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International
Centre for
Policy
Studies

4 Borys Hrinchenko st., office 3, Kyiv, 01001, Ukraine | Phone (380 44) 279 88 23 | office@icps.kiev.ua | www.icps.com.ua

July 17, 2014

No. 20

INSIDE UKRAINE

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The International Center for Policy Studies (ICPS) restores issuing analytic paper «Inside Ukraine», the last issue of which was prepared in September 2010.

The aim of the publication is to provide objective information on current political events in Ukraine and thorough analysis of major tendencies in domestic politics. Such analysis will assist in setting priorities in the process of implementing reforms in Ukraine and in evaluating quality of state decisions from the viewpoint of their impact and sustainability. Special attention is paid to evaluation of political competition in Ukraine and ability of key political players to address challenges.

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Team of authors:

Vira Naniivska, Iaroslav Kovalchuk, Vasyl Filipchuk, Olena Zakharova, Volodymyr Prytula, Vasyl Povoroznyk, Kateryna Dedelyuk, Angela Bochi, Anatoliy Oktysiuk, Svitlana Sudak

This issue is made possible by financial support of International Renaissance Foundation. Views expressed in the issue do not necessarily reflect those of International Renaissance Foundation

1. The Government Policy

Ukrainian government does not conduct comprehensive information campaign in communication with foreign countries. If at international level Ukraine does not insist that it is a victim of direct aggression from Russia, soon the country will have to deal with the aggressor alone and the issue of Crimea annexation will disappear from international agenda.

The government is losing window of opportunities for reforms. Constitutional amendments are being prepared in non-transparent way. No foundations are laid for administrative and justice reforms. The only few exceptions which show progress in sectorial reforms are adoption of law on higher education and public consultations while elaborating concepts of banking and tax reforms. Meanwhile, unless the society sees changes in the state, positive energy of interaction between civil society and authorities will soon transform into negative criticism of the government inaction.

Public disillusionment will lead to demands to reset the authorities and dismiss the Parliament. Current legislation creates conditions for electoral fraud and leads to preservation of existing political system. Introduction of proportional system with open lists and changes in election organization may become a remedy to this problem.

1.1. Failures of Ukraine's international informational policy

Ukrainian authorities are rapidly losing informational war against Russia on international arena. The Government displays inconsistent position in communication with international partners. Statements of Ukrainian diplomats do not construct multi-tier foreign policy strategy. Unless this strategy is developed, Russia's role in events in Crimea and Donbas will be concealed and Ukraine will remain alone versus the aggressor.

In March Ukraine succeeded in UN General Assembly confirming territorial integrity of Ukraine after Crimea was annexed by the Russian Federation. As a result, 100 member states adopted a resolution which does not recognize Crimean referendum and says that its results may not be a reason to change the status of Crimea and Sevastopol. Nevertheless, Ukrainian diplomats do not use the fact of resolution being adopted, in communication with foreign governments. Topic of Crimea annexation is not raised at international meetings. In fact, at international level it was totally overshadowed with Donbas events.

Even regarding situation in Donetsk and Lugansk regions, international communication of Ukrainian authorities is not duly built up. At the domestic level Prosecutor-General Office recognized Donetsk People's Republic and Luhansk People's Republic as terrorist organizations. However, representatives of these organizations directly participated in negotiations of international trilateral group on the conflict settlement.

The Ukrainian government claims that Russia supports terrorists, but it does not collect evidence to prove it to the international community. Donbas events last for more than three months, but the evidence that Russia supports pro-Russian gunmen in Ukraine were presented to the EU and the European Parliament only on July 15.

European experts agree that participation of Russian citizens in Donbas events casts no doubts. Yet, it does not confirm that Russian government provides military and financial support to terrorists or that

***Ukrainian
authorities are
losing
informational war***

***Crimean
annexation is
overshadowed by
events in Donbas***

***The Ukrainian
government is slow
to provide the EU
with evidence that
Russia is sponsor
of terrorism***

Russian army participates in the conflict.

Ukrainian mass media display numerous proofs of the Kremlin supporting separatists. Gunmen use modern weaponry which is typical exclusively for Russian army. Military convoys cross Ukrainian border from the RF. Russian soldiers die due to unknown circumstances. In liberated towns Ukrainian soldiers find groceries and drugs produced in Russia.

One of the most convincing evidence that Moscow is directly linked to separatists is the case of Nadia Savchenko. On June 18, the woman who was a volunteer in Aidar battalion and liberated town of Shchastya in Luhansk region was captured by separatists. On June 23, she was found out in Russian town of Voronizh. Ukrainian authorities were informed about her arrest only after two weeks. In violation of international norms, Ukrainian consul was not allowed to visit Savchenko. European Court of Human Rights started consideration of Savchenko arrest and defined it as a priority case.

The fact of the prisoner of war being in the Russian prison proves that Russia directly influences gunmen in Donbas. This as well as other proofs may be used as a ground for recognizing Russia as a sponsor of terrorism. For these purposes Ukrainian government should learn how to establish an efficient communication at the international level and consistently present its position as a victim of direct Russian aggression.

Tougher actions are expected from the Ukrainian government as regards protection of citizens, control over air space and territorial waters. Such cases as arrest of Nadia Savchenko, Ukrainian AN-26 allegedly being downed from the Russian territory or Turkish liner going to Crimean port without Ukrainian consent are to cause respective response on the part of the Ukrainian government up to withdrawal of the ambassador. The world should see that Ukraine is indeed a subject of international politics and it will fight for the protection of its sovereignty and its national interests.

Case of Nadia Savchenko is an evidence that Moscow is directly linked to separatists

Rigid stance of the government will prove that Ukraine is indeed a subject of international politics

1.2. Lack of reforms bears risks for the government

Interaction of the Ukrainian government with civil society is also subject to harsh criticism. The government has failed to establish efficient communication with activists to present vision of changes the country needs. None of announced reforms has a public document describing the mechanism the reform will be implemented, people responsible for the implementation, what impact the reform will have and cost of its non-doing. Draft laws are prepared in non-transparent way and without consultation with stakeholders. Changes proposed are not publicly discussed. Society is expected to treat the results of voting for the laws as fait accompli.

Regardless of its importance, constitutional reform is being elaborated behind closed doors. At first special parliamentary commission proposed its text of amendments. Several weeks ago Petro Poroshenko presented his vision of constitutional reform. Currently "Svoboda" and "Batkivshchyna" are working on alternative texts. However, it is not even nature of amendments, but the mechanism of their elaboration that causes critic. The most contradictory provisions – decentralization, distribution of authorities between the President and the Parliament or prosecution functions – are not discussed in the society. If we do not want that the issue of constitutional reform is raised in few years once again, the process of amendment elaboration should be socially legitimate since the very beginning. Social legitimacy means work of professional and politically

Criticism of constitutional amendments is caused not even by its character, but a mechanism of elaboration

independent Constitutional assembly, public discussion of key issues and use of international experience in constitution reforming.

Experts highlight the importance of administrative reform which would change the very principles of public service which in Ukraine remains power vertical inherited from the Soviet times. At the moment violation of norms by public servants is not linked to inevitable punishment. Control over officials' actions is ensured by units subordinated to these officials. Actions of public servants do not undergo independent audit. They are not trained before taking the position.

The system is so rigid that even progressive managers with business experience cannot change anything. For instance, in April 2014 Denys Brodsky became Head of National Agency on Public Service. Experienced manager, who successfully worked in commercial sphere, faced counteraction of inefficient and corrupt system and resigned in two months. Progressive innovations he wanted to implement included a new law on public service, division of administrative and political positions and transparent competition in the process of public servant employment.

For the last five months no ground has been laid for reform of law enforcement agencies and courts. There is no lustration campaign among policemen and prosecutors while judges return their positions under the court decision. Institutional changes in justice system have not been started.

Economic sphere is heavily regulated, which facilitates preservation of corruption schemes. The government has failed to prove that it wants to fight corruption. No prominent arrests have taken place which shows that people involved in money laundering and bribery have not been punished.

Probably the only example of systemic approach to sectorial reform is changes in higher education. After consultations with stakeholders and experts the law "On higher education" has been adopted. The program of its implementation is being elaborated. It foresees financial independence of universities, smaller workload on professors and fewer hours for one credit, restrictions in the university management tenure etc. In case the law is successfully implemented, university education in Ukraine will better meet European standards.

***State apparatus
opposes changes in
public service***

***The government
has not proved that
it wants to fight the
corruption***

1.3. Electoral law needs radical changes

The decision of Ukrainian Parliament to hold early parliamentary elections may be adopted very fast in view of the current economic crisis and war-like conditions. It is unlikely that the current composition of Ukrainian Parliament will have enough time as well as a possibility to adopt the new law on elections. The dissolution of the Parliament will launch a new election campaign which will be regulated by the 2012 election law. Keeping old rules of the game will damage transparency and democratic nature of the election campaign.

Expert community points to the fact that the legislation adopted during Yanukovych's presidency legalizes election manipulations and dirty political technologies. In order to ensure that the reload of political power results in qualitative changes in Ukrainian deputies' corps, the new election law corresponding to European standards should be adopted.

In the meantime, various experts insist on the need to establish proportional representation with an open party-list that will allow to choose those candidates that will represent interests of voters rather than those of big business. Furthermore, open party-lists will give an impetus to

***Preservation of
mixed electoral
system will damage
elections
transparency***

competition within a political party and will enable leadership development with no orientation towards party leadership. This will help rejuvenate the party composition as well as introduce new people into politics and provide for career opportunities for the youth.

The vote count has also raised many questions. The vote count on-line will reduce the chance of rigging the elections. Technical capabilities for implementing this system were developed in 2012. The vote count system and transfer of protocols through election commissions' vertical should be electronic as well. Electronic data transmission will reduce elections operating costs and minimize any possible violations in this regard. It will take only a few hours to receive voting results provided such scheme is applied.

New election law provides for immediate punishment for any violation of the prescribed rules. No person was punished for mass violations of the law, stealing of official stamps of election commissions, damaging ballots, protocols rewriting, or attempts to suborn voters or members of election commissions. The law should also fix responsibility for deliberate delay of the calculation of votes.

For example, it took more than a week to announce voting results of Kyiv local election in some constituencies, while only two days had passed before the results of May presidential elections were announced to the public.

The current edition of the Law "On election of people's deputies" does not fully regulate functioning of electoral commissions. A number of candidates or parties use electoral commissions to create a technical majority and make political decisions in their favour. At the 2014 presidential elections candidates' formal approach to creating electoral commissions nearly caused technological disruption of the campaign.

The Law on "Central Election Commission of Ukraine" also needs fine-tuning, with members of the Central Election Commission being replaced. The main responsibility of the Central Election Commission is not serving the interests of political parties or oligarchic clans, but the technical organization of elections.

Democratic and transparent elections are a path to free and fair political competition. Laws that foster political corruption and preservation of existing elites and bureaucrats make the change of elites impossible. Given such circumstances, no reforms are possible as state authorities are always seeking to preserve their dominance by preventing new people from coming to power.

***Vote count online
will reduce
chances of rigging
the elections***

***The law on
elections allow
manipulations
while creating
district
commissions***

2. Economic Situation

The government plans large-scale privatization by the end of 2014 when sale of state shares in 200 companies will bring around UAH 30 bln.

Ministry of Economics published concept of tax reform. Suggestions of NGOs, state bodies, business and international audit companies were considered in the process of its elaboration. As well, the NBU published concept of banking reform by the end of 2020. Its major focus is to ensure stability of the banking system and restore trust of population and business towards the banks.

The government proposes to solve the gas supply issue by reducing consumption. Due to uncertain reverse supply, the priorities for energy policy should be the domestic production growth, market liberalization and Naftogaz reform.

2.1. The government plans large-scale privatization

By the end of 2014, the government plans to sell state shares in more than 200 companies in order to receive UAH 30 bln. It is expected that the funds will be an additional funding source for the state budget.

The main revenue should be received through the sale of state-owned shares in six companies: Odesa Portside Plant, “Turboatom”, “Ukrnafta”, “Tsentrenergo”, “Sumykhimprom”, Zaporizhya Titanium Magnesium Plant. Officials estimate that these companies may bring more than UAH 20 bln. The rest will be received from the sale of more than 190 companies.

50% stock of “Ukrnafta” was previously estimated at UAH 8 bln. Given the fact that 42% of the shares belong to the group “Privat”, the main contender for the purchase is Ihor Kolomoysky.

SPF expects to sell 99.567% of Odesa Portside Plant for UAH 5-7 bln. There were numerous attempts to privatize the plant since the mid-2000s. Almost 100% stake which eliminates risk of corporate conflicts between shareholders provides added value to the object.

The government also plans to sell 99.995% of “Sumykhimprom”. Last year, SPF tried to sell small minority stakes of the chemical plant with no success. Estimated price is UAH 400 mln. The main contenders for the asset are Firtash and Kolomoysky.

51% of Zaporizhya Titanium Magnesium Plant (ZTMK) shares may bring about UAH 1 bln. Last year Group DF became the owner of 49% stake of the plant. It is expected that Firtash and Kolomoysky will fight for this object. Kolomoysky’s victory may start corporate conflict.

According to SPF, 75.224% of “Turboatom” could be sold for more than UAH 5 bln. The company is oriented at the Russian market. It may reduce attractiveness of the asset among the potential buyers.

Also, it is planned to sell 19 state-owned companies which generate and distribute electricity. The most attractive asset is “Tsentrenergo” with its 78.29% of shares for sale. This asset may be interesting for the groups of Akhmetov, Surkis, Babakov and foreign investors if the latter are ready to buy assets in Ukraine.

The fact that privatization will be used for financing of the budget deficit is quite logical. However, the initiative to start a large-scale privatization in conditions of actual warfare in eastern Ukraine is doubtful. Unfavorable situation in the country, the overall country risk and poor protection of property rights will negatively influence sale price of the

Privatization as an additional funding source for the state budget

Corporate conflicts may start over some privatization objects

enterprises and willingness of investors (especially foreign ones) to acquire those assets.

2.2. Ministry of Economics published project of tax reform

The Ministry of Economic Development and Trade of Ukraine, together with the representatives of NGOs, international accounting companies and business, presented the concept of tax reform. It includes decrease in the number of taxes down to eight, introduction of differentiated VAT rate, decrease in a single social payment from 36.77% to 18%, promotion of fiscal decentralization etc.

It is planned to leave such taxes as income tax, value added tax, excise tax, resource tax, individual income tax, property tax, fixed agricultural tax and single tax under simplified system of taxation.

Elimination of taxes, which generate only 2% of state budget income, will positively impact tax administration. The budget will be financed through expansion of tax base. The question is who will be subject to tax load after these changes.

The state tries to improve relations with taxpayers by reducing the pressure and improving tax administration. The concept encompasses a partial harmonization of accounting and tax accounting under IFRS for big business. It will simplify tax reporting for companies and improve its control by tax authorities. Also, simplified accounting procedures will be elaborated for small and medium enterprises. The concept also foresees tax amnesty in order to fight shadow economy, but with details on its nature.

Income tax is proposed to be paid out of retained profit, which will positively affect business development and the process of income reinvestment. The main risk is how to fill the budget in short term.

Taxpayers will feel the difference regarding VAT and single social payment. Differentiated VAT rate is proposed, which means that in settlements between VAT payers the rate will decrease down to 7%. In settlements between payers and non-payers of VAT it will make up 17%. This proposition does not completely comply with the Directive 2006/112/EC on the common system of VAT. It is due to the fact that in the EU reduced rates are set for specific groups of goods and services, but not in the regulation of relations between payers and non-payers of VAT. Proposed changes in VAT rate actually mean the transition to sales tax with 10% rate. It could lead to higher prices and make administration more complicated. On the other hand, the changes will facilitate fight against fictitious VAT.

The concept proposes six-months decrease of single social payment from 37.6% to 18% for those taxpayers who will double the payroll. It is a measure against shadow wages in SME sector. It will reduce proceedings from each wage by 2%. Merger of social funds into one will facilitate the administration of the payment.

The concept does not say anything about changes in individual income tax and excises. Besides, it does not adapt Ukrainian tax system to the EU standards. It is highly likely that in a few years a new reform will be needed. Yet, the most positive aspect of the concept elaboration is that stakeholders were involved in the process.

2.3. National Bank elaborated concept of banking reform

National Bank, together with external experts, has prepared a concept

War will negatively impact the price of assets

Number of taxes may decrease to 8

The concept foresees tax amnesty

of banking reform in Ukraine until 2020. The concept is aimed to strengthen the stability of the banking system and to restore the trust among citizens and businesses.

As a result of the reform, National Bank will become a megaregulator of financial system. It will carry out the prudential supervision of key financial markets. It is assumed that credit unions, credit bureaus, pawnshops will be transferred under the control of the National Bank by the end of this year. Insurance companies will move under supervision of the central bank by mid-2015, and National Committee for Financial Services and the National Commission on Securities and Stock Market - by 2016. In addition, the National Bank also plans to reduce its network in 2014-2015 down to 5-7 regional branches as well as to reduce staff by 30%.

A lot of attention is dedicated to the problem of banking system stability. Requirements for bank capitalization will become tougher. In particular, National Bank is going to initiate an increase in minimum regulatory capital norm up to UAH 500 mln by 2018 and up to UAH 750 mln by 2020. It is also planned to improve solvency recovery mechanism.

NBU intends to make cheaper bank loans, which is extremely important for the development of the real economy. It is planned that real interest rates on deposits will be maintained at 3.4%, and loans - at 7.9%. NBU also takes measures to reduce fluctuations of interest rates in national currency and to control banking spreads. Stress testing of banks will be held every two years.

Separate set of activities is devoted to the issue of bad assets. It is planned to develop an effective mechanism for debt restructuring in order to strengthen creditor rights, improve bankruptcy law and the alienation of property. Also, the concept provides launching of the bad assets bank.

A separate block of the document is devoted to reduction of structural imbalances in the banking sector. The risks of the banks will be mitigated due to decrease in share of FX loans. It is planned to reduce the share of FX loans and deposits from 40-45% to 10-15% by 2020.

National Bank plans to decrease significantly the possibility of early withdrawal of deposits. A lot of attention is dedicated to improvement of corporate governance, development of non-cash payments and new banking technologies.

The concept considers main requirements of Basel III standards, which will become mandatory for all the EU countries in 2019. To ensure the effective implementation of the concept, it will be useful to supplement it with time frame for implementation of certain provisions.

2.4. Energy sector: Gas extraction increase as a priority

Government statements concerning the possibility of reverse gas supply from Europe in the amount 10.5 bcm from August 2014 to March 2015 seem to be unreal. Maximum use of existing reverse flow capacity could ensure 47 mcm of gas per day (out of which 4 mcm/day comes from Poland, 16 mcm/day - from Hungary and 27 mcm/day – through Slovakia). However, in case of high gas demand in Europe and lack of energy resources during the heating season, there is a threat that the reverse gas supply will not be provided in full. It is also expected that gas spot market prices will grow, so there is a high probability of halt or reduction in gas reverse as the market price will be unacceptable for Ukraine.

In few years new tax reform will be needed, with consideration of the EU requirements

National Bank will become a megaregulator of financial system

Share of FX loans and deposits will decrease

The volumes of reverse gas from Europe are overstated

Being aware of these threats and in order to ensure the heating season, the government does not exclude the resumption of negotiations with Russia concerning 6-7 bcm of gas purchase in 2014. But according to Russia's position they are ready to restore gas supply only in case of debt repayment (which increased up to USD 5.296 bln) and providing the prepayments for future deliveries. Therefore, the arrangements are unlikely to be reached and Russian gas import to Ukraine will not be restored.

An important way to solve the energy issues is the maximum promotion of our domestic gas production, investments attraction as well as Naftogaz reform (until 1 January 2015). It is also necessary to ensure energy market liberalization and provide the EU companies with access to the domestic market in accordance with the international obligations. However, the introduction of a special period in the energy sector could have detrimental influence on possible Ukrainian gas production growth. According to the draft law provisions, all natural gas that has been produced by Ukrainian companies will be directed to meet the households' needs. The price for such gas will be set by the government, which is not beneficial for gas producer.

The Cabinet of Ministers adopted a resolution on measures to provide natural gas for households, businesses, institutions and organizations by the end of the heating season 2014-2015. Gas consumption in autumn-winter 2014-2015 should reach 30.23 bcm. The demand will be met with the gas from extraction companies (13.5 bcm), underground storage facilities (9.5 bcm) and import (7.23 bcm). It is foreseen that the natural gas use by industry and heating utilities have to be reduced by 30%, by budget-funded organizations – by 10%. Most likely, government expectations will come true not due to production process modernization, but rather because of the industrial production decline.

***Domestic gas
production
promotion - an
important way to
solve the energy
issue***

3. Political Competition

It is in the interests of some political forces in Ukraine to preserve mixed electoral system as FPTP districts will help certain MPs to make it to the next Parliament. At the same time, proportional representation system with open lists and low electoral threshold will open the opportunities for renewing the composition of political elites in Ukraine.

Meanwhile, the representatives of parliamentary factions and groups realize initiatives related to the antiterrorist operation. They understand that the whole country follows the operation and thus they try to raise their political capital using such tactics. The steps of civil society activists directed at supporting the Ukrainian military are far much wider and are not PR-oriented.

Civil activists try to create mechanisms of direct influence on authorities, which will make them more accountable. Among these initiatives one could mention the draft law of Ukraine “On Online Petitions”, the mechanism of the nation’s vote of nonconfidence to the officials and electronic voting at the elections.

3.1. Political elite wants to keep existing electoral system

The possibility of early parliamentary elections is rather high. Civil society demands changes in political game rules and reset of the Parliament. On the other hand, present political elite aims at preserving the principles of acting electoral legislation and delaying electoral campaign.

Preservation of mixed electoral system will keep status quo as well as close ties between politics and business. At the same time, PR system with open lists will enable the electorate to influence the choice of personalities representing a party. Besides, this could diminish the chances for vote buy-out typical for FPTP system and even more likely in times of economic crisis.

FPTP MPs are interested in preserving mixed electoral system that gives them the chance to fight for the deputy mandate at the single-seat electoral districts. A lot of politicians who used to have ministerial or other high ranking positions in Yanukovych system will try their best to obtain the MP status. Besides, the collapse of the Party of Regions and the Communist Party of Ukraine has left scores of businessmen without political back-up. They have not yet worked out their own political initiatives and are unable (due to their background) to join the existing ones.

The most influential parliamentarian lobbyists of mixed electoral system are Ihor Yermeev and Volodymyr Lytvyn. The Party of Regions faction members also support this type of electoral system.

Existing electoral system can be beneficial for the President as well. It will help to create parliamentary majority without factions being involved into this process, with ad hoc groups of MPs or party defectors in their stead. Cancellation of imperative mandate as well as possibility for coalition of deputies, not factions, are included in presidential amendments to the Constitution. However, preservation of existing electoral system contradicts Petro Poroshenko’s election program and may cause society irritation.

Preservation of mixed electoral system will keep status quo

The most influential lobbyists of mixed electoral system are Ihor Yermeev and Volodymyr Lytvyn

3.2. Politicians’ activities in ATO zone as a PR element

As ATO defines informational agenda in Ukraine, various political

parties cannot ignore it. Some political players try to help IDPs, others – provide the Ukrainian Army with what it needs.

One of the first Ukrainian politicians who was brave enough to participate in special operations is Oleh Lyashko. It creates respective public opinion about the leader of the Radical Party. The participants of the antiterrorist operation recognize contribution of this politician into logistical support of some units as well as his courage.

***Oleh Lyashko
uses ATO to
boost his rating***

Ihor Kolomoisky's team also supports volunteer battalions. They help the Ukrainian military, for instance, in organizing treatment of the wounded. Besides, it has been reported that PrivatBank Group representatives rendered support in hostages-separatists exchange.

Ihor Yermeev, one of the leaders of the "Sovereign European Ukraine" parliamentary group, has been to ATO zone for several times and even suggested that MPs participate in military training. This call is full of flag-waving populism.

Populism is also widely felt in Yulia Tymoshenko's activities. During electoral campaign she created Resistance Movement, but the initiative has not brought any results. Her blood donation to the wounded Ukrainian soldiers is also perceived as nothing but a PR step.

***Yulia
Tymoshenko's
actions are full
of populism***

All-Ukrainian Union "Svoboda" claims that lots of its members join ATO as volunteers. On July 15, 2014 Oleh Tyagnybok stated that special group of soldiers, "Svoboda" members including, managed to save the lives of four Ukrainian military out of AN-26 aircraft shot down on July 14, 2014.

Among those who fight against gunmen in the East, there are also the "Right Sector" activists, including Dmytro Yarosh, the party leader.

At the same time significant support is provided by volunteer groups that contribute to logistical support of the Ukrainian troops. It is possible that the activists will start joining in quasi-political projects, for instance to settle the issue of their legal status or lobby the possibility of direct communication with Ukrainian soldiers.

3.3. Society works on new tools to influence the authorities

The fact that the government is lagging behind with reforms explains growing dissatisfaction of the nation. Understanding that experienced politicians will not be able to make changes to the system they have become an inseparable part of, public activists start implementing their own initiatives. These initiatives are likely to develop into parties of a new kind. Lower electoral threshold and changes into the electoral process aimed at elimination of opportunities for fraud will help these forces to get to the Parliament.

***Civic initiatives
may grow into
parties of a new
kind***

Public activists also elaborate tools to influence the government without being present in the Parliament. On July 15, 2014 Ukrainian initiative "For the Accountable Government", together with the International Centre for Policy Studies, presented the draft law "On electronic petitions". It says that the suggestions that have been supported (during thirty days) by half per cent of citizens that have the right to vote are to be considered by the government authorities. This law, provided it is approved by the Parliament, could put an end to the monopoly of officials in setting the agenda for the Verkhovna Rada sittings. This law could also create ground for setting up a dialogue between the civil society and government officials as well as decrease the risks of social unrest or massive protests.

***Activists develop
new tools to
influence the
political process
in the country***

The next step of "For the Accountable Government" initiative is

aimed at registering the draft law “On non-confidence vote to the Governmental Officials”. The document will help citizens to dismiss the officials. Both drafts are the examples of direct democracy in action. They enforce the involvement of citizens into the state policy-making.

Another method to involve society in political process is electronic voting. It will decrease the expenditure on the elections organization, increase turnout of youth and help to arrange elections on temporarily occupied territories or in regions where it is physically impossible to organize voting.