

Regional Governance Reform in Ukraine: Strengthening or Undermining the National Sovereignty?

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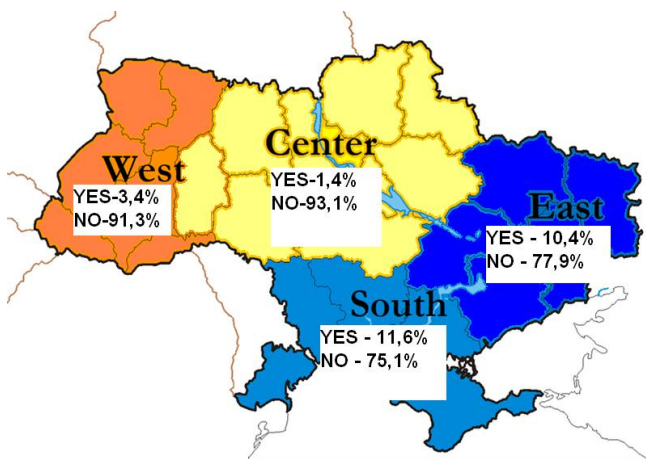
The steady development of the Ukrainian state is most hindered by the country's weak institutional framework. One of the reasons for this is a crisis of the entire governance system, including the regional level. Presently, the Ukrainian regions are merely de-concentrated units of the central executive branch. The state administration at the regional level lacks efficiency, transparency and accountability, and is subject to frequent reshuffling. Meanwhile, the weak regional assembly is highly politicized and used by political forces to gain the power in Kyiv. Thus, the search for a more appropriate territorial and administrative framework is under way in Ukraine and the decentralization is often seen as a prescription for addressing governance inefficiencies.



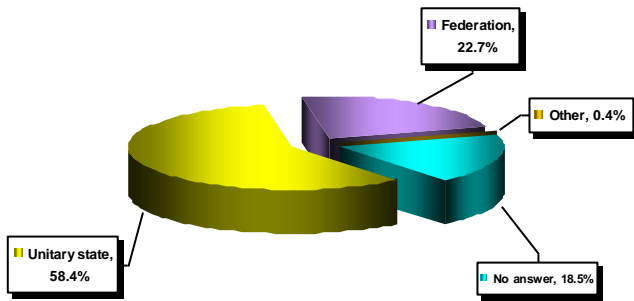
The transformation of the regional governance in Ukraine is a complex and delicate issue, thus I will focus on some of its aspects.

It should be reminded that Ukraine is a unitary state subdivided into 24 regions plus autonomous republic of Crimea and two cities with special status: Kyiv and Sevastopol (see the map at left)

Ukraine is still often perceived and described as a deeply divided society. Fears that the East-West split may result in disintegration of the Ukrainian state are continuously expressed.

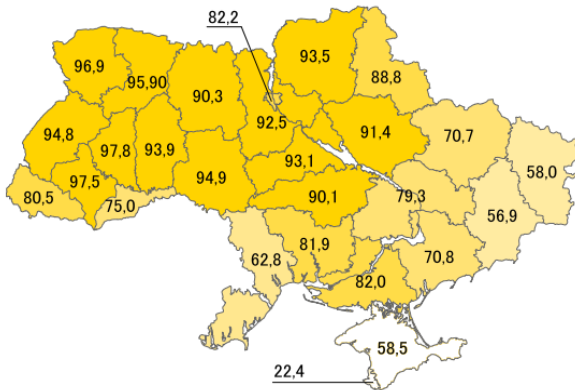


However, opinion polls prove that the overwhelming majority in all parts of Ukraine does not share this view and does not see any valid reasons for disintegration of the country. (In the chart at left, NO translates to the percentage of respondents who feel the country should NOT split up).



The public opinion is usually favorable towards a more unitary system of governance in Ukraine (58.4%).

In fact, the distinctive feature of the country is its regional heterogeneity. There are notable differences between Ukraine's regions. However, they should be seen merely as differences, not a split of the country. It should be reminded that regional differences in Ukraine are not ethnicity-based. Ukrainians make up 77,8% of the population, and are the majority in all regions, except the Crimea. (In the map below left, the number in each region, is the percentage of residents who consider themselves to be ethnic "Ukrainians".)

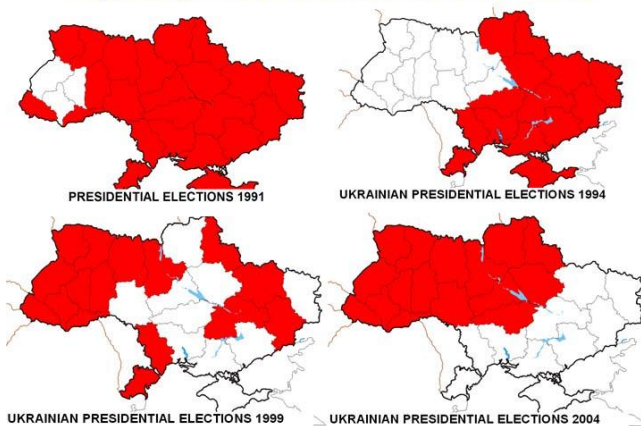


In the case of Ukraine, regional differences emerge from the intersection of several parameters including first of all historical legacy and cultural heritage, and to some extent economic developments.

It should be pointed out that the degree of economic discrepancy between Ukrainian regions is relatively moderate, especially when we compare with other countries. The main challenge is that Ukraine is still economically poorly integrated. The role of more than half of Ukrainian regions in the domestic market is insignificant: almost everything produced by regions is consumed within their territories or is exchanged for energy sources. All Ukrainian regions are

economically vulnerable. There are no frontrunners, except the capital.

Regional political distinctiveness in Ukraine



One of the reasons to talk about the existence of regional differences and the division of Ukraine were the results of the elections, mainly presidential elections. As a rule, electoral preferences in different regions fluctuated; the so-called line of division changed several times.

The regions marked in red are the ones that voted for the candidate who won and became the president. And in 90s the regions made different choice.

Presidential Campaign of 2004 and 2010 differed because of uses of new election slogans, including exploitation of regional differences, various attempts to oppose different parts of the country, and offer the election program that can satisfy the interests of voters only in one part of the state. It should be also noted that the regional support for two main presidential candidates was less noticeable during the last elections and Yanukovych won mainly due to the increased number of supporters in the West.



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The two-region model that divides Ukraine into West and East is largely exploited, especially in the mass-media and Ukraine is often pictured as a divided country. This model is too simplistic and incorrect. There are many other models that divide Ukraine into 4, 8, 11, 15 or more regions.

Recently many scholars claimed the emergence of so-called Third Ukraine is under way which would bring together the majority of regions and create the core fundament for integrating internally Ukraine. For example, if we examine the activity of regional councils by index of statements concerning foreign policy, it is obvious that the majority of regions

remained passive in foreign policy and other controversial issues. The existence of two poles which are extremely active in expressing their uncompromising opinions on divisive issues in the West (HALYCHYNA) and East (Donbass and Crimea) is evident. However, they do not represent the major part of Ukrainian regions. That is why it is often assumed that Third Ukraine may bring a necessary consensus by mediating and reconciling opposing positions.

Modern system of regional governance in Ukraine was formed in the mid-90s. Preference was given to preserving the unitary structure of the state and strengthening centralization at the regional level. This was done in order:

- to ensure the integrity of the state,
- to facilitate effective implementation of reforms on entire Ukrainian territory, and
- to promote further domestic consolidation.

Thus, everything has been done:

- to impede the emergence of region as a rival to the center,
- to hinder regions' ability to implement their own policies, and
- to prevent the development of the institutional framework for potential separatism.

Many insisted that if the state did not achieve the appropriate level of centralization, did not build an effective institutional setting and did not achieve the internal integration, the probable decentralization would be destructive and dangerous for Ukraine. In addition, the decentralization should be firstly completed at the local level, only after the gradual empowerment of regions can be started.

In this context it should be pointed out that Ukraine did become a highly centralized country where regions are vertically subordinated to the central government, but Ukraine remains poorly integrated horizontally. The central authorities failed to consolidate the Ukrainian nation and create a common Ukrainian space. For example, none of the governments did manage to build the modern transport infrastructure in order to integrate this country physically. The interaction between different regions is of a very low intensity, and is one of the main reasons why numerous negative stereotypes persist.

The dualism of power was formed at the regional level in Ukraine where the state regional administration coexists with the elected regional council.

Regional state administrations became a dominant player at the regional level and are a main means of implementing the state policy in regions.

Regional councils are representative bodies, but their influence is quite limited. The state never created propitious conditions for the development of this institution. Legally they do not even represent the region as a whole entity but represent common interests of territorial communities located within the regions. As only a representative body, Regional council does not have any executive powers and its capabilities are very restricted. Their activity was and is now again mostly limited to the formal approval of the draft decisions prepared by the regional state administrations.

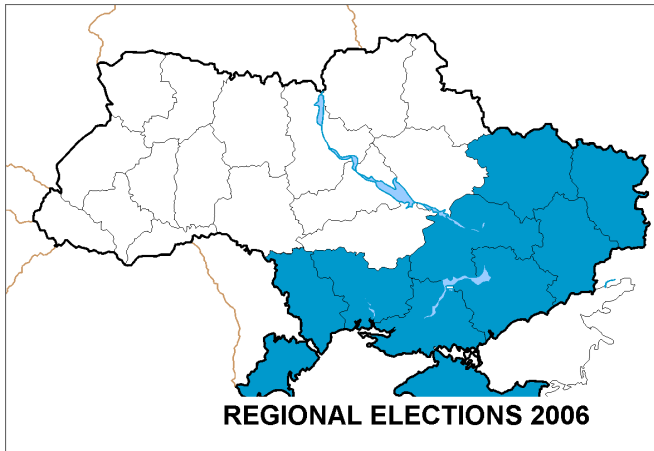
The state was always suspicious towards any activity of regional councils, which are not directly subordinate to central authorities. Thus, the Ukrainian central authorities maintained a monopoly on conducting domestic policies, and any opportunities for regional council to significantly influence the state policy were practically absent.

Indeed, for nearly ten years during the presidency of Kuchma, regional councils remained rather non-politicized institutions, did not cause any serious controversy and were marginalized. As a rule, loyal to the regime deputies whom were recruited from the regional elites, supported the official position of the government and constituted its composition. Thus, there was no major confrontation with the executive branch of power at the central or regional level. Only three Western Ukrainian regional councils from Halychyna were first to openly challenge Kuchma's regime and the state regional administration during two last years of its presidency 2002-2004.

The Orange Revolution increased the democratization and the independence of the Regional Councils and became a turning point for the short resurgence of regional self-government in Ukraine. However, the attempt to carry out the coherent administrative reform collapsed because of the dispute between two centers of powers in the executive branch. Continuous confrontations between the president and the prime minister seriously undermined all effort to implement any large-scale reform in Ukraine, including the transformation of regional governance.

In 2006 the proportional system of elections was introduced to regional councils. Thus, the regional council was a sole institution de facto directly representing the interests of regional community.

The elections to regional councils which were conducted by proportional electoral system facilitated the crystallization of political forces; however, it led to the extreme politicization of these bodies.

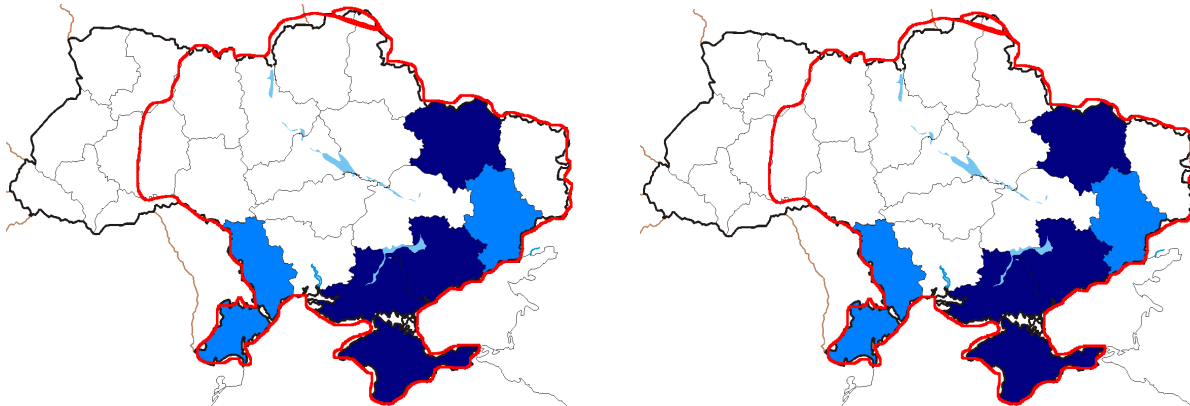


As a result of the elections in 2006, opposition forces gained control over the regional councils in the east and south of Ukraine (marked in blue on the map at left). It started actively using regional councils as one of main instruments in their struggle for power in Kyiv and the pressure on the central authorities.

Therefore, regional councils resorted to adoption of written statements on different issues. These declarations gradually turned into a method of expressing positions of regional councils on different divisive issues on language, history or foreign policy. As this is only an expression of opinion which has no legal consequences, and ways to prevent it are non-existent, the central government rather ignores them.

A statement on different issues adopted by the Regional councils became the most visible and controversial instrument of pressure on the central authorities and the method of discredit of political opponents.

The regional councils under the control of the Party of Regions actively expressed their disagreement with many foreign policy decisions of the central government and stressed while adopting these statements that they were guided by interests of regional communities, which elected them.



The question of Ukrainian membership in NATO was the most controversial issue. The majority of population in Ukraine were opposed its membership in the North Atlantic alliance. As you see, regions which do not support Ukraine joining NATO are shown in red above. This is the vast majority of the regions. However, at the regional level, only regional councils controlled by the Party of Regions, expressed their sharp disagreement. The adoption of these statements occurred simultaneously during summer of 2006. In these statements they condemned joint training with the U.S. troops and announcing part of the Ukrainian state as “territories without NATO” these are shown in dark blue. The peculiar feature of this was the fact that these actions coincided with negotiations on forming a new government coalition, and these declarations were used as one of the arguments, as well as one of the methods of pressure. Nevertheless, after the approval of Viktor Yanukovich as a Prime Minister, these regional councils quickly have lost interest in international politics. The military exercises with NATO were approved by the Yanukovich government, which did not call for any objections.

Another example of instrumentalization of regional representative bodies was events of 2008, when the Party of Regions was in opposition and used it as a tool of pressure again. In March of 2008, right before the NATO summit in Bucharest, the regional councils where the majority belongs to the Party of Regions adopted similar statements. Again, they were used by the Party of Regions as an instrument of pressure on the president Yushchenko to form the coalition with them

This same instrumental pressure was used in confrontation between Yushchenko and Tymoshenko. Because their electorate is usually pro-West oriented, it is considered that charges of cooperation with Russia may hurt the popularity of Tymoshenko. That is why on September 2008 one Regional Council from Western Ukraine adopted a statement which criticized Tymoshenko for “lack of consolidated assessment of war in Georgia, actions of the Black Sea Fleet” and “intentions to form a pro-Kremlin majority in Verkhovna Rada”. Regional Councils, in which the majority belongs to BYT, issued a contrary statement.

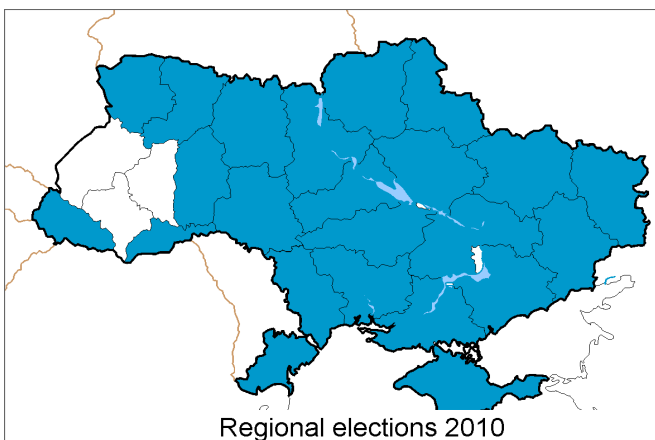
If we examine statements and addresses on divisive issues, we can note a trend that shows these issues arise exactly when political forces were negotiating, or the domestic struggle for power is escalating, and they calm down when the compromise is achieved.

Regional councils become branches of political parties in regions, and interests of regional development become secondary compared to a struggle for power in Kyiv. Such regional councils’ activities which were viewed as a challenge to national sovereignty became one of the key arguments on the preservation of highly centralized system of governance. The regional councils were treated like irresponsible spoilers, which had no enough powers to advance the economic development or improve social standards in their regions, but had enough public visibility to destabilize domestic political situation and delay the process of internal consolidation.

Thus, the further decentralization was seen by many as a direct threat to the territorial integrity, as an attempt to undermine the national unity, as a dangerous derogation from the national government’s capacity to conduct a coherent state policy.

In addition, the politicization of the regional councils has been gradually destroying public trust in the self-government in general. Recently, it has been depicted as a source of corruption, clientelism, favoritism, nepotism which activities can seriously obstruct the development of the country. In this context, the Crimea is represented as an example of the failed self-government and as a notorious proof that the decentralization does not guarantee any substantial improvement. On the contrary, the decentralization can increase the level of corruption and clientelism. Despite having more powers than any other region, the Crimea became one of the most corrupted and criminalized territories in Ukraine chronically dependant on state financial support. Recently, the former speaker of the Crimean parliament was arrested on charges of abuse of power – he is suspected of taking part in fraudulent purchases of land. This step should be also seen as part of broader campaign to discredit the self-government in general and to assert more centralized model of governance in Ukraine which would provide more order, efficiency, accountability.

However, no efficient mechanisms were created to facilitate transparency, public control and accountability at the regional level. In fact, due to its closeness, the region is often seen as a favorable space for exerting pressure on regional authorities. But the lack of channels through which civil society can influence the decision-making process at the regional level is particularly striking in Ukraine. For example, one of the mechanisms of public control in Ukraine should be the institute of regional commissioners for human rights. Unfortunately, the introduction of regional ombudsmen is continuously delayed. Other mechanisms like free access to information or public hearings are usually disregarded or still non-existent at the regional level and the activity of NGO is regularly obstructed.



In 2010 the mixed system of elections was adopted allowing the ruling coalition to obtain the control in 22 regions, except the regions of Lviv, Ternopil and Ivano-Frankivsk.

The primary goal was to eliminate any potential threat at the regional level before it becomes a basis for the opposition. The main target was to deprive the Bloc of Y. Tymoshenko of the support in its regional strongholds. This political force was excluded from the elections in several regions.

Under the president Yanukoych, the re-centralization of power in all spheres has been justified by the necessity to re-establish stability in Ukraine. Despite its previous rhetoric, the ruling Region’s Party has opted to postpone any empowerment of regional self-government in order to rapidly introduce indispensable large-scale reforms.

Presently, Ukraine is not just preserving, but strengthening the rigid centralized hierarchy of the executive branch through the deconcentration of new functions to so-called Governors. Indeed, a new draft law on the administrative reform would significantly empower the head of State Regional Administration that is directly appointed and personally subordinated to the President. It should guarantee the stability within the country, increase the efficiency and enhance administrative capacities to carry out large-scale reforms and implement coherent domestic policy.

This novelty would weaken the central government, create at the regional level a group of loyal Governors dependable and directly accountable to the President and, consequently, assert one center of power.

In conclusion, it should be said that any partial reform would be insufficient and unsuccessful. Ukraine is in a desperate need for a comprehensive and drastic reform, but it is unlikely to occur in the foreseeable future.