



ABSTRACT WORKING PAPER 5.22

Local Governance and social cohesion in Ukraine

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Local governance and social cohesion are important political principles which feature prominently in Ukrainian politics but there are many obstacles to their effective implementation. Despite many discussions about the need for the reform of local government, both in political institutions as well as in civil society, there is no political will to draft a plan and an action plan with a view to implement it. A divided political opposition and diminished civil society mean that there is little impetus to reform the system. The local political elite is still not able to take over the running of local government. The majority of them are still tuned into the centralised model and they do not have the political education to run their local councils independently. Both the psychology of local politicians as well as the administrative structure still favour the centralised model. Centralisation has been taking place since 2010 and political and economic power is concentrated in the office of the President and the ruling elite. The 2008 crisis, on top of the 20 years of economic problems, impoverished the majority of the Ukrainian population which exacerbated their retreat from the political sphere. On the one hand, they felt and still feel that the ruling elite does not want them in the corridors of power. They are invited and wooed to vote but no more than that. They also perceive the ruling elite as corrupt and guided by their economic interests. On the other hand they decided to withdraw because they needed to concentrate on developing survival strategies. Networks play an important role in developing and supporting the strategies of survival. Through these networks Ukrainians are able to obtain a wide variety of support, from food to help with education, health care and the search for employment. These networks are a backbone of Ukrainian state and society and as such they are a part of all different groups of Ukrainian society. Networks are vital political, social and economic structures. As much as they are helping some Ukrainians to survive they are also helping a smaller minority to enrich themselves. Networks which base their existence only on the exchange of favours, *blat*, as in Soviet times, are based on a smaller number of trusted members. Since Ukrainian society embraced market forces, financial transactions have become more important in these networks. Corruption has become endemic to Ukrainian society and has permeated not only the economic sphere but also public services such as education, health care and social services. As a result of political centralisation, only lip service is paid to the reform of local government and to the process of decentralization. The process of centralization together with the economic recession and high levels of corruption is creating a fragmented society in which there are increasingly less connections between different groups in society.