium business in Ukraine;
- obstacles to reform;
- approaches to overcoming such obstacles.

Concerning invitations for ICPS's seminars, please contact Larysa Romanenko. Tel. (380-44) 463-5967.

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