



Несторівська  
група

## **Danger Warning Ukraine's Nestor Group On The Progress Of Reforms**

Ukraine is going through the much needed and unprecedented in its depth transformation. Unprecedented, however, are also the threats that are becoming more acute recently. We are publishing the following text with the aim to ensure that the country is not stuck at this lowest point of the transformation.

The level of trust to the institutions remains low, first and foremost - trust to the state institutions.

The state continues to be perceived as a key opponent and a threat for an ordinary individual. High level of tension in society is being further amplified by new threats connected to the ongoing war, and, especially, due to the lack of clarity of the transformation process.

The existing belief about the sufficient reserve of strength and resources can be largely overestimated.

The growing distance between the position of the pro-active minority and paternalistic expectations of the other part of society is becoming more obvious. Within the active part of society there are also different opinions both with regard to the depth of changes and to the direction of these changes.

Such situation is exhausting for the society and endangers Ukraine's prospects for success, increasing the risk of growing paternalistic expectations in society.

Political answer to such expectations in form of populism cannot bring a solution as it will mean re-distribution of existing resources – as a zero-sum game – but not a value added creation.

At the end of the day populism leads to further inequality, as it fixes enclaves of inequality and poverty.

We are undergoing through fundamental changes practically in all spheres of country's life.

Such systemic changes usually are accompanied by the temporary worsening of the situation until the new system becomes dominant. Abandoning reforms at this stage threatens with being stuck at the lowest point.

This would mean that Ukraine will stagnate for a long time among the world's poorest countries, degrading of the human and other capitals, weakening of the state security functions.

Winter of 2015/16 will likely become yet another strategic turning point and point of no return. Passing this point will not guarantee further development opportunity, but failing to pass it will definitely lead to stagnation.

This is a moment of truth for everyone: society, activists, politicians, business and the church, all of whom will have to avoid the temptation of speculation on fears and prejudices.

Resilience, self esteem and co-operation in society are the key components that are missing right now but that are necessary for us both to withstand crisis and step on the development path.

Society has to trust the state as a legal instrument of undertaking changes, while the state has to trust society as a subject of such changes. Encouraging the practice of confirmed trust and discouraging practice of betrayed trust should become the basis for societal relationship overall and the state service in particular.

The dominant role of the state that is responsive to paternalistic expectations as of now will rather help establishing status quo than promoting changes.

The duties of the state could be decreased through limiting state's interference, transferring certain duties to the local level as well to the civil society and, in some cases, to the private sector.

Effectiveness of governance is a key, and not a total control of the administrative and command type. Low salaries in the state sector continue to debilitate the system of state governance.

The higher reward in the state governance sector has to be linked to higher qualification demand, higher competition and - important - higher accountability and responsibility.

So far the social agreement of corruption consensus is still preserved in society as a basis for the limited access system.

Active part of the society is demonstrating request for a new social agreement, but this agreement will not come into force as long as there is no response from the traditional elites.

In the limited access societies limited access is basically evil itself. Corruption, caused by it – greed, conspiracy, fraud – is a consequence.

Under such circumstances society uses other forms of corruption for example, excessive reward as an instrument of protection from state's unfairness and impotence.

In the situation of such corrupted consensus populism diminishes anticorruption efforts and brings it - in the best case - to the level of fighting individual corrupt

officials, but not with the limited access system itself. Fighting lower-level corruption without simultaneous introduction of the new, fairer rules of the game further increases anxiety level in the society which has already been traumatized and increases resistance to entire transformation. In the sphere of fighting corruption, as well as in other areas, deconstruction the old system should be taking place top-down, while establishing new system should be implemented in the bottom-up mode.

Despite certain advantages of the inclusive political culture in Ukraine it poses a threat for successful democratic transformation.

Unsustainable development of the Central and East European countries teaches us that changes, connected with stripping of power privileges should be instantaneous to ensure that elites are changing and not adapting to changes.

Changes affecting ordinary citizens should, instead, be gradual and well-reasoned, thus giving enough chance to adapt without raising the insecurity level.

Supporting passive part of society at the expense of entire society in exchange for not resisting the reforms would become an important mechanism of adapting to changes for passive part of society under the new social agreement.

At the moment there is a consensus in Ukraine regarding its European vector of development. There is, however, lack of understanding that this vector means fairness with regard to opportunities, but not regarding results. We will not avoid transition to the rule of law.

This transition is made more difficult by the fear and anxiety in society. Reaching new social agreement rather than certain political agreement within the constitution, should become a step towards ensuring rule of law as a tool of ensuring fairness in society. This discussion we consider to be profoundly important in the current moment.