

ICPS newsletter[®]

Ukraine still needs administrative reform

The principle of governing that Ukraine inherited from the Soviet Union has proved inadequate to the new challenges of transforming society and governing democratically. So far, attempts to reform the political decision-making system in Ukraine have not brought any tangible results. The objective for the new President of Ukraine has to transform the executive branch into a non-partisan instrument for developing and instituting government policies

In Ukraine, 13 years after independence from totalitarian pressure, the unreformed government machine is still not capable of dealing with the challenges of a new political reality. Declarations of democratic ideological principles continue to substitute for the real development of institutional capacity for a democratic political system, as officials are exhorted to be honest and the government—to be transparent. No advisory or executive body has yet been set the task of actually carrying out the basic changes that might empower a new democratic system of governance such as:

- transforming the government apparatus so that it can carry out the new role of providing services to its citizens and managing limited public resources under pressure from now-legitimate but divergent and even conflicting interest groups, while bearing the consequences of its decisions in a transparent manner;
- establishing a pattern of co-existence between elected local governments and the central government unimaginable in soviet times;
- setting up an independent judiciary.

What is effective democratic government?

To be effective, a democratic government faces challenges of a radically different nature than those faced by a totalitarian government with all powers in one hand:

- It has to solve an unsolvable dilemma: to concentrate more power in order to push through strategic decisions and at

the same time to give away power, to decentralize and hear every voice.

- Any democratic government works under constant pressure from legitimate interest groups that sometimes compete fairly ruthlessly and are constantly pulling elected officials in opposite directions during the decision-making process.
- It has to be capable of stepping on the toes of powerful groups.
- It has to transform itself from currying favor to providing services to its citizenry.
- It has to take strategic decisions concerning ever-limited public resources under the vigorous pressure of legitimate public competition for these resources.
- It needs to concentrate enough power to sustain a stable policy long enough for it to bear results.

What hasn't been done: Strategic mistakes

The attempt to create structures based on the professionalization of the civil service and establishing formal and transparent relations with politicians failed. Nor did the Government succeed in establishing a division between political and administrative functions in terms of philosophy, organization, personnel or document circulation.

Evidence of that is the failure of an experiment that introduced State Secretaries, who were meant to embody the ultimate separation between the political and administrative functions in the Government. Introduced in May 2001,

Why did meat prices go up?

According to ICPS consumer specialists Yevhenia Akhtyrko and Liudmyla Kotusenko, meat prices have been growing not only because of higher demand as a result of rising household incomes, but also because of shrinking supplies. Compared to the same period of 2003, in January–August 2004, meat processing shrank 3.9% and livestock breeders cut back sales of cattle and poultry by 7.7%. This caused the cost of meat to grow 48.4%.

This lower output of meat in 2004 is the result of herds and flocks shrinking, among other reasons, due to a major grain shortage in the fall of 2003. Lacking the cash to properly feed their livestock and expand their herds, farms began to slaughter cattle, which spurred a 3.5% growth in meat output in 2003, compared to 2002. However, with the 2004 grain harvest nearly double that of 2003, livestock breeders have been more restrained about slaughtering and have once more begun growing their herds. This has naturally led to shrinking meat supplies.

According to ICPS specialists, livestock headcounts should stabilize, but not sooner than spring–summer 2005. At that point, meat prices can be expected to drop somewhat.

the new system was not provided with any institutional capacity: clear functions, procedures, standards and skills were not developed. No training was ever held for those in top posts to instill qualitatively new skills and expertise.

As a result, the minister failed to become a political figure served by ministry staff who were able keep the Ministry informed. The cabinet model of government, including relevant mechanisms of political accountability to the legislature and the public, was not institutionalized. It was practiced by the Yushchenko Government in a “hand-managed” way and was thus unable to survive his departure.

The last four years, since 2000, have clearly shown the capacity of the unreformed bureaucratic system to adapt and to preserve its old substance in new, "superimposed" reformist forms. All the steps taken by the 1999 decrees have since been revoked, while the apparatus has maintained complete and utter status quo—as if no changes had ever been made.

This period has also revealed deficiencies in the management of administrative reform. No single center was ever established to be solely responsible for administrative reform. All Government efforts to consider reforms as additional functions or to delegate them to specific top officials led to failure. In addition, there was:

- no midterm strategic plan for implementing administrative reform;
- no proper support in terms of Budget funding and human resources for the process of reforming governance;
- no public awareness campaign to inform all stakeholders and the general public about the directions and essence of the measures taken.

The last—but hardly least—problem with administrative reform in Ukraine is that it has never been directly aimed at creating an effective policy-making and policy-coordination machine. No criteria have been developed to gauge the effectiveness of the government policy-making system, such as:

- capacity to create policies that are not legally or substantively flawed, that are economically efficient, and that do not contradict one another;
- capacity to create policies that are sustainable in budgetary terms;
- capacity to ensure that decisions are implemented.

What's next: Recommendations

Ever since the Concept of Public Administration Reform was introduced, the areas of reform that it defined were neither changed nor fulfilled:

- shifting the role of government from economic management to the initiation and development of public policy;

- instituting a new Government mission that includes upholding human rights and freedoms and providing public and civic services;
- transforming the civil service into an independent, apolitical institution capable of efficiently carrying out public policy;
- increasing public engagement in the formation and implementation of government policy, and instituting a system of public oversight of executive bodies through direct parliamentary democracy.

This Concept has effectively created a burgeoning social discourse and an entire class of specialists have been writing books and dissertations and organizing discussions. There are established champions of this reform in the Government among politicians and bureaucrats alike, in the opposition, and in the NGO community. Moreover, there is unanimous agreement as to the flaws of reform that must be corrected.

Our recommendations for the new President are:

- develop a new strategy for Public Administration Reform by reformulating the Concept, building on its strengths and dealing with its weaknesses, mobilizing consensus among all key players, and developing national support;
- concentrate on institutional capacity to manage change;
- define the institutional criteria for key fundamental capacities that need to be created: management and control of public finance; conditions and infrastructure for investment; policy-making, policy coordination, and mechanisms to manage change; a democratic civil service;
- convince donors to concentrate on the transfer of EU accession institutional experience in the "twinning" format rather than individual policy consultancy.

This report was originally prepared by ICPS Director Vira Nanivska for UNDP Ukraine. To view the complete text, see our website at <http://www.icps.kiev.ua/eng/library/show.html?6>.

The implications of unfair elections

Speaking at ICPS on 5 October 2004, former US Ambassador to NATO Robert Hunter predicted the impact on Ukraine's future of the transparency and democracy of its upcoming presidential election.

"A free and fair election will, in my judgment, end all doubts about Ukraine's place in the outside world, any doubts about your right to a place in Euroatlantic institutions," said Hunter. "It can and will lead to increased investment by outsiders in this country, as they gain confidence in a future of Ukrainian society and democracy. This election can become a door to prosperity, a recognition of Ukraine as a leader in a politics of a free Europe and as a regional leader.

"But," he warned, "if there is a problem with the election, there could be problems afterwards. There could regrettably be a deferral of Western engagement. There could be a loss of respect from your Eastern neighbor, whose people, the people of Russia, also look to you for an example. There's even a risk that if Ukraine fell behind it could be bypassed for a stronger relationship with counties to the East, to the neglect of this nation."

Mr. Hunter went on to express confidence that Ukraine would make the right choice, not in terms of this or that candidate, but in the way it held the election. He also mentioned that he had an impression that Ukrainians had a "strong, deep desire to hold an honest election." Once again, Mr. Hunter emphasized that deciding who would be the next president was the business of Ukrainian voters alone: "Nobody has the right to tell you what to do on this matter."

Now President of the Atlantic Treaty Association, Robert Hunter is a key developer of the "New NATO" concept and co-author of the "Partnership for Peace" project. He was visiting Kyiv on the invitation of the Atlantic Council of Ukraine, the Ukraine-NATO League, and the International Centre for Policy Studies.

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