

ICPS newsletter[®]

Vira Nanivska: Public Policy Is a Challenge for the New Government

The system of government in Ukraine continues to depend largely on the principles of a central-command economy. In a situation where there is freedom of speech and political competition, this only hinders the development of the country and undermines trust in the country's political leadership. The secret of success of governments in democratic countries is not only in the moral character of their leaders, but in a fundamentally different approach to policy-making that is known today as "public policy." Ukraine needs to seriously change its system of governance and to train its civil servants accordingly. This was the message delivered by ICPS Director Vira Nanivska at the first presidential hearings called "The challenges of freedom"

Through the door of the Maidan, Ukraine entered a new world—the world of political freedom. But it turns out that we don't know how to live in this kind of world and the two main players of democracy in any society—the government and the people—remain deeply soviet. That is, we continue to dictate and to demand that "somebody do something," without taking on any responsibility for the complete and lengthy process of preparing and facilitating decisions right to their carrying out. Failures continue to be considered either the fault of our "enemies" or the result of the "stunted Ukrainian mentality."

A former Prime Minister of New Zealand once said, "I have only one piece of advice for the political leader who has won an election: keep to your strategic functions and remember that your biggest enemies in this task will be your own team, institutional competition within your government, and the press." And this is in New Zealand—a paragon of democratic order and integrity!

These words both shock and reassure. What shocks is the dissonance with our ideas of what democracy means and with our soviet dreams of life in democratic heaven—and the extremely unpleasant realization that this kind of democracy neither exists nor can ever exist. What reassures is that even democratic governments do not possess any magic "right" attitude, that they are the same kind of people as we are, with the very same instincts and problems. The only difference is that they accept their reality and work with what they have.

What, then, do we have and what can we do with it?

The Orange Revolution was a victory for every Ukrainian. Today, no one is afraid of the powers-that-be. Every political force can now live according to the laws of freedom that were fought for on the Maidan. We are free. Our political leaders of whatever color are also free. But the conditions of our everyday existence have not changed.

The "Orange" team came to power with the political will to allow openness and reforms. The radicalness and strategic precision of the new Government's first steps captured our spirits. To destroy the gross corruption of tax holidays and the Customs Service and to eliminate intolerable poverty with one stroke were undoubtedly an excellent notion.

Alas, this political will to reform radically was not supported by any analysis of the impact on all those whom such reforms would affect. The political leadership of the government had no idea of the positions of different interest groups. There were no public hearings among all stakeholders.

The adoption of ill-prepared, poorly publicized policies caused a great blow to Ukrainian society and greatly damaged public trust in the new leadership.

Was the existing government system of information and analysis capable to provide the necessary foundation for political decision-making in the context of free speech and open political competition? No. Did the new Government understand the problem? No, it did not understand this at all. Politically readiness to be transparent did not lead to any reform in the way the government functions or to changes in its decision-making processes. Instead, "openness" translated into the country's top

Dropping Jackson–Vanik benefits US exports and investments to Ukraine more than Ukrainian exports to US markets

The bill to repeal the Jackson–Vanik amendment with regard to Ukraine passed recently by the US Senate will have little impact on the terms of trade between the two countries, as this amendment *de facto* was not applied for many years, says Oleksiy Blinov, an economist at the International Centre for Policy Studies.

The Jackson–Vanik amendment, among other things, prevents an affected country from being granted permanent Normal Trade Relations (NTR). When a country lacks NTR, the maximum import duty rate rises from 30% to 90%.

However, the US president has annually extended NTR to Ukraine since 1997. Thus, when the Jackson–Vanik amendment is permanently cancelled—this requires a vote in the House of Representatives and President Bush's signature—the potential benefits of the US market to Ukrainian exporters will not substantially change.

The Jackson–Vanik amendment also places a ban on credits for US exporters from several state agencies, such as the Export–Import Bank. Thus, its cancellation will directly benefit US companies that want to export goods or to invest in Ukraine.

officials, announcing important government decisions live on television.

The lack of awareness of the fundamental reasons for the new government's failures is a strategically critical problem. Any responsibility or blame is passed off as "sabotage" on the part of political rivals—both among their own ranks and among those of their opponents. And no one is saying a word about how critical it is to reform Ukraine's policy-making machinery or about the need to establish new professional positions in the civil service: policy analyst, policy coordinator, policy manager, public consultation specialist. It's not the people who need to be changed, but the system. People need to be trained.

I can state clearly that we have a severe gap in intellectual capacity in our government in terms of the tasks, content and technologies of democratic transformations.

In the meantime, the main hero of the Revolution, civil society, is becoming restless and impatient. Voters are trying to work actively with the government, but these efforts are creating tectonic pressure. The president and his Cabinet are being flooded with addresses from their citizens. Telephone hotlines and community councils are being organized. But the unreformed command-and-control government machine has no mechanisms for working with representatives of community interest groups. The government is not issuing any public documents laying out its intentions, plans or arguments in favor of a particular state policy—only the traditional soviet “ukases” or decrees, resolutions and bills. Both Ukrainian society and the Ukrainian government urgently need Green and White Papers—by this name or any other—that is, public documents containing the gist of policies that can become the basis for a meaningful public dialog.

The lack of any evident progress has led to an accumulation of negative social energy.

The demand to cooperate is turning into the pressure of debilitating criticism and disillusionment—and, once again, “the Ukrainian mentality” is at fault.

I have to admit that we civil organizations, as much as the government, are not doing our jobs. All our energy is being put into endlessly drafting legislation that is not based on any already-adopted public policies and in demanding and monitoring the government without any analysis of the causes or consequences. We keep shouting that everything is being done wrong and needs to be done properly (I include myself in this), rather than launching meaningful public campaigns regarding specific policy decisions that we are unhappy about. We don't properly analyze state policy and we don't talk clearly about the price that will have to be paid for adopting the wrong policies—or not adopting the right ones. We are not taking the lead in public policy.

My conclusion? Public policy is basic common sense and it cannot be instituted on the basis of declarative tweaks to the completely absurd system of public governance that exists in Ukraine today. This system was built in soviet times on the basis of repression and persecution and today it can only work if it is hand-

managed. What has outlived its usefulness needs to be buried. We should only take with us that which can be useful to us on our path to the future and leave the past behind.

As my last word, I would like, rather than to indulge in “constructive criticism,” to express my gratitude that God has given us all these challenges and that we have had our crises of government because these are the best way to speed up our training in democratic ways, that the next elections are soon upon us and that all are working night and day to win them! In truth, with its bare hands and without any administrative leverage, the Orange team has not yielded an iota in terms of democratic values. And all this depends today on the president, who has not once deviated from the essential.

I would like to wish him strength of spirit and good health.

Thank-you. ■

Vira Nanivska has directed the International Centre for Policy Studies since 1997. She is known as a person who is actively engaged in facilitating the process of state policy-making and of administrative reforms and in working to develop civil society and non-government organizations in Ukraine.

Calling All Interns!!!

ICPS has introduced an ongoing internship program. We will help you get hands-on work experience, to learn about production, or to expand your range of experience working under new conditions on a variety of exciting projects. At the same time, you will be able to apply your knowledge in such areas as marketing, internet, public relations, personnel management, and research. If you would like to participate in our winter internship program, which starts in January and continues for several months, send us your application by 19 December

What we're looking for

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a handbook on ICPS rules and procedures, documenting day-to-day activities. *Note:* candidates must have a degree in HR or related areas, or a strong understanding of HR issues.

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How can I sign up?

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- your CV or other document showing your profession (studies), experience, and educational and work achievements that will help you complete our assignments;
- a cover letter telling us which area of the above activities you are interested in, how you plan to work, what kind of information you need, and what period of time your project will involve.

If you are the right person for ICPS, Yevhen will contact you to set up an appointment.

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