

ICPS newsletter[®]

Wholesale shuffles and reforming the civil service

One of the ways the new Government chose to fulfill priority objectives was wholesale shuffles among personnel at all levels of the civil service. However, so far, this decisive approach has not led to a new level of performance on the part of the state bureaucracy. New people are forced to work in old structures, following old principles and procedures. Ukraine has already developed the necessary regulatory base for reforming the civil service, but this reform is not being instituted

On Monday, 13 June 2005, the Teacher's House in Kyiv hosted a roundtable called "How to overcome corruption and improve the civil service: An HR revolution or systemic reform?" organized by PORA, a civic group, and ICPS. Participants in the roundtable included members of the Verkhovna Rada, representatives of the Government, foreign and domestic think-tanks, and NGOs, independent experts, and the press. The organizers proposed that all stakeholders discuss the root causes of the low level of efficiency and the corruption in the country's civil service and ways to overcome these phenomena.

Ukraine inherited the soviet state machine

Ineffective management accompanied by inevitable corruption is a systemic disease. It has resulted from the way an old state machine following the closed soviet model operates in a new democratic and market environment. The requirement of transparency, for instance, cannot be implemented without changing this model—the way the state decision-making machine operates—and reforming the civil service.

This unreformed state machine manifests itself through the lack of legitimate procedures to lobby for decisions, for interest groups to participate in preparing and implementing policy, and for the public to be consulted on government policy priorities. It results in:

- the intertwining of bureaucracy and business;
- regulatory policy that is oriented towards the interests of powerful lobbies;
- lack of protection for the average person against extortion to get normal government services;

- unresponsiveness or bias on the part of the courts;
 - a dependent and politicized civil service.
- ICPS experts note five key problems with the civil service today:

- no modern law on the civil service;
- an unprofessional and politically engaged civil service, where there is no protection against wrongful dismissal for political reasons;
- the re-emergence of the practice of holding political and administrative office simultaneously;
- no system for selecting suitable candidates for the civil service;
- no clear requirements of candidates taking on civil service jobs and remuneration that is not based on competence and education.

Personnel shuffles alone are not enough

In carrying out election promises to combat corruption and ineffective government, the new Administration has replaced almost all top officials of government agencies, issued a code of ethics for civil servants, launched investigations into corruption among top officials of the old regime, and changed the structure and functions of the highest executive bodies and the Government.

However, radical change in the quality of decision-making processes did not accompany the change of government. Instead, all that was done was widespread shuffles at the management level. Currently, what is needed is not to fight the consequences of the disease, but the causes, that is, the system for organizing a bureaucratic machine that was adjusted to a

centralized plan-and-command economy and cannot provide for the development of a democratic society with a market economy. Personnel shuffles alone are not enough. Ukraine needs radical institutional transformations. If the historically limited window for reform is not taken advantage of now, in future Ukraine is likely to face:

- endless personnel shuffles;
- inconsistent and low-quality public policy;
- conflicts among administrative bodies;
- the impossibility of introducing "e-Government;"
- the impossibility for stakeholders to have legitimate influence on the quality of public policy and services;
- the corruption that results from opaque activities.

Ready reforms need to be launched

The Main Administration of the Civil Service had access to the best world experience to develop its Concept for reforming the civil service and other pieces of legislation. However, the reform that should have been launched already is going nowhere. Possible reasons might be the lack of understanding of the urgency of a management revolution among top Ukrainian officials, the inability of the state machine to reform itself, and attempts to replace profound institutional transformations by mere personnel shuffles.

Without immediate and consistent steps, all the achievements of the "Orange" transformation will be gradually and totally destroyed by the old system of civil service itself. Thus, the first steps need to be:

- publicly debate the current Concept for reforming the civil service and begin carrying out systemic changes;
- immediately introduce policy analysis and public consultation standards in the Government. ■

For additional information, contact Volodymyr Nikitin by phone at (380-44) 484-4400 or by e-mail at vnikitin@icps.kiev.ua.

We need a different kind of administrative-territorial reform

"I'm positive that this reform will be carried out—and I'm equally positive that it will be fundamentally reworked in the process," ICPS Director Vira Nanivska tells Oksana Hrytsenko, editor of the Dialog UA internet-forum, in an interview. It seems that, except for a small number of experts, even the Government has no clear idea of what administrative and territorial reform should achieve

How does the current reform differ from what was proposed before?

This new administrative-territorial reform is coming out of a stronger understanding of why it is needed and a readiness to carry out the necessary changes. Nothing like this happened in the past. Still, in terms of approach, this administrative-territorial reform resembles its predecessors, as its authors are proceeding on a systematic and theoretical basis, without paying much attention to the reality.

In fact, the way any reform is implemented is always different from what was on paper. This difference is the reason why scientific systems often do not translate into systemic solutions. When several reforms fall upon us at the same time, it often turns out that they are completely out of sync with one another. Each of them proposes certain steps and programs. Each creates its own world that happens to not coincide with the real world. In my opinion, this is a big problem.

If we started from the other end—from how the society should function after a given reform and what we can do to make it happen, given fairly limited political and financial resources—, then maybe reforms would be planned rather differently.

Would you agree that it makes sense to take on administrative reform first and then move on to territorial reform?

It seems to me that, first things first, we have to concentrate on the decision-making process. Somehow this reform does not even mention it. The Government has enough enthusiasts drafting bills but, as laws, they ought be a political expression of which system of governance we want to have. First people fight for a law and then they start instituting it, but they can't make it stick because it was not preceded by public debate and political discussion that might have helped us determine: Are we going to have to sacrifice? What will we have to do? No wonder all our laws are broken. Lawyers complain that it's because laws aren't being enforced. However,

people simply don't want to accept laws for which they are either unprepared or underfunded to implement. Once again, the process started from the wrong end.

As to the dilemma about which reform should be implemented first—administrative or territorial—, that's a chicken-or-egg question. It seems that, except for a small group of experts, even the Government has no clear idea of what we want to achieve with this reform or why we need territorial consolidation.

In short, we need to talk about this issue, so that every Ukrainian will understand and want this reform. Now people are saying that we don't need to consolidate oblasts right now, just counties. However, their arguments in favor of this position are easily torn apart by its opponents. Maybe we need to discuss these issues in greater detail and—in my opinion, this is very important—to discuss what is the threat if we fail to reform, what are the risks attached. Nobody goes to a dentist if they don't have a clear sense that, otherwise, they could lose a tooth. It should be the same with reform: if we don't undertake this reform, we're going to face serious problems. And there is no point in talking about how great it's going to be after the reform since all transformations, like surgical operations, are painful and difficult.

What problems will we face if this reform is not implemented? Why do we need this reform anyway?

It seems to me, the text of this reform says a lot more than has been publicized. We need this administrative and territorial reform because we need to change the entire system of public governance. It is absolutely ineffective. At the moment, local governments interfere in matters that are no business of theirs. Yet they take no responsibility for the things that should be their business. And, in the end, they don't provide any services. There are nearly no mechanisms to make local governments accountable. People pay local taxes, but they don't see any improvement in their local infrastructure. This is mortally

ineffective management, moreover management that that spends public money stupidly and ignores social services.

I have a number of questions to the authors of this reform, as I myself don't understand how it will be implemented, what resources will be used, what obstacles might get in its way, or how it connects with other reforms. Right now, it's obvious that the Government is making intense plans to make serious changes in various spheres, although there is no proper coordination so far. At the same time, I can see that the people leading the current Government are reacting quite quickly and accurately to changes and to good advice. I have no doubt that, in a few months, the Government will start coordinating all these different state programs.

You have a lot of questions about how to carry out this reform. Will it really be implemented? Are you absolutely sure?

I'm positive that this reform will be carried out—and I'm equally positive that it will be fundamentally reworked in the process. Not so much the idea, but in the sense that the text of the document will be transformed into a real strategy, a policy, and a specific plan of action. In addition, this reform will go through serious public debate, including confrontation, along with an analysis of the positions of different stakeholders and financial estimates from the Ministry of Finance. This process is the right one and the logical one. And, in the end, it will lead to a much more accurate understanding of the goal and how to achieve it. That's why I'm very optimistic about this reform. ■

New phone numbers at ICPS!

This is to let our colleagues, partners and friends know that, as of 16 June 2005, the telephone numbers at the ICPS office have been changed:

Old:	New:	Old:	New:
236-4377	484-4400	238-7588	484-4412
236-4477	484-4401	236-5512	484-4398
236-4668	484-4402	236-4116	484-4409
246-8145	482-0145	236-4196	484-4408
246-9292	482-3292	219-1938	484-4399
246-9501	482-3501	236-5464	484-4410
216-9883	486-9883	236-3740	484-4396
238-7589	484-4413	236-1292	484-4403

Kindly forgive UkrTelecom for the unexpected inconvenience.

icps newsletter is a weekly publication of the International Centre for Policy Studies, delivered by electronic mail.

To be included in the distribution list, contact the ICPS publications department at marketing@icps.kiev.ua or call (380-44) 484-4410.

icps newsletter editor Yevhen Shulha (shulha@icps.kiev.ua). Phone: (380-44) 484-4400.

English text editor L.A. Wolanskyj. Articles may be reprinted with ICPS consent. *icps newsletter* on the web: <http://newsletter.icps.kiev.ua>