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The first serious programme of reforms for Ukraine

On 2 June, the presidential committee for reforms endorsed a complex program of economic and social reforms for the period from 2010 to 2014. The programme accurately diagnoses the problems and challenges which Ukraine faces, and has systematically presented proposals for reforms. The most important question is whether this programme will be realised at all, and if it is, to what degree.

The programme of economic and social reforms was prepared under the supervision of Iryna Akimova. It indicates a systematic approach and answers most of the challenges posed; it covers a full spectrum of reforms, concerning among other matters the stabilisation of public finances; liberalising economic activity; providing social assistance; pension reform; a change to the regulations for financing the health service, education and science; but also reform of individual sectors such as energy, agriculture and finances. It also announces reforms to local government and territorial administration, without which it will be impossible to implement an important part of the proposed reforms. The legal solutions should broadly comply with EU norms and standards. The programme's weaknesses are the excessive generality of some of the proposals; the lack of any costing of the individual solutions, or of any indicators allowing the degree of implementation of the goals at individual stages to be evaluated. The finishing touches to the mechanisms for implementing reforms will be handled by a working group under the supervision of Prime Minister Mykola Azarov. The programme's authors have also stated that work will be concluded within a month. This may allow the removal of the shortcomings, but may also change the sense of the proposed reforms.

The changes planned may at various stages strike at the interests of Ukraine's oligarchs, bureaucracy, and the politicians themselves, who would be risking a drop in their popularity because of the costs of liberalising prices and tariffs. The question arises of whether the political will is sufficient, and whether there is enough determination to implement this interlocking network of reforms. <AnG>