

**CIVIL SOCIETY IN UKRAINE:  
“DRIVING ENGINE OR SPARE WHEEL FOR CHANGE?”**

CIVICUS Civil Society Index Report for Ukraine

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**CIVICUS: World Alliance for Citizen Participation**

## FOREWORD

The Civil Society Index (CSI) project was accomplished by a partnership of two Ukrainian non-governmental organisations (NGOs). The missions of these two NGOs are to support civil society and civic initiatives. The two NGOs are the Counterpart Creative Center and the Center for Philanthropy. The Counterpart Creative Center (CCC) is a Ukrainian non-governmental not-for-profit organisation registered as an international charitable foundation and an official branch of Counterpart International, Inc. in Ukraine. The mission of Counterpart Creative Center is to support civic initiatives aimed at developing and strengthening civic society in Ukraine. Counterpart Creative Center works in the following fields: providing informational and consulting services, delivering trainings and seminars, conducting research, evaluations and surveys, administration of grants programs and preparing and issuing publications. CCC Target groups, partners and beneficiaries include NGOs and civil society leaders, national and local state administration and self-governing bodies, international and donor organisations, mass media, general public.

The mission of Center for Philanthropy (CFP) is to develop a culture of philanthropy by creating a favourable environment for citizens participating in civil society organisations in Ukraine. The mission is realised by following the objectives to provide information and reference services for NGOs and potential philanthropists, to educate social service providers on fundraising and local donors on value and importance of civil society, to research issues of vital importance to philanthropy and civil society development in Ukraine and to provide networking opportunities for NGOs, business, government and mass-media. The CFP was established in 1998. Since then the Center has accomplished more than 20 projects supported by international donors and local philanthropists, published about 20 publications, issued several TV and radio programs and conducted study tours, trainings and workshops.

In 1999-2001 Counterpart Creative Center and Center for Philanthropy partnered with the League of Regional Resource Centers during the pilot implementation of the CIVICUS Civil Society Index (CSI). The current project is a follow up on this previous research. By conceptualizing the role and significance of civil society more broadly than was the case in the 1990s, the CSI project has initiated a new debate on the concept and implication of civil society. The current study is action oriented research project, which involved a wide range of stakeholders from throughout the country. It will be used to inform civil society organisations (CSOs), as well as researchers, government officials, national and foreign donors and the general public. The CSI project in 2003-2005 took place in cooperation with a wide range of organisations, individuals and members of the National Advisory group (NAG). The project has laid the ground for productive cooperation in the name of civil society development in Ukraine.

Lastly, the report title poses a question whether Ukrainian civil society is like a fountain unexpectedly and powerfully outburst to protect citizens choice and dignity in November 2004 and then returned to its usual passive state or civil society has become a lasting source of energy for continuing change at all levels of society. Today a strong effort should be made to provide civil society with powerful instruments for change and hope that the product of our research will be a small input in this process.

Svitlana Kuts  
President of the Center for Philanthropy

## ACKNOWLEDGEMENTS

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The National Advisory Group (NAG) of the project has become a governing body and collaborated on the creation of the CSI from the outset. I would like to take this opportunity to thank all of the group's members for the time and energy they put into the project: Khusnutdinov Valery, Ukrainian Union of Youth Organisations, Volochaj Olena, International League of Professional Support of Civic Initiatives, Rogalin Yakiv, Charitable Foundation "Kindness", Katkova Irina, Turbota pro litnih (Age Concern) in Ukraine, Semenova Olena, AIDS/HIV International Alliance in Ukraine, Katchanova Natalia, Community Initiatives Foundation, Khalilov Aider, advisor to Crimean Parliament, Mitsay Andriy, Ministry of Economy and European Integration of Ukraine, Kremeshna Tetiana, "Olesia" Company, Korovchenko Bohdan, Internews Ukraine, Volodymyr Panniotto, Kyiv International Institute for Sociology, Rubtsov Valerij, Institute of Local Democracy and Ilko Kucheriv, Democratic Initiatives Foundation.

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This report draws on ideas, arguments and examples brought up during the course of the work of the NAG, discussions with colleagues at CCC and CFP, the regional stakeholder consultations, and the National seminar that was held at the end of project to discuss and build upon its findings. All these stakeholders and participants contributed strongly to this report.

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## LIST OF ACRONYMS

|        |   |
|--------|---|
| CCC    | Counterpart Creative Center                               |
| CFP    | Center for Philanthropy                                   |
| CIDA   | Canadian International Development Agency                 |
| CPI    | Corruption Perception Index                               |
| CSI    | Civil Society Index                                       |
| CSO    | Civil society organisation                                |
| CSR    | Corporate social responsibility                           |
| CVU    | Committee of Voters of Ukraine                            |
| DIF    | Democratic Initiatives Foundation                         |
| EU     | European Union  |
| FIG    | Financial and Industrial Groups                           |
| GDP    | Gross domestic product                                    |
| GONGO  | Government organised NGO                                  |
| ICNL   | International Center for Non-profit Law                   |
| IFES   | International Federation of Electoral Systems             |
| IMF    | International Monetary Fund                               |
| NAG    | National Advisory Group                                   |
| NGO    | Non-governmental organisation                             |
| NIT    | National Implementing Team                                |
| NPO    | Non-Profit organisation                                   |
| OSCE   | Organization of Security and Cooperation in Europe        |
| RSC    | Regional Stakeholder Consultation                         |
| TI     | Transparency International                                |
| US AID | Agency for International Development of the United States |
| UNDP   | United Nations Development Program                        |
| WB     | World Bank  |

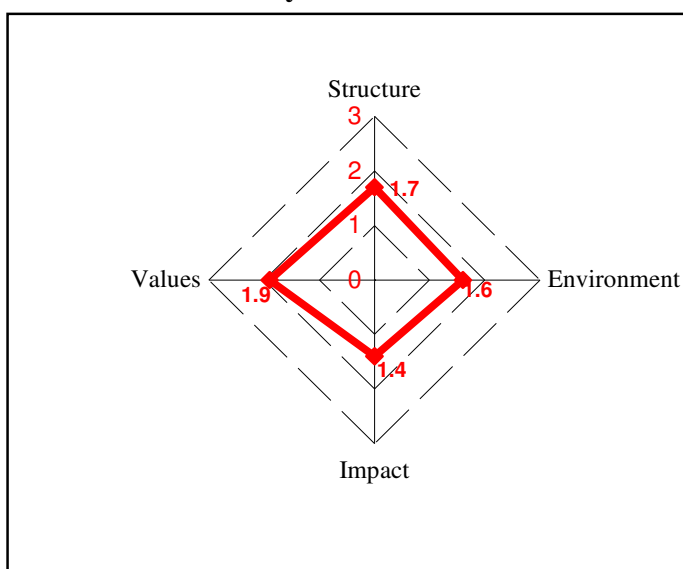
## EXECUTIVE SUMMARY

In the period between 2003 and 2004 the CIVICUS Civil Society Index project (CSI) collected information and input from a broad range of civil society representatives, citizens, experts, and researchers on the state of civil society in Ukraine. The National Implementing Team aimed to build on the 2001 pilot CSI project and to examine to what extent Ukrainian civil society has changed over the last years. The CSI included data gathered up to December 2004, i.e. it included events and actions connected to the Ukraine Presidential elections of 2004 and the prominent civil society actions during the “The Orange Revolution”.

Using a comprehensive framework of 74 indicators and drawing on extensive data collected by the project team, the project’s National Advisory Group assessed the overall state of civil society in the country, which is summarised in a visual graph (see figure 1), Ukraine’s Civil Society Diamond.

**FIGURE 1: Civil Society Diamond for Ukraine**

The diagram visualising the state of Ukrainian civil society in the form of a diamond shows that civil society is rather well balanced and of medium size. The least developed is the impact dimension despite the tremendous success of Ukrainian civil society during Presidential elections in 2004. It seems that civil society’s actions in the field of public policy did not necessarily lead to greater impact on society at large and on the well-being of citizens. Still, the Orange Revolution events signified a great step forward for the recognition of civil society as an important actor in



the policy-making arena. The lowest score for the impact dimension is certainly connected to the average score for its environment, which remains quite unsupportive for civil society. The general political and socio-cultural context strongly shapes CSO practices as they needed to survive in a society with a high level of corruption, disrespect for the rule of law, clientelism, an indifferent attitude of government, distrust and intolerance. This eventually determines CSOs’ advocacy practices, since organisations cannot use the legal mechanisms for protecting the interests of their stakeholders, and lead to government ignoring any propositions submitted by civil society.

The impact of civil society also largely depends on the organisational capacity and CSOs infrastructure, which are key features of its structure dimension. The structure of Ukrainian civil society is currently above average, although the tendency is for citizens to participate in informal groups rather than in CSOs. Ukrainians’ participation in CSOs is limited by the lack of transparency and low outreach by CSOs to the population.

Despite the lack of citizen participation in their activities, CSOs play important roles in preserving peace, non-violence, tolerance, gender balance and environmental sustainability in Ukrainian society. This leads to a moderately high score for civil society’s values. The major



problem in the values dimension rests in the limited ability of CSOs to pursue practices of democratic governance, tolerance and gender balance inside organisations as effectively as they advocate for such practices in society in general. There is clearly an imbalance between declared CSO values and actual practice, which needs to be addressed.

The CSI project provided a multitude of data, interpretations, assessments and recommendations. Focusing specifically on action and policy-oriented recommendations, several specific themes emerged from this comprehensive analysis of the state of Ukrainian civil society. First, civil society needs to address issues of citizen involvement in CSOs, by increasing CSOs' capacity to reach out to people, by providing services to the public and by mobilising citizens' philanthropic potential. Second, civil society should request that government establish clear procedures for civil society's involvement in policy making, policy implementation and monitoring, since the current system is non-transparent and insufficient for an effective engagement between civil society and government. Third, civil society organisations should develop their organisational capacity not only by using the facilities provided by international technical assistance, but also by creating a domestic base of CSO professionals with the support of government and the mobilisation of local resources.

For Ukraine the project outcomes will become a valuable resource for the development of the strategy of civil society and state cooperation, which the Ukrainian government can use in the framework of the EU-Ukraine Action Plan. The CSI has become a part of the National Strategy of Civil Society Development, which is initiated by the Consortium of NGOs "Ukraine – It's Us", since it is recognised by the Consortium members as a valuable source of tangible data on civil society's state and development, which requires further periodical measurement of civil society in Ukraine. Therefore, efforts will be taken to continue the project on the basis of methodology provided by CIVICUS.

In conclusion, it is important to highlight the three distinguishing features of the CSI project, which are important in the context of civil society strengthening. First, the CSI has become a key method for a systematic and organised collection of data on the state of civil society. Second, the collected data is mostly based on facts rather than only on perceptions and opinions. Third, the opinions of civil society stakeholders are an important component of the project since they are used to develop actions regarding the development of civil society in Ukraine. Together, these features make the CSI a most valuable tool for strengthening Ukrainian civil society to take on the challenges in the years to come.

## INTRODUCTION

This document presents the results of the CIVICUS Civil Society Index (CSI) in Ukraine, carried out from June 2003 to December 2005 as part of the international CSI project coordinated by CIVICUS: World Alliance for Citizen Participation and currently implemented in 64 countries.

The CSI is a participatory action-research project assessing the state of civil society in countries around the world. The project links this assessment with a reflection and action-planning process by civil society stakeholders, aiming to strengthen civil society in those areas where weaknesses or challenges are detected. By seeking to combine valid assessment, broad-based reflection and joint action, the CSI attempts to make a contribution to the perennial debate on how research can inform policy and practice.

In each country the CSI is implemented by a National Coordinating Organisation (NCO), guided by a National Advisor Group (NAG) and the CSI project team at CIVICUS. In Ukraine there were two organisations involved in the project implementation –Counterpart Creative Center and Center for Philanthropy - that had a positive track record of cooperation during the pilot CSI project in 2001. NCO collects and synthesizes data and information on civil society from a variety of primary and secondary sources. This information is employed by the NAG to score the 74 CSI indicators, which together provide a comprehensive assessment of the state of civil society. The findings are then discussed at a national workshop, where civil society stakeholders identify specific strengths and weaknesses of civil society as well as develop recommendations on how to strengthen civil society. The international CSI project team at CIVICUS provides training, technical assistance and quality control to the NCO throughout the project implementation.

The CSI is an international comparative project currently involving more than 50 countries from around the world. It was conceived with two specific objectives: (1) providing useful knowledge on civil society and (2) increasing the commitment of stakeholders to strengthen civil society. The first objective inherits a certain tension between country-specific knowledge and knowledge comparable cross-nationally on a global scale. CIVICUS sought to resolve this tension by making it possible to adapt the methodology and the set of more than 70 indicators to country-specific factors. Ukrainian National Implementing Team (NIT) generally kept to the overall project framework.

For Ukraine regional comparisons were particularly interesting. Thus, the project implementation approach took into consideration the regional diversity of the country and planned the project to cover regionally specific social, economic, and cultural differences. The main benefit of the CSI surely is in the acquisition of useful data on Ukrainian civil society and the application of the CSI methodology and approach in the context of Ukraine. In the application of the CSI, the NCOs saw both a challenge and an opportunity, since the CSI offers a broad and inclusive definition of civil society and introduces questions that we regard as new and stimulating. It is hoped that the reader of the report is also able to find new and stimulating insights on the changing nature and context of civil society in Ukraine.

## **Structure of the Publication**

Section I, “The CSI Project: Background & Methodology”, provides a detailed history of the CSI, its conceptual framework, and research methodology.<sup>1</sup>

Section II, “Civil Society in Ukraine”, provides a historic background on civil society in Ukraine and highlights some specific features of civil society. It also describes the use of the civil society concept in Ukraine as well as the definition employed by the CSI project. Lastly, it describes the exercise of developing a map of civil society, which was carried out as part of the CSI project activities.

Section III, entitled “Analysis of Civil Society”, is divided into four parts – Structure, Environment, Values and Impact – which correspond to the four main dimensions of the CSI. The presentation of the results according to individual dimensions and subdimensions is intended to be a resource repository, and readers looking for an overall interpretation of the report should refer to the conclusion. The third section also makes reference to a range of case and overview studies, which are described in greater detail in Annexes 3 – 5.

Section IV, “Strengths and Weaknesses of Ukrainian Civil Society” summarises the ideas, arguments and opinions raised at the National CSI Seminar, which was held on December 23, 2005 in the framework of international conference on “Post-Maidan civil society in Ukraine: lessons and perspectives”. About 70 participants from CSOs and academic institutions had the opportunity to comment on, criticise, and supplement the findings through their participation in plenary sessions and small group discussions.

Section V, “Recommendations” provides recommendations provided by participants at the National CSI seminar and other project events. These recommendations focus on concrete actions on how to strengthen civil society and its role in Ukraine.

Finally, Section VI, “Conclusion” maps the Civil Society Diamond and offers an interpretation on the report’s implications for the overall state of Ukrainian civil society.<sup>2</sup>

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<sup>1</sup> See also Appendix 1 The Scoring Matrix, and Appendix 2 A Survey of Methods.

<sup>2</sup> The Civil Society Diamond is a visual tool developed by CIVICUS and Helmut Anheier, Director of the Center for Civil Society at the University of California, Los Angeles, which presents the overall findings of the CSI study in form of a Diamond-shaped graph.

# I. CIVIL SOCIETY INDEX PROJECT & APPROACH

## 1. PROJECT BACKGROUND

The idea of a Civil Society Index (CSI) originated in 1997, when the international non-governmental organisation CIVICUS: World Alliance for Citizen Participation published the *New Civic Atlas* containing profiles of civil society in 60 countries around the world (CIVICUS 1997). To improve the comparability and quality of the information contained in the *New Civic Atlas*, CIVICUS decided to embark on the development of a comprehensive assessment tool for civil society, the Civil Society Index (Heinrich/Naidoo 2001; Holloway 2001). In 1999, Helmut Anheier, the director of the Centre for Civil Society at the London School of Economics at the time, played a significant role in the creation of the CSI (Anheier 2004). The CSI concept was tested in 14 countries during a pilot phase lasting from 2000 to 2002. Upon completion of the pilot phase, the project approach was thoroughly evaluated and refined. In its current implementation phase (2003-2005), CIVICUS and its country partners are implementing the project in more than fifty countries (see table I.1.1).

**TABLE I.1.1: Countries participating in the CSI implementation phase 2003-2005<sup>3</sup>**

|                         |                          |                  |
|-------------------------|--------------------------|------------------|
| 1. Argentina            | 19. Germany              | 38. Palestine    |
| 2. Armenia              | 20. Ghana                | 39. Poland       |
| 3. Azerbaijan           | 21. Greece               | 40. Romania      |
| 4. Bolivia              | 22. Guatemala            | 41. Russia       |
| 5. Bulgaria             | 23. Honduras             | 42. Scotland     |
| 6. Burkina Faso         | 24. Hong Kong (VR China) | 43. Serbia       |
| 7. Chile                | 25. Indonesia            | 44. Sierra Leone |
| 8. China                | 26. Italy                | 45. Slovenia     |
| 9. Costa Rica           | 27. Jamaica              | 46. South Korea  |
| 10. Croatia             | 28. Lebanon              | 47. Taiwan       |
| 11. Cyprus <sup>4</sup> | 29. Macedonia            | 48. Togo*        |
| 12. Czech Republic      | 30. Mauritius            | 49. Turkey       |
| 13. East Timor          | 31. Mongolia             | 50. Uganda       |
| 14. Ecuador             | 32. Montenegro           | 51. Ukraine      |
| 15. Egypt               | 33. Nepal                | 52. Uruguay      |
| 16. Fiji                | 34. Netherlands          | 53. Vietnam      |
| 17. Gambia              | 35. Nigeria              | 54. Wales        |
| 18. Georgia             | 36. Northern Ireland     |                  |
|                         | 37. Orissa (India)       |                  |

The Center for Philanthropy, League of the Regional Resource Centers and Counterpart Creative Center implemented the pilot project in Ukraine in 2001. The results of the project in the form of the National Report<sup>5</sup> were widely used among Ukrainian CSOs, government, mass media, academic circles and donor agencies in Ukraine and internationally. The Center for Philanthropy, together with the Counterpart Creative Center, was again selected to co-operatively implement the current phase of the CSI project on the basis of the pilot positive implementation experience and co-operation in the national team. Both organisations are civil

<sup>3</sup> This list encompasses independent countries as well as other territories in which the CSI has been conducted, as of August 2006.

<sup>4</sup> The CSI assessment was carried out in parallel in the northern and southern parts of Cyprus due to the de facto division of the island. However, the CSI findings were published in a single report as a symbolic gesture for a unified Cyprus.

<sup>5</sup> The Pilot Phase report can be found at <http://www.philanthropy.org.ua/CIVICUS-report-eng.pdf>

society development bodies in Ukraine. In this capacity they were able to play the role of the CSI national implementing agencies by forming National Implementing Team. The governing body of the CSI Project was the National Advisory Group formed by individuals with the prominent input in civil society development and representing different strata of civil society stakeholders in Ukraine.

The CSI Project has become an important tool for strengthening civil society in Ukraine as it combines action oriented research with a comprehensive set of instruments for civil society assessment, which result in concrete recommendations and action points for various stakeholders to strengthen civil society. The overall goal of the project is to assess the status of civil society in Ukraine, enrich the knowledge on civil society, to increase awareness among all stakeholders on the importance of civil society and to learn from comparing the project findings among countries in the world. The Project is nation-wide in nature. The participatory character of the research allowed involving different civil society stakeholders in the process of data provision, analysis and development of the action plan for improving the state of civil society in Ukraine. Civil society stakeholders participating in the project were composed of representatives of civil society organisations, people's initiatives, community groups, trade unions, government agencies developing civil society, socially responsible business, academic circles and public policy think tanks, mass-media, all together about 600 individuals.

The CSI project brought innovation and originality to the arena of civil society research in Ukraine. The majority of research projects and donors' assessments on civil society in Ukraine are descriptive in nature.<sup>6</sup> They often operate with the numeric data collected in 1999-2003, base analysis on perceptions rather than facts, and often limit themselves to one specific organisational form of civil society organisations – non-governmental organisations that include public associations and charitable organisations. For example, USAID's NGO Sustainability Index is based only on 7 indicators, making the NGO development picture sufficient for the specific USAID development agenda. Almost the same approach was used in the Pilot Stage of the CIVICUS CSI (2000-2001). Since then many changes have occurred in the nature of civil society and public participation more activity was generated by initiative groups, movements and citizens in Ukraine. The most illustrative example of the spontaneous and non-registered civil society and its impact provided by the so called Orange Revolution, events that followed Presidential elections of 2004 (Kroky, 2006). The revised CSI methodology is better placed to take account of these new important forms of civic engagement. As the CSI project assesses civil society until the end of 2004, the Orange Revolution was included in the assessment and events of the Presidential election provided a new angle for looking at civil society in Ukraine.

The CSI project has three important features which are important in the context of civil society strengthening in Ukraine: first, the CSI has become the key method for a systematic and organised collection of data on the state of civil society; second, the collected data is based mostly based on facts rather than only on perceptions and opinions; third, the opinions of civil society stakeholders were an important part of the project since they were used to develop actions regarding the development of civil society in Ukraine.

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<sup>6</sup> BoardSource "Nonprofit Governance Practices in Ukraine", 2003: Europe XXI, *Grassroots*, 2003: Freedom House, US AID NGG Sustainability Index, etc.

## 2. PROJECT APPROACH

The CSI is based on a broad definition of civil society and uses a comprehensive implementation approach, which utilizes various research methods. In order to assess the status of civil society in a certain country, the CSI examines four key dimensions of civil society: structure, environment, values and impact. Each dimension comprises a number of subdimensions, which include a number of individual indicators. The indicators represent the basis for data collection within the CSI. The data is collected through several methods: secondary data collection, a community survey, a civil society stakeholder survey, regional workshops, a media review, structured expert consultations and several case studies. The indicators are then separately assessed and discussed by the NAG. The outcomes of the research and assessment are also discussed by the representatives of the key stakeholders at the National Workshop. The task at the National Workshop is to identify the specific strengths and weaknesses and to provide recommendations for key actions aimed at strengthening civil society. The CSI project approach, the conceptual framework, research and assessment methodology are described in detail in this section.

### 2.1. Conceptual Framework

#### *How to define the civil society?*

CIVICUS defines *civil society as the arena, outside of the family, the state and the market where people associate to advance common interests.*<sup>7</sup> The CSI has two interesting features that contrast other civil society concepts. First, its goal is to avoid the conventional focus on formal and institutionalized civil society organisations (CSOs) by also considering informal coalitions and groups. Second, whereas civil society is sometimes perceived as an area with positive actions and values, the CSI seeks to assess both the positive and the negative manifestations of civil society. This concept consequently includes not only the humanitarian organisations and associations active in environmental protection, but also, groups such as skinheads and aggressive football supporter groups. The CSI does not only assess to what extent the CSOs support democracy and tolerance, but also the extent of their intolerance or even violence.

#### *How to conceptualize the state of civil society?*

To assess the state of civil society, the CSI examines civil society along four main dimensions:

- The **structure** of civil society (e.g. number of members, extent of giving and volunteering, number and features of umbrella organisations and civil society infrastructure, human and financial resources);
- The external **environment** in which civil society exists and functions (e.g. legislative, political, cultural and economic context, relationship between civil society and the state, as well as the private sector);
- The **values** practiced and promoted within the civil society arena (e.g. democracy, tolerance or protection of the environment) and
- The **impact** of activities pursued by civil society actors (e.g. public policy impact, empowerment of people, meeting societal needs).

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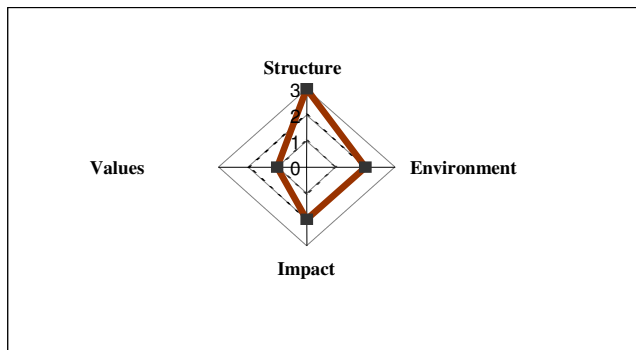
<sup>7</sup> In debates about the definition of civil society in regional stakeholder consultations, the NAG meetings and the National Workshop participants agreed to use the word *societal space* instead of *arena*.

Each of these main dimensions is divided into a set of subdimensions which contain a total of 74 indicators.<sup>8</sup> These indicators are at the heart of the CSI and form the basis of the data presented in this report. The indicator – subdimension - dimension framework underpinned the entire process of data collection, the writing of the research report, the NAG’s assessment of Ukrainian civil society and the presentations at the National Workshop. It is also used to structure the main section of this publication.

To visually present the scores of the four main dimensions, the CSI makes use of the Civil Society Diamond tool (see figure I.2.1 below as an example).<sup>9</sup> The Civil

**FIGURE I.2.1: CIVICUS Civil Society Diamond**

Society diamond graph, with its four extremities, visually summarises the strengths and weaknesses of civil society. The diagram is the result of the individual indicator scores aggregated into sub- dimension and then dimension scores. As it captures the essence of the state of civil society across its key dimensions, the Civil Society Diamond can provide a useful starting point for interpretations and discussions about



how civil society looks like in a given country. As the Diamond does not aggregate the dimension scores into a single score, it cannot, and should not, be used to rank countries according to their scores for the four dimensions. Such an approach was deemed inappropriate for a civil society assessment, with so many multi-faceted dimensions, contributing factors and actors. The Diamond also depicts civil society at a certain point in time and therefore lacks a dynamic perspective. However, if applied iteratively, it can be used to chart the development of civil society over time, as well as compare the state of civil societies across countries (Anheier 2004).

## 2.2. Project Methodology

This section describes the methods used for collecting and aggregating of various data used in the project.

### 2.2.1 Data Collection

The CSI recognised that, in order to generate a valid and comprehensive assessment of civil society, a variety of perspectives and data should be included – insider, external stakeholder and outsider views, as well as objective data ranging from the local, the regional to the national level. The CSI therefore includes the following set of research methods: (1) Review of existing information, (2) Regional stakeholder consultations, (3) Community survey, (4) Media review and (5) Fact-finding studies.

It is believed that this mix of different methods is essential to generate accurate and useful data and information, and also accommodates the variations of civil society, for example in different regions of Ukraine. The CSI also seeks to utilize all available sources of information to avoid ‘re-inventing research wheels’ and wasting scarce resources. Lastly, the research methodology is explicitly designed to promote learning and, ultimately, action on the part of

<sup>8</sup> See Appendix 1.

<sup>9</sup> The Civil Society Diamond was developed for CIVICUS by Helmut Anheier (see Anheier 2004).

participants. Besides feeding into the final national-level seminar, data collection processes also aim to contribute to participant learning. This is done, for example, through group-based approaches that challenge participants to see themselves as part of a “bigger picture”, to think beyond their own organisational or sectoral context, to reflect strategically about relations within and between civil society and other parts of society, to identify key strengths and weaknesses of their civil society and assess collective needs. It is important to note that the CSI provides an aggregate needs assessment on civil society as a whole, and is not designed to exhaustively map the various actors active within civil society. However, it does examine power relations within civil society and between civil society and other sectors, and identifies key civil society actors when looking at specific indicators under the structure, values and impact dimensions.

The Ukrainian CSI study applied the complete list of proposed methods for data collection:

- Secondary sources: An overview of existing research data, published research and academic sources relating to the issue of civil society development was summarised in an overview report on the status of civil society in Ukraine.
- Regional stakeholder survey: Representatives of CSOs, Government, the corporate sector, the media and other stakeholders were interviewed in six regions: Crimea, Trans-Carpathia, Lviv, Chernigiv, Kharkiv oblast, and Kyiv.
- Regional stakeholder consultations (RSCs): In six regions representatives of various stakeholders, who previously completed the questionnaire, were invited to participate in a one-day discussion on research outcomes for their respective region. The total number of participating representatives was 76.
- A 2005 annual survey of Ukrainian CSOs was conducted by Counterpart Creative Center in cooperation with Kyiv Institute of Sociology between July and September 2005. The survey is a component of annual CSO research activity that is done in this format each year since 2002. Since 2002 the survey has been conducted with financial support from the “Ukrainian Citizen Action Network” (UCAN) project implemented by the Institute for Sustainable Communities (ISC) funded by United States Agency for International Development (USAID).
- Community Survey. In 4 communities (carefully selected to account for important socio-demographic factors, e.g. urban-rural; affluent-poor etc.), 400 individuals were surveyed through individual interviews on, among others, their value dispositions, activities within civil society and attitudes towards and engagement with community-level CSOs.
- Media review: The reporting of six printed media sources on civil society was reviewed for a five months period of 2004. The sources included *Day*, *Uriadovy Courier* and *Segodnia* – daily newspapers, *Zerkalo Nedeli* and *Korrespondent* – weekly newspaper and journal, and professional journal for accountants *Vse pro buhgalterski oblik*.
- Fact-finding. Two case studies were undertaken to collect data on the indicators measuring corporate social responsibility and civil society influence on public policy (Orange Revolution). A separate policy analysis and legislation review on the issue of civil society’s sustainability was conducted.

### 2.2.2 Aggregating data

The project team collected various types of data for the draft report and structured them according to the CSI indicators, subdimensions and dimensions. Each indicator was attributed a score between 0 and 3 (0 being the lowest value and 3 the highest). Each potential indicator score (0, 1, 2 and 3) was described in either qualitative or sometimes



quantitative terms. The NAG scoring exercise was modelled along a “citizen jury” approach (Jefferson Centre 2002), in which citizens come together to deliberate, and make decision on a public issue, based on presented facts. The NAG’s role has been to give a score (similar to passing a judgement) on each indicator based on the evidence (or data) presented by the National Index Team (NIT) in the form of the draft country report. The process of indicator scoring, performed by the NAG, was based on a discussion on the information provided for each indicator. Based on this discussion and the scoring matrix featuring the indicator score descriptions, the NAG decided on a score for each respective indicator.

### **2.3. Linking Research with Action**

The CSI is not a purely academic project. Its goal is to involve civil society actors in the research process, contribute to a discussion on civil society and provide recommendations on how to strengthen civil society. This categorizes the project as action oriented research.

Various relevant stakeholders participated in the project implementation at several levels. The NAG included representatives from CSOs, the state, the corporate sector, foreign organisations and researchers. It discussed the definition of civil society, the project methodology and assisted with calibrating certain indicator score categories. NAG developed the Map of Civil Society and conducted a Social Forces Analysis in Ukraine.

Another important component of the project was the regional consultations, organised to discuss the findings of a stakeholder survey conducted in six regions. These consultations were held in different regions of Ukraine to determine regionally specific issues of civil society development. The consultations provided insight on the vision of civil society in different regions of Ukraine, which are politically divided. It was found that CSOs from the South-Eastern part of the country were more active participants in civil society by taking part in several CSOs: trade unions, political parties, associations. They demonstrated a more practical approach to solving problems by proposing concrete action to overcome difficulties. Western civil society stakeholders were mostly interested in values and impact of civil society. The most active participation in RSC took place in the rural areas, where the issues of local self-governance were raised. In the urban areas participants focused on issues of democratic governance, financial problems of civil society, civil society cooperation with the government. Many participants do not distinguish between civil society and politics, especially in Crimea, some participants left the consultations scared of being involved in politics after Orange Revolution, which testifies the deeply rooted opposition to Orange Revolution among Crimea people, and the fact that civil society is part of such opposition.

The final component of the participatory CSI approach was the discussion of the draft CSI report at the National Workshop, in which participants were asked to identify overall strengths and weaknesses of Ukrainian civil society and provide recommendations for future activities. The National Workshop was attended not only by civil society leaders but also by members of the academic community studying civil society, as a growing phenomenon in Ukraine. Ukrainian government paid much attention to the results of CSI proposed action when developing the strategy of civil society development in Ukraine.

## 2.4. Project Outputs

The CSI implementation delivered several products, including:

- A comprehensive report on the status of civil society in the country;
- A list of recommendations, strategies and priority actions developed by various stakeholders, aimed at strengthening civil society;
- A press conference on key findings;
- Information on the project and its outcomes presented through several media outlets
- Consultations with about 160 stakeholders discussing the status of civil society and
- CSI findings were taken on to the Ukrainian government strategy on building partnership between civil society and government, and the National Strategy of Civil Society Development created by the Initiative Consortium “Ukraine – It’s Us”.

## II CIVIL SOCIETY IN UKRAINE

### 1. HISTORICAL OVERVIEW

**FIGURE II.1.1: Country Information**

|   |
|---|
| <b>Country size:</b> 603,7 million sq km  |
| <b>Population:</b> 48,200,000   |
| <b>Population density:</b> 85 per sq km   |
| <b>Form of government:</b> Presidential Parliamentary Democracy   |
| <b>Freedom House Democracy rating:</b> Partly Free  |
| <b>Language:</b> Ukrainian  |
| <b>Ethnicity:</b> Ukrainian (78 percent), Russian (17 percent), other (5 percent)                                   |
| <b>Religious Groups:</b> Ukrainian Orthodox (Moscow and Kyiv Patriarchates), Ukrainian Catholic, Protestant, Jewish |
| <b>GDP per capita:</b> \$ 3,816   |

The development of civil society was shaped by years of struggle for national liberation and an independent state in Ukraine. In the Middle Ages, charity and social service provision were in the hands of the church and were later undertaken by the state, when the church was involved in the religious battles. Due to the lack of a permanent system of social service provision Ukrainian communities, mostly rural communities formed a system of reciprocal self-support that never required organised structures.

Beginning in the 17<sup>th</sup> century, when Ukraine was divided between Poland and Russia, the educated strata formed a national liberation movement, under the mask of charity. It was the time of secret societies, which studied Ukrainian history and developed strategies of political liberation while also promoting Ukrainian language and culture. The time during the late 19<sup>th</sup> and early 20<sup>th</sup> centuries was known for the emergence of private philanthropy by industrialists who helped establish a system of social support for the needy, as well as in the fields of education, health protection and culture. Some philanthropists also supported the Ukrainian liberation movement, which continued its activities until the Soviet era.

During the Soviet era, public participation and social service provision was strictly controlled by the state, which eventually led to the formation of the partisan wave for independence and national liberation in the 1960s. This wave delivered a tremendous movement for Ukrainian independence that created a background for the emergence of a Ukrainian State on the world map in 1991. NGOs and public movements, which appeared during the Soviet Union's *Perestroika* in the late 1980s, provided cadre for the majority of political parties and government agencies.

The appearance of the new generation of NGOs, that were characterised by a Western system of management and a project based approach to activities, was stimulated by the Western aid. Meanwhile, many old Soviet style CSOs and newly born charitable foundations, trade unions, associations and political parties were beginning to adapt to the new context, which was characterised by a sudden disappearance of state funding, by changing their governance.

Interestingly, the old Soviet CSOs were better equipped from the outset. They possessed significant property, a wide network of members and government officials were lobbying for their interests. While CSOs organisational capacities were developing, public participation and numbers of CSOs gradually decreased in late 1990s, as compared to the early 1990s. This may be explained by the economic and social crisis, but the major problem was that after accomplishing their task of building an independent state, CSOs could not transform their missions to the key requirements posed by the new regime, including service provision and the protection of citizens' individual interests (Kuts, 2000). However, in the early 2000s the people's protest movement rose up against a regime that began to acquire totalitarian features. Ukrainian

CSOs acquired important experience in building coalitions among voters during the 2002 parliamentary elections, which matured during the 2004 President's elections. Their aim was to counteract the authorities' massive intervention at all levels in support of the candidates of the governing party. Eventually, the efforts of a coalition among several CSOs received support from the wider public, which led to widespread protest actions called the Orange Revolution. This is the most visible example of civil society's impact on public policy, which led to the change of government and a return to a democratic course.

## **2. THE CONCEPT OF CIVIL SOCIETY IN UKRAINE**

Many sources note that concepts such as third sector or civil society are still beyond general public understanding. Civil society, as a concept, remains fuzzy in mainstream Ukrainian academic discourse, which lacks uniformity on what is civil society: Is it a moral feature or is it part of the governance or third sector and its organisations. Some of the definitions that are given by Ukrainian researchers are:

*Third Sector can not be correlated with the number of NGOs. The third sector can be determined as a specific framework for spontaneous self expression of free citizens and their voluntary formed associations working in different fields to protect their interests, and as a certain system of relationships, protected from direct intrusion and obstinate regulation of state and business (Shevchenko, 2001)*

*The prevailing notion among researchers is that civil society is not an institutional phenomena but rather a societal phenomena. Civil society is considered to be a quality of society, which determines its self-organising capacity, the level of democracy, realization of citizen rights and freedoms, citizens values and their responsibility. In this capacity civil society can not be uncivil society and can not be built. Civil society analysis should be along its time and space characteristics, indicators of the level of participation, level of assuring citizen rights and freedoms, responsiveness to societal interests (Kresina, 2006).*

*The notion of civil society in its current sense is often criticized as western imposed, as built on the specific Anglo Saxon development. Ukrainian researchers do not agree with the purely institutional approach to civil society analysis: it is necessary to look at civil society through the functional, institutional and socio-cultural lenses (Rubtsov, 2005).*

The CSI project brought innovation and originality to the arena of civil society research in Ukraine. The majority of research projects and donors' assessments on civil society in Ukraine are descriptive in nature.<sup>10</sup> They often operate with the numeric data collected in 1999-2003, base analysis on perceptions rather than facts, and often limit themselves to one specific organisational form of civil society organisations – non-governmental organisations that include public associations and charitable organisations. For example, USAID's NGO Sustainability Index is based only on 7 indicators, making the NGO development picture sufficient for the specific USAID development agenda. Almost the same approach was used in the Pilot Stage of the CIVICUS CSI (2000-2001). Since then many changes have occurred

<sup>10</sup> BoardSource "Nonprofit Governance Practices in Ukraine", 2003; Europe XXI, *Grassroots*, 2003; Freedom House, US AID NGG Sustainability Index, etc.

in the nature of civil society and public participation; more activity was generated by initiative groups, movements and citizens in Ukraine. The most illustrative example of the spontaneous and non-registered civil society and its impact provided by the so called Orange Revolution, events that followed Presidential elections of 2004 (Kroky, 2006).

The Orange revolution also facilitated research on civil society since it evoked public interest on the civil society phenomenon. Civil society is seen as a social capital building phenomena, and looked at through the prism of networks of civic engagement. For example, research undertaken by the Institute of Sociology of the National Academy of Science of Ukraine shows that the more fundamental qualities of civil society, other than organisational forms, were activated by the revolution, namely, practice of tolerant coexistence of millions of people (Stepanenko, 2005).

Thus, civil society is becoming a popular concept among academia, government and mass-media, as the country is implementing democratic reform and its connected rhetoric. Terms such as civil society organisations, non governmental organisations and nonprofit organisations are used interchangeably in official publications and in media outlets. Nevertheless, the terminology is not clear for general public, which is more used to such terms as charity, charitable organisations and citizens' associations.

After the pilot phase, the research methods of the CSI Project were redeveloped, while leaving the basic concept of civil society intact. Its redesign involved implementing organisations, scholars and civil society practitioners from the world. In its revised form, the CSI project seek to examine not only NGOs but also citizen's activity in initiative groups, unregistered clubs, movements, trade unions and other forms, which are captured by the working definition of the project: *Civil Society is the arena, between family, government, and market where people voluntarily associate to advance common interests.*

## **2.1 The Concept of Civil Society Used in this Study**

As mentioned in Section I.2, the civil society definition proposed by CIVICUS is characterised by a very broad scope, encompassing 'positive' and 'negative' organisations as well as informal forms of citizen participation. CIVICUS drafted a list of 20 types of CSOs to operationalise the civil society definition, throughout the research process. The task of the NAG was to adapt the list to Ukrainian environment. It decided on three substantial amendments.

First, it was decided that non-profit media and burial societies would not be included as part of civil society, simply because such types of CSOs do not exist in Ukraine. Second, after a debate within the NAG, it was decided that cooperatives would be excluded from the list of CSOs, since they are burdened with a specific history. Under socialism, cooperatives were purely economic organisations that did not pursue civil activities; social cooperatives (such as those known in France or Italy) are rare in the Ukraine. Third, it was proposed to add two additional forms of CSOs: the "territorial community", which is regulated by special law in Ukraine and allows citizens to create territorial self-governance bodies as well as "property holders' associations" which are also specific for Ukraine and bring together unions of people owning flats in one building to regulate the maintenance of the building. Political parties were considered to be a part of civil society as they formed the bulk of the people's opposition movement in Ukraine.

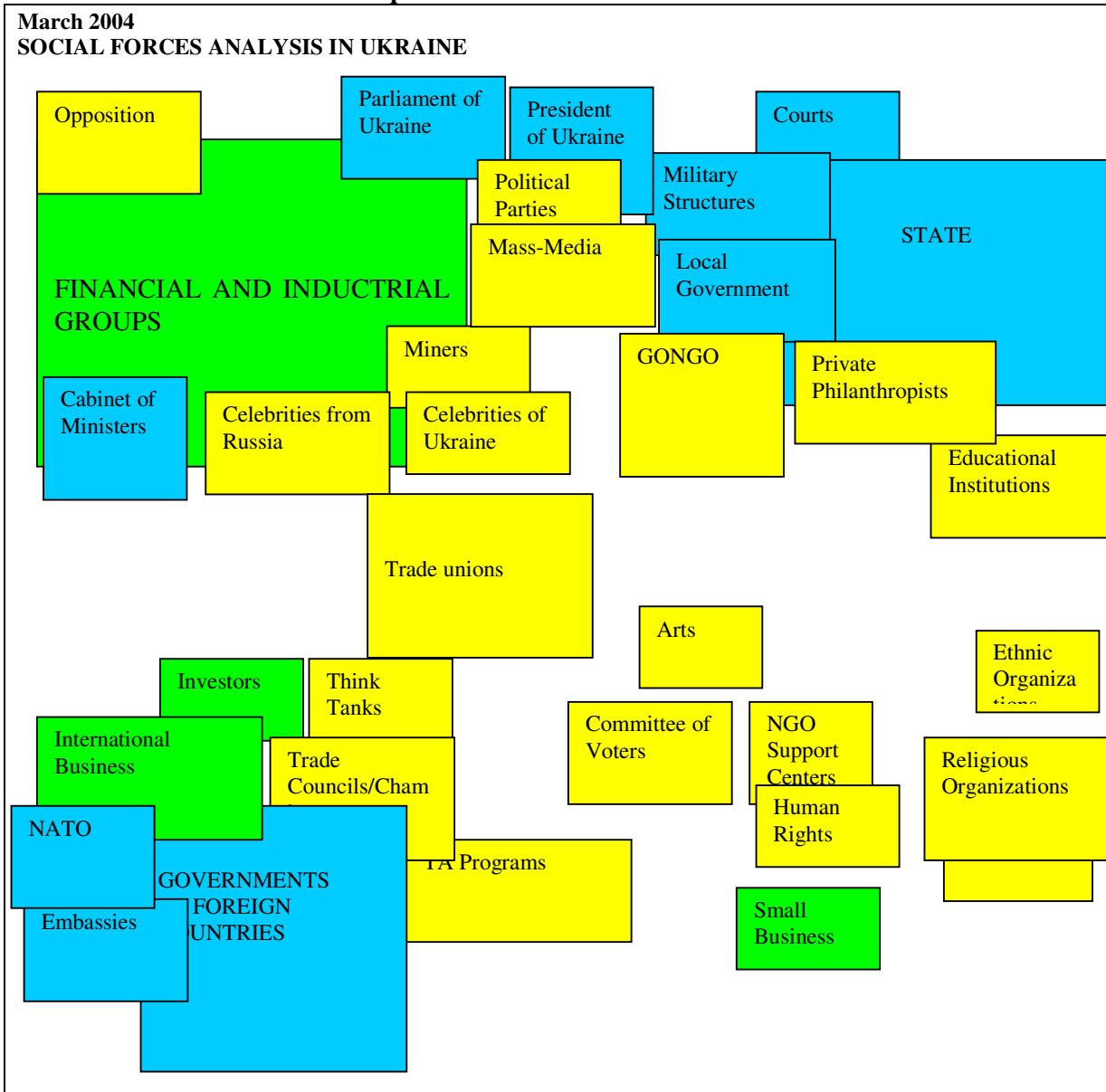
**TABLE II.1.1: Types of CSOs included in the study**

|  |   |
|--|---|
| 1. Business associations, chambers of commerce | 12. Healthcare organisations  |
| 2. Associations of property holders            | 13. Sports organisations  |
| 3. Professional organisations                  | 14. Youth organisations   |
| 4. Trade unions                                | 15. Women's organisations   |
| 5. Faith-based organisations                   | 16. Citizens associations, human rights organisations                             |
| 6. Territorial community org-s, committees     | 17. Ethnic, racial and traditional organisations                                  |
| 7. Political parties and movements             | 18. Organisations for the protection of the environment, ecological organisations |
| 8. Cultural organisations                      | 19. Other   |
| 9. Credit unions                               |   |
| 10. Educational organisations                  |   |
| 11. Hobby and leisure groups                   |   |

### **3. MAPPING CIVIL SOCIETY IN UKRAINE**

The Social Forces and Civil Society Maps were created by the National Advisory Group (NAG) in March 2004. There was a feeling that after the Orange Revolution the disposition of social power has significantly changed, hence the NIT proposed that the NAG create a new Social Forces Map for Ukraine, which could be more relevant after the social change occurred. However, the events of 2005 has shown that power structures in Ukrainian society have not changed significantly, so the NAG decided to keep the 2004 Social Forces Map, which reflects on the state of society during the research period of 2001-2004, since it is important to have an accurate picture of the context in which civil society was formed.

The Social Forces Map, shown in figure II.3.1, demonstrates that the major social force is vested in the financial and industrial groups (FIG) that dictate the work of government agencies, and in some cases are, in fact, synonymous with the Parliament of Ukraine, Ukrainian President and Cabinet of Ministers. All state decision making is directed by the needs of the FIG. Some say that the country is completely ruled by FIG. However, FIG themselves are not homogeneous structures, they are divided into those that are linked with the government and those which support the political opposition (presumably to have better access to the government). Their activities are not meant to change the governance structure of Ukraine but rather to preserve the institutional status quo and only change the political figures in power

**FIGURE II.3.1: Social Forces Map**

The FIG and the government are linked to certain components of civil society, such as political parties, mass-media, celebrities, trade unions, GONGOs and miners' movement, which they fund and manipulate.

The next powerful force is the Ukrainian **State**. It has created a powerful structure; a state apparatus that subordinates military structures, police, security service, local government and courts. The State shapes the activity of the following agencies/individuals that influence society: education and research, culture and arts, health and recreation institutions. It also has tremendous authority over small and middle businesses, corporate philanthropy and private giving by regulating and dictating their activity and using sanctions of tax administration and other controlling bodies.

Powerful **foreign countries** sit at the other pole of impact. These forces include international business interests and technical assistance programs of governments of democratic countries. International business interests are supported by governments of foreign countries via their Embassies and Chambers of commerce. Technical assistance programs direct their attention to democratic reform of Ukraine and involve international NGOs and local civil society organisations.

The most influential CSOs were think tanks, the Committee of Voters, human rights groups, academic institutions and programmes of international NGOs that are funded by grants and are the most critical of the government. The fact that most active NGOs were funded by grants from abroad was exploited by the Kuchma regime to publicly discredit the activities of civil society by naming them agents of “imperial” domination.

**The Map of Civil Society** was created by the National Advisory Group (NAG) in March 2004. As is shown in figure II.3.1, Ukrainian civil society is not a powerful agent in the overall picture of social forces due to the financial dependency on the above mentioned donors. This creates competition for resources, which in turn, prevents joint action and more influence. This dependency is used by donors, mostly local, for manipulating civil society activities by giving money usually in cash to set up short-lived NGOs that support the government.

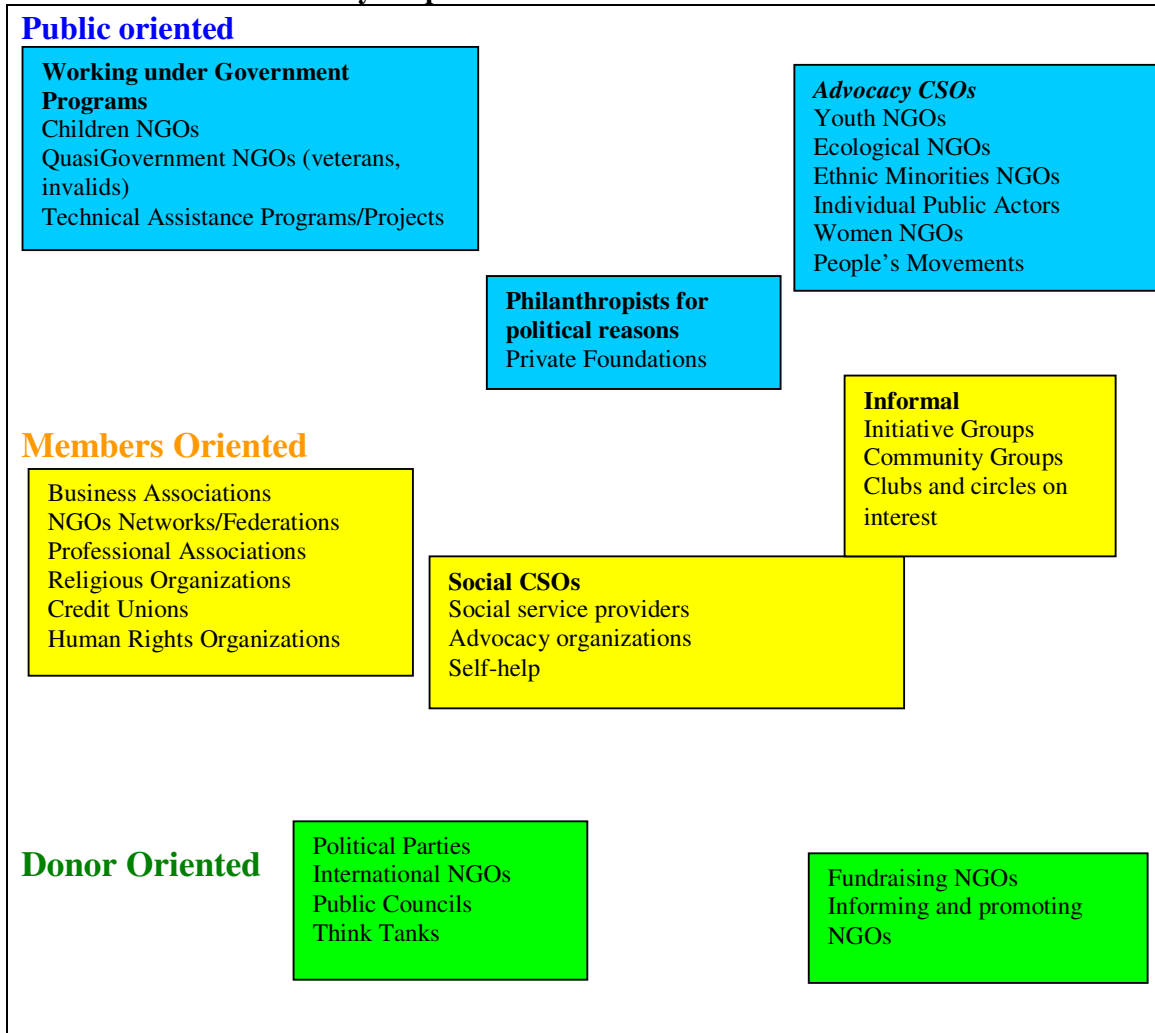
As shown in figure II.3.2 Ukrainian CSOs are divided into three groups, according to their sphere of activity. The first group are public oriented and inspired by government policy and encouraged by availability of government funding. They are often politically oriented and pursue their vision of better governance. This group also includes private philanthropists who aim to create a positive image for themselves and gain access to politics via giving. The second group includes CSOs that are member-oriented, that pursue the interests of their members by protecting their interests and providing services exclusively to members. The final group brings together CSOs that orient their missions according to donors’ strategies. This group includes political parties funded by oligarchs, government organised non governmental organisations (GONGOs) international NGOs (INGOS) that work as re-granting agencies as well as Ukrainian NGOs.

There are also informal CSOs, which have often been created by the impulse to socialise or solve community problems. Usually these organisations do not require a formal structure.

These groups never mix, so there are only umbrella structures within each of these groups. The most illustrative examples are represented by women umbrella CSOs: Zhinocha Hromada is public oriented, The International Business Women League is members oriented and the Women Consortium is donor oriented. Such divisions can be found in almost all fields of civil society’s activity.



**FIGURE II.3.2: Civil Society Map**



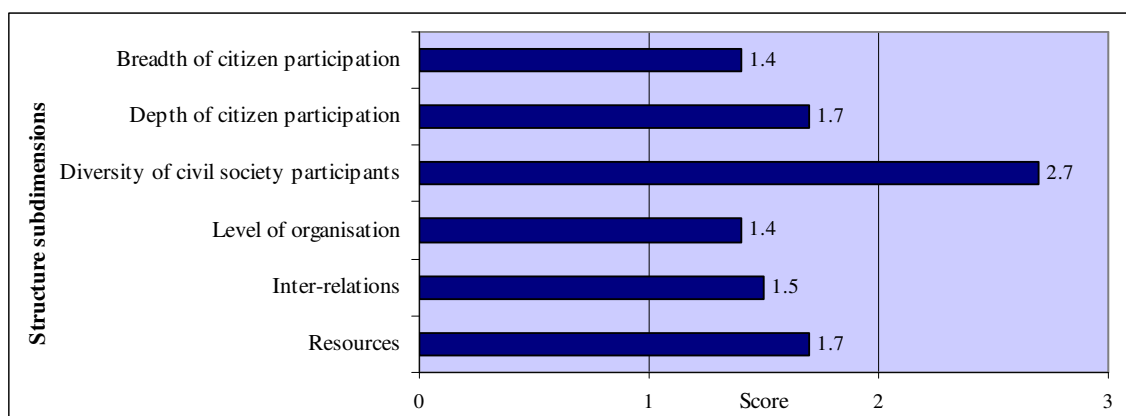
As can be seen from the Map of Civil Society there is a significant division within civil society that negatively impacts the solidarity of the sector and its common voice. This division reflects the orientation of CSOs towards sources of funding, which mostly cannot be obtained via transparent competitive process. This therefore breeds mistrust within the sector.

### III. ANALYSIS OF CIVIL SOCIETY

#### 1. STRUCTURE

This section describes and analyses the overall size, strength and vibrancy of civil society in human, organisational, and economic terms. The score for the Structure Dimension is 1.7, indicating a medium-sized civil society. The graph below presents the scores for the six sub dimensions within the Structure dimension: extent of citizen participation; depth of citizen participation; diversity of civil society participants; level of organisation; inter-relations and civil society resources.

**FIGURE III.1.1: Subdimension scores in structure dimension**



#### 1.1 The Extent of Citizen Participation in Civil Society

This subdimension looks at the extent of various forms of citizen participation in Ukrainian civil society. Table III.1.1 summarises the respective indicator scores.

**TABLE III.1.1: Indicators assessing the extent of citizen participation**

| Ref. # | Indicators                    | Score |
|--------|-------------------------------|-------|
| 1.1.1  | Non-partisan political action | 2     |
| 1.1.2  | Charitable giving             | 2     |
| 1.1.3  | CSO membership                | 0     |
| 1.1.4  | Volunteer work                | 2     |
| 1.1.5  | Community action              | 1     |

*1.1.1 Non-partisan political action.* Community survey, conducted by CSI team in early 2004, has shown that 51.4% of respondents have participated in a demonstration, signed a petition or written a letter to a newspaper.

Until November 2004 international and national sources placed Ukraine as mostly apathetic country: Global Civil Society Yearbook (2001) indicated that only 14.2% of people have signed a petition, attended lawful demonstration – 18.9%, joined boycott – 9.1%. According to Ukrainian public polls the majority of Ukrainian citizens did not participate in any political action. Razumkov Center survey (2003) indicated that 82.6% of Ukrainians do not consider themselves that they participate in the public activities. But comparative research indicates tendency to participation growth: Democratic Initiatives poll (2004) provides comparative data between years 2002 and 2004 – willingness to sign a petition has grown from 15.6% to

21.8% and disbelief in any non-partisan political methods has dropped from 37.1% to 36.6%. This tendency has proved itself during the events connected to the Ukraine President's elections in November 2004: according to Kiev Institute of Sociology national poll (2005) 31% of Ukrainian people participated in non-partisan political action (Mostovaya, Rakhmanin, 2005). According to the poll conducted by IFES in 2005 70% of citizens consider that demonstrations were the most legitimate methods of human rights protection (IFES, 2005).

Mass media review found out that 16.6% of articles under five month review reported specifically on citizen participation which mostly deal with the protests caused by President's elections fraud and Orange Revolution. The dates of publications coincide with the dates of revolution starting on November 22 2004.

*1.1.2 Charitable giving.* The CSI Community survey found that almost 61% of Ukrainians donate to charity on the regular base against 39% that do not donate. The number has grown significantly since 1999, when the first national poll was conducted and charitable giving estimated only 15.6%.

*1.1.3 CSO membership.* According to the data the Democratic Initiatives 2004 opinion poll, 83.8% of people recognise that they are not members of any CSO. This is a bit less than in 1997 – 88%, but the tendency of non-participation remains around 83%. People mostly are the members of religious organisations (4.2%), professional unions (2.9%), sports clubs (2.1%), political parties (1.9%) and youth organisations (14%). Other groups are ranged less than 1%.

Freedom House “Nations in Transit” reported in 2004: Only about 5% of the population engages actively in civil society, according to the Razumkov Center. Twenty percent of Ukrainians report membership in trade unions (Freedom House, 2004b).

Civil society experts recognised that CSOs membership is more volatile than stable though the tendency shows that it is growing in the last years. The poll conducted among Ukrainian NGOs by Counterpart Creative Center has revealed that 45% of organisations had membership growth in 2004 in comparison with previous years, and only 8% reported that their membership decreased.

According to the national poll, people mostly are the members of religious organisations (4.2%), professional unions (2.9%), sports clubs (2.1%), political parties (1.9%) and youth organisations (1.4%). Other groups are ranged less than 1%. (DIF, 2004). People consider necessary participation in CSOs in such proportions: trade unions -13% , political parties 5%, interest clubs 14%, community activities 32%, and organised protesting actions 18% .(FH, 2004). This assumption is confirmed by CSI community survey: the largest group prefers membership in trade and labour unions (19.6%), political groups (8.9%), sports associations (8.5%) and youth groups (8.1%). The lowest membership have burial societies (0). traders/business associations and ethnic based community groups. Community survey results are shown in the table III.1.2 below.

**TABLE III.1.2: Membership in CSOs**

|     |  |       |
|-----|--|-------|
| 1.  | Trade Union or Labour Union                                      | 19.6% |
| 2.  | Political group, movement or party                               | 8.9%  |
| 3.  | Sports association   | 8.5%  |
| 4.  | Youth group  | 8.1%  |
| 5.  | Education group (. parent-teacher association, school committee) | 7.5%  |
| 6.  | Health group / Social service association for the disabled)      | 6.6%  |
| 7.  | Cultural group or association (e.g. arts, music, film)           | 6.05% |
| 8.  | NGO / civic group / human rights organisation                    | 6.2%  |
| 9.  | Professional Association (doctors, teachers, etc.)               | 5.1%  |
| 10. | .Associations of property holders                                | 4.5%  |
| 11. | Religious or Spiritual group                                     | 3.63% |
| 12. | Neighbourhood/ Village committee                                 | 3.3%  |
| 13. | Environmental or conservational organisation                     | 3.1%  |
| 14. | Hobby organisation (e.g. stamp collecting club)                  | 2.8%  |
| 15. | Women's group  | 2.6%  |
| 16. | Co-operative, credit or savings group                            | 2.0%  |
| 17. | Business Association   | 0.7%  |
| 18. | Ethnic-based community group                                     | 0.7%  |
| 19. | Other groups   | 0     |

A national NGO survey found that around 80% of CSOs are membership organisations. Many of them have 11-30 members (24 per cent) and 26% of CSOs have more than 100 members (CCC, 2004).

*1.1.4 Volunteering.* The CSI Community survey found that 49.3% of citizens actively provide any support outside of a CSO, and 8.3% do volunteering for a CSO, which totally shows that 57% of Ukrainians participating in civil society without pay. Such a gap between volunteering for organised structures and informal participation may be explained by unclear Ukrainian laws on volunteering, which do not support involvement of volunteers by civil society organisations. The status of a volunteer can be applied to people working free of charge for public social service providers.

Still doing something for the benefit of society without pay is quite popular and recognised among Ukrainians. For example, most NGO activities have a volunteer character in Ukraine, with more than three-quarters of all organisations relying on volunteer labour and a similar proportion having no full-time paid staff. Most governing body members are also volunteers, although more than one-quarter of members are paid for other professional services, which they offer to the organisation (Board Source, 2003).

However, the overall low number of NGOs in Ukraine (about 1 NGO per 1000 people), the vague concept of volunteerism and the irregularity of volunteering led the NAG to score the indicator somewhat lower than the most positive score.

*1.1.5 Collective community action.* The CSI Community survey found that 48.4% of respondents have either attended in a community meeting or participated in a community activity. Yet, community work can be easily mixed up with volunteering due to the lack of terminological clarity. Thus, there are rather contradictory results between the community survey data and national polls, such as Democratic Initiatives national poll states that only 3.9% of respondents spend their time on community work. The NAG agreed in their

assessment that the level of community work of citizens is somewhat lower than the findings by the community survey suggest.

## 1.2 The Depth of Citizen Participation in Civil Society

This subdimension looks at the depth of various forms of citizen participation in Ukrainian civil society. Table III.1.3 summarises the respective indicator scores.

**TABLE III.1.3: Indicators assessing depth of citizen participation**

| Ref. # | Indicators        | Score |
|--------|-------------------|-------|
| 1.2.1  | Charitable Giving | 1     |
| 1.2.2  | Volunteering      | 3     |
| 1.2.3  | CSO membership    | 1     |

*1.2.1 Charitable giving:* The CSI Community survey found that the average donation to charity was 106 Ukrainian hryvnya (about USD 20) per year or about 2% of annual income. There is a tradition of people supporting others in need. For example, Counterpart Creative Center reports (2004) that the majority of givers (43%) supported 1-5 people, 18% of respondents gave to up to 10 people, only 2% to up to 100 people and 3% to more than 100 people. There is also the tendency to give in the case of a crisis: it was reported that in three weeks of Orange Revolution 2004 people donated about 4 million USD in money to support protest actions against Presidential elections fraud.

*1.2.2 Volunteering* The CSI Community survey found that 43% of respondents devote on average 16 hours to volunteer work. To understand volunteering in Ukraine we look at the essence of NGO activity in Ukraine: NGO activity has mostly a volunteer character in Ukraine, with more than three-quarters of all organisations relying on volunteer labour and a similar proportion having no full-time paid staff. Most governing body members are also volunteers, although more than one-quarter of members are paid for other professional services, which they offer to the organisation (BoardSource 2003). National NGO survey shows that on average 15 volunteers work in the organisation. Fifty percent of respondents commented that less than nine volunteers worked in their organisations. The most common number of the volunteers working in the CSO is four. A typical volunteer would work seven hours for the organisation; but often the volunteers work for two hours a week in the organisation (Counterpart Creative Center, 2004).

*1.2.3 CSO membership.* According to the CSI community survey, 40.8% of CSO members are members in more than one CSO. Despite the quite low overall share of CSO membership reported by national polls, it seems that those who participate, do so rather extensively.

## 1.3 Diversity of Civil Society Participants

This subdimension examines the diversity and representativity of the civil society arena. It analyses whether all social groups participate equitably in civil society or whether there are any groups which are dominant or excluded. Table III.1.4 summarises the respective indicator scores.

**TABLE III.1.4: Indicators assessing diversity of civil society participants**

| Ref. # | Indicators   | Score |
|--------|--|-------|
| 1.3.1  | Representation of social groups among CSO members    | 2     |
| 1.3.2  | Representation of social groups among CSO leadership | 3     |
| 1.3.3  | Distribution of CSOs around the country              | 3     |

*1.3.1 Representation of social groups among CSO members.* CIVICUS specified that the representation of five specific social groups, namely (1) women, (2) rural dwellers, (3) ethnic/linguistic minorities, (4) religious minorities and (5) poor people among members of CSOs should be used to assess the diversity of civil society participants. This issue was enquired about in the regional stakeholder survey. The survey results indicate that women and religious minorities are equitably represented in the CSOs, whereas the rural population is severely underrepresented. Ethnic minorities are somewhat represented in the civil society, while it was difficult to establish the representation status of poor people in civil society (the answer was mostly “Do not know” and participants explained that they have difficulties to determine who poor people are). NAG members explained that “poverty” as a concept and phenomena has appeared not so long ago in Ukraine. Hence, the exact characteristics of being poor are not fully clear and are not yet applied to certain groups, like homeless people or pensioners in Ukraine. For example, by working with the elderly in need, many NGOs do not consider to be working with poor people.

The numbers of CSOs working in different fields give us a clearer idea on how significant social groups are represented in civil society. Ukraine has about 500 civic and cultural NGOs created by about 40 different ethnic minorities. Of these, 32 were operating at the national level by October 2002. The Council of Representatives of Ethnic Minorities’ NGOs is an umbrella organisation that operates under the auspices of the president of Ukraine. Approximately 700 NGOs deal with women’s issues. Of these, nearly 40 are national in their reach and have international contacts. Many of these organisations are supported by the executive or by different political forces.

The CCC survey of 2002-2004 shows the background of CSOs’ main clients. Among the groups that represent CSO clients “youth” is the largest (48% of respondents). The next client categories frequently mentioned by CSOs are “organisation members” (32% in 2004 and 29% in 2003), “children” (selected by 24% in 2004 and 28% in 2003), “students” (22%) and “population as whole” (19% of CSOs in 2004 and 21% in 2003).

On the basis of this data the NAG decided that difficulties in terminology and social groups formation (as the country is under transformation) do not prevent us from stating that most different social groups are represented in civil society, while some of them, such as rural people, are underrepresented.

*1.3.2 CSO leadership.* This indicator looks at the extent to which the CSO leadership is representative of various social groups. Slightly different from the issue of representativeness of CSO membership, regional stakeholders clearly saw certain social groups, particularly the poor and rural people as underrepresented at the leadership level of CSOs (see Table III.1.5). Women are seen as rather equitably represented in leadership in CSOs. Rural dwellers have higher level of representation among CSOs leadership (supposing, they work in urban CSOs) than among CSOs membership.

**TABLE III.1.5: Representation of social groups among CSO leadership**

|                      | Absent<br>% | Severely<br>Underrepresented<br>% | Somewhat<br>Underrepresented<br>% | Equitably<br>represented<br>% | Do not know<br>% |
|----------------------|-------------|-----------------------------------|-----------------------------------|-------------------------------|------------------|
| Women                | 1.2         | 20.7                              | 45                                | 40                            | 1.2              |
| Rural Population     | 6           | 45                                | 21.9                              | 7                             | 14.6             |
| Ethnic minorities    | 4.8         | 20                                | 19.5                              | 21.9                          | 25.6             |
| Religious minorities | 6           | 17                                | 21.9                              | 10                            | 39               |
| Poor people          | 17          | 6                                 | 7.3                               | 6                             | 62               |

The highest level of representation in CSO leadership is held by women. The survey of NGOs governance admits that women hold an average of 44% of positions on governing bodies. Seventeen percent of respondent organisations have no women at all on their governing bodies. Ninety-five percent of organisations have Ukrainian members on their governing bodies and 53% have Russian members (BoardSource, 2003).

*1.3.3 Distribution of CSOs.* According to the law Ukrainian CSOs can acquire local/community, interregional and national status and can be registered as trade unions, public associations, charitable organisations, or political parties. According to the registration data of the Ministry of Justice of Ukraine there are 140,500 community CSOs (including branches of political parties) and 3155 national CSOs registered in Ukraine. In total there are 143 655 CSOs in Ukraine including political parties and their branches<sup>11</sup>, among them there are 608 trade unions, 8728 charitable organisations, and 32192 NGOs (public associations).

**TABLE III.1.6 Registration Numbers of CSOs**

|                   | Affiliates of<br>international<br>and national<br>NGOs | Charitable<br>organisations | Trade-<br>Unions | Associations<br>of People<br>(NGOs) | Political<br>Parties                | Total   |
|-------------------|--|-----------------------------|------------------|-------------------------------------|-------------------------------------|---------|
| Community<br>CSOs | 8000<br>0.06%  | 8000<br>0.06%               | 500<br>0.36%     | 22000 NGOs<br>15.6%                 | 102 000<br>72.6%                    | 140,500 |
| National<br>CSOs  | 192<br>6.1%  | 728<br>23%                  | 108<br>3.4%      | 2000<br>63%                         | 127<br>political<br>parties<br>4.0% | 3,155   |
| All country       | 0.18%  | 0.13%                       | 0.42%            | 16.7%                               | 71%                                 | 143,655 |

(as of 1 June 2005, Ministry of Justice of Ukraine official data).

Among community CSOs the largest group is represented by local affiliations of political parties (72.6%), then NGOs (15.6%). At the national level the largest group is represented by NGOs (63%) and charitable organisations (23%). On the local level the number of NGOs is the largest in Kyiv (4000 of 22000 registered). L'viv and Odessa oblasts have 1500 equally, Kharkiv oblast 1028, Dnipropetrovs'k – 900 (Ministry of Justice, 2005).

As is the case elsewhere as well, NGOs in the capital and oblast centres are the most developed, while those in smaller towns or rural areas are less so. Unique to Ukraine are certain geographical differences. Many experts generalize that civil society is more vibrant in major urban areas as one moves west, even though western oblasts have weaker economies than the resource-rich east. This is generally attributed to socio-historical factors such as

<sup>11</sup> In 2006 Ukraine is facing political reform, by which political parties are becoming major players of government structure at all levels of governance.

Western Ukraine's experience under different political systems as borders shifted (US AID, 2002).

The findings from the regional stakeholder survey also support the fact that most of CSOs are situated in the urban areas and major cities, as shown at the table III.1.7.

**TABLE III.1.7: Territorial distribution of CSOs**

| Where CSOs are situated                                    | %    |
|--|------|
| Largely concentrated in major cities                       | 26.8 |
| Largely limited to urban areas                             | 46.3 |
| Present in all except the most remote areas of the country | 12   |
| Present in all, even the most remote areas of the country  | 7    |
| Don't Know   | 2.4  |

When deciding about the score on CSOs territorial distribution NAG members took into consideration the fact that while NGOs are mostly concentrated around major urban areas, other organisations, such as trade unions, religious organisations and political parties can be found in every remote corner of the country, to which testifies the data from the Ministry of Justice of Ukraine.

## 1.4 Level of Organisation

This subdimension looks at the extent of infrastructure and internal organisation within Ukrainian civil society. Table III.1.8 summarises the respective indicator scores.

**TABLE III.1.8: Indicators assessing level of organisation**

| Ref. # | Indicators                           | Score |
|--------|--------------------------------------|-------|
| 1.4.1  | Existence of umbrella bodies         | 1     |
| 1.4.2  | Effectiveness of umbrella bodies     | 2     |
| 1.4.3  | Self-regulation within civil society | 2     |
| 1.4.4  | Support infrastructure               | 1     |
| 1.4.5  | International linkages               | 1     |

*1.4.1 Existence of CSO umbrella bodies.* To answer the question “What percentage of CSOs belong to a federation or umbrella body of related organisations” we consulted major NGOs surveys, media review and regional stakeholders consultations. Counterpart Creative Center survey (2002-2004) revealed that 62% of CSOs are currently members of coalitions or working groups. At the same time, CCC survey shows that 42% of CSOs are members of a professional association.

The opinions of regional stakeholder survey respondents were equally distributed. Twenty-five percent of them thought that less than 20% of CSOs belong to a federation, umbrella body or network, 25% thought that this share is between 20 and 40%, and 25% thought that between 40 and 60%.

During CSI Media review we found 35 media items dealing with the issue of existence of civil society umbrella bodies. A content analysis of these items revealed that the majority of items related to coalitions of CSOs created under the leadership of the former government on the verge of President elections. Such coalitions were then also reported in the pro-government media. These activities were part of a strategy by the Ukrainian government to



withstand the opposition movement by creating a ‘false civic movement’ before the elections, and to use this movement to protect the regime.

*1.4.2 Effectiveness of CSO umbrella bodies.* When speaking about the effectiveness of CSO umbrella bodies, 36% of regional consultations participants admitted that they are largely ineffective but 43% think that such bodies have mixed effectiveness. Almost half of participants of the Counterpart Creative Center survey (2002-2004) see the results of their participation in coalitions as helpful in developing further joint projects and increasing CSO visibility. The slight discrepancy in evaluating the effectiveness of CSO umbrella bodies between the CCC survey and RSC participants is a consequence of the different understanding of umbrella bodies: RSC participants speak about umbrella bodies/federations, while CCC survey respondents were speaking about coalitions, which also included more informal networks.

Coalition building is becoming increasingly important for achieving certain important results, e.g. to improve the legal environment, a coalition of NGOs was formed to press for reform. Over the last year, about ten groups have been working together, meeting with grassroots constituencies, lobbying members of Parliament and engaging tax authorities. While more progress can be made, leading NGOs realise that they must collaborate to promote reform. This need was much discussed at two “Civic Forums” involving over 400 NGOs in 2001 (US AID, 2002).

According to the CSI Media review out of 13 news items related to CSOs umbrella bodies 3 examples of success were cited: victory of Ukrainian press publishers association in getting tax privileges for Ukrainian publications and activity of women researchers federation. The other news items were neutral in portraying the activity of associations, while 3 were quite negative.

*1.4.3 Self-regulation.* Self-regulation of the NGO sector remains lacking, although a handful of NGOs recognise the need for transparency, a code of ethics, annual reports with budget information and other tools to strengthen the credibility of the third sector (US AID, 2002). The majority, 71% of regional stakeholders participants admitted that CSOs are not abided by a collective code of conduct and 34% think that no efforts were made within civil society to establish codes of conduct, while 35% think that attempts to introduce codes of ethics were made but the impact of them is very limited. Counterpart Creative Center survey (2002-2004) indicates that 86% of NGOs acknowledge the necessity of ethics code but only 36% have them in place. However, there are codes of conduct among professional associations and business NGOs. Also a common Code of Ethics was adopted by NGO Conference in 2003<sup>12</sup>, but signed only by less than 50 organisations.

*1.4.4 Support infrastructure.* Local organisations have strengthened their efforts to support the Third Sector. Over the past year, NGO development centres have continued to provide high quality basic training and other services and several groups are now providing advanced training on NGO development topics and sector-specific topics. Donors now rely largely on such groups rather than international trainers. Unfortunately, much of this infrastructure requires continued donor funding. The existing capacity is mainly the result of the work of a few organisations receiving awards from donors to implement re-granting programs. According to US AID Sustainability Index for 2002 the infrastructure was given a medium

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<sup>12</sup> Ethical Code of NGO Sector in Ukraine and related materials are at <http://www.etyka.org.ua>

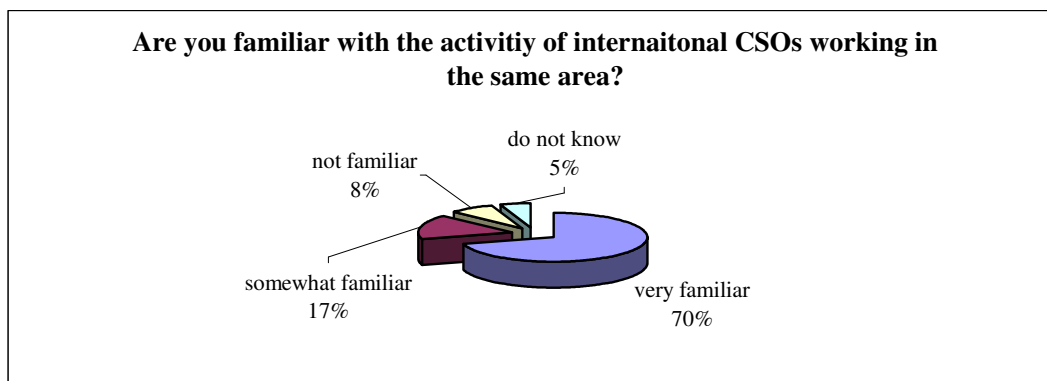
score of 3.5. Such centres were created by major donor programs: EU NGO regional development project (4 RCs), Resource centres supported by Mott & Eurasia foundations (6 RCs), and other networks. Counterpart Creative Center has a network of trainers and accommodates the association of trainers in Ukraine. There are a number of trainings provided to CSOs on paid basis. The activity of such programs and centres covers almost all the regions of Ukraine. Still the capacity and effectiveness of such centres is estimated as low: they mostly depend on donors funding, can not get fees for their services, shift their priorities according to donors priorities (Narozhna, 2005).

CSOs' clients attitude is mirrored by regional stakeholders consultations: 86% of participants admitted that very limited (38%) or moderate (42%) support infrastructure exists. This means that the support infrastructure is not sufficient to meet the current demand of the sector.

*1.4.5 International linkages* To what extent is Ukrainian civil society linked internationally? In the RSC survey, 41% of respondents think that very few CSOs are members of international networks while 28% and 20% think that only some or numerous CSOs participate in international networks. According to LSE Global Civil Society 2001, 1433 Ukrainians CSOs were members of international non governmental organisations (INGOs) in 2000 (to compare: in USA - 6134 and UK - 7555).

The CCC survey asked CSOs how familiar are they with the activities of NGOs working on similar issues at the international level. Figure III.1.2 reflects that 70% of NGOs are quite familiar with the work of their foreign counterparts, while 13% - not familiar or do not know the answer to this question.

**FIGURE III.1.2: Level of knowledge of Ukrainian CSOs about international CSOs working in the same field**



A number of international-networking projects are supported by technical assistance programs. Specifically, such donors as SIDA, CIDA, Poland-Ukraine-Initiative PAUCI provide assistance only under the condition that projects are implemented in partnership with international organisations. Unfortunately, this condition is hardly met by small community based organisations. Thus, a certain disconnect of Ukrainian civil society from its international counterparts can be found which negatively impacts the potential for growth in the capacity of the sector.

## 1.5 Inter-Relations within Civil Society

This subdimension analyses the relations among civil society actors in the Ukraine. Table III.1.9 summarises the respective indicator scores.

**TABLE III.1.9: Indicators assessing inter-relations within civil society**

| Ref. # | Indicators                 | Score |
|--------|----------------------------|-------|
| 1.5.1  | Communication between CSOs | 2     |
| 1.5.2  | Cooperation between CSOs   | 1     |

*1.5.1 Communication.* Participants at regional stakeholders consultations considered that there is moderate level of communication and information-sharing between civil society actors. According to the Counterpart Creative Center survey 14% of civil society organisations seek the involvement of other groups and individuals with similar interests in promoting issues of concern to their constituents, 28% of CSOs never do this. The larger part of CSOs (35%) communicates issues of common concern rarely or sometimes (18%). Razumkov Center's research of think tanks indicated that the major forms of communication, between such organisations, are round tables and conferences (Razumkov Center, 2003).

In the research period Ukrainian CSOs mostly communicated on the issue of 2004 President's elections, for example on joining efforts for fair elections. According to the CSI Media review 50% of articles about CSOs communication were devoted to the topic of fair elections.

In Ukraine, the communication among CSOs is gradually improving, especially using the Internet. There are several list-servs for environmental and human rights NGOs, a number of websites run by the political opposition and social movements that are visited frequently. The number of workshops, conferences and round tables testify to the moderately high level of communication among civil society in Ukraine.

*1.5.2 Cooperation.* There are many instances of NGOs working together as well as with government and the media, formally and informally, which is the result of an increasing understanding of the need to exchange information and cooperate. More work remains to be done in this area, particularly given competition over funding (US AID, 2002).

According to the Counterpart Creative Center survey (2002-2004) 92% CSOs cooperate with other civil society actors, among the forms of cooperation information exchange (88%), meeting (78%) and joint activities (70%) are prevailing forms of cooperation. Many respondents commented that the cooperation with the CSOs helped them expand the activities and increase the effectiveness of the program and improve the quality of rendered services thanks to the external expertise. Around 30% of CSOs noted that the cooperation and partnership allowed for resource saving during the project implementation; the number of the CSOs leaders that share this opinion was increased during the last year. Despite the fact that many CSOs reported to cooperate with other organisations and found the cooperation to be a success, the majority of respondents considered the cooperation between CSOs to be underdeveloped. Seventy-three percent of CSOs think that limited cooperation among Ukrainian CSOs is dictated by the following reasons, shown at the Figure III.1.3.

**FIGURE III.1.3. Reasons for limited cooperation between Ukrainian CSOs**

As for the content of cooperation, the experts admit that NGOs tend to cooperate with colleague NGOs at their own level, meaning that local and oblast organisations tend to find counterparts at the local and oblast level, while national NGOs tend to work with other national, as well as foreign and international NGOs (World Bank, 2003).

The results of the regional stakeholder survey indicate that there are very few or some examples of organisations from different sectors of civil society forming alliances/networks or coalitions on issues of common concern. Participants grouped such cooperation into cooperation around common problem, pro-governmental coalitions at the local level and coalitions before elections.

According to the CSI Media review, 13 out of 283 items (4.7%) related to the issue of civil society actors cooperation with each other on the issues of common concern. Only five reports contained the examples of coalitions and cooperation, such as veterans' organisations union with Chernobyl Victims Organization to protect their rights, or joint action of research institute and anti-tobacco coalition against smoking. These examples were reported once and mostly in the second period. The other news items were mostly opinion features, providing judgment that more cooperation is needed.

Thus, the level of cooperation among CSOs is underdeveloped due to the inability of organisations to establish partnerships on the formal and steady terms.

## 1.6 Civil Society Resources

This subdimension examines the resources available for civil society organisations in Ukraine. Table III.1.10 summarises the respective indicator scores.

**TABLE III.1.10: Indicators assessing civil society resources**

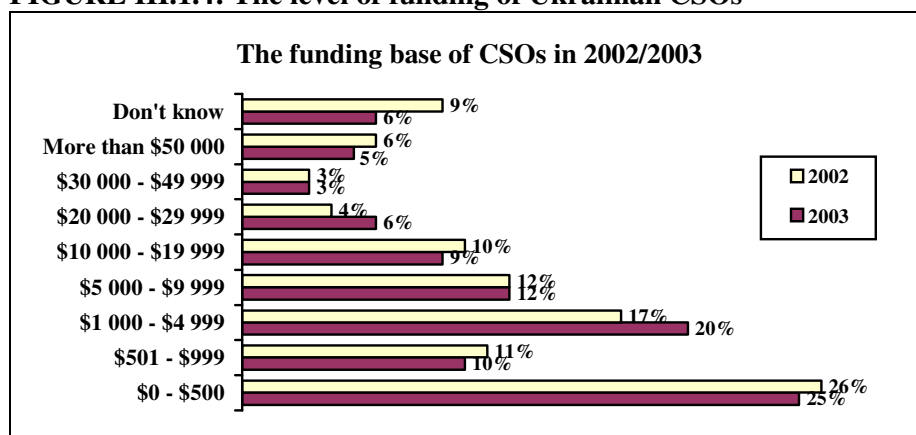
| Ref. # | Indicators                              | Score |
|--------|---|-------|
| 1.6.1  | Financial resources                     | 1     |
| 1.6.2  | Human resources                         | 2     |
| 1.6.3  | Technical and infrastructural resources | 2     |

*1.6.1 Financial Resources.* The majority of the regional stakeholders admit that the level of their resources is inadequate in financial terms. In 2001 many CSOs lived on a very limited budget: More than 40% of organisations report annual revenues of \$500 or less. Another 21%

have annual revenues of between \$500 and \$2,000. Seventeen percent of organisations have revenues of between \$2,000 and \$10,000. The main income sources are international donors (26% of total income) and charitable donations from businesses (19 percent). Income-generating activities (13 percent) and funds from local and/or national governments (13 percent) also play an important role in the support of the sector. (*BoardSource, 2003*)

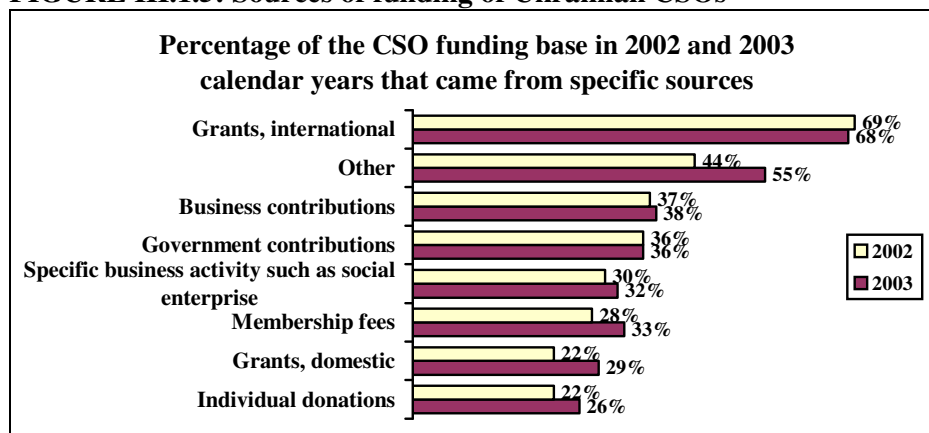
However, the financial situation of Ukrainian CSOs is improving gradually, in 2002-2003 only a quarter of CSOs operated on a budget of less than \$500 (see Figure III.1.4).

**FIGURE III.1.4: The level of funding of Ukrainian CSOs**



Still the majority of CSOs derives their funding from international donors (68%) and only a quarter receives funding from individuals. The CSOs sources of funding are seen at the Figure III.1.5.

**FIGURE III.1.5: Sources of funding of Ukrainian CSOs**



Ukrainian CSOs are mostly funded by international grants and the least developed source of funding is individual philanthropy. This creates donors dependency of some organisations, and lack of funding for the major part of CSOs, which live for less than 5000 USD per year.

*1.6.2 Human Resources.* The majority (68%) of the regional stakeholders think that skills of CSOs staff are either adequate or rather adequate to achieve the organisation's defined goals.

The CCC survey results show that around 57% of CSOs commented that they employ people on a continual basis (61% reported in 2003). The average number of people employed by CSOs is three and one third of the organisations that employ people on a continual basis have two employees. Thirty-nine percent of CSOs have developed duties and responsibilities of the staff in a written form and 43% of CSOs have written administrative rules and regulations (for instance, an Employee Manual). Around 66% of CSOs encourage the professional growth of the staff by allocating funds for the staff to attend professional conferences, round-table discussions, public seminars and trainings.

Ukrainian CSOs have a significant human potential at hand, although half of them do not employ people on a continual basis, which means that this resource is elusive from the point of stability. On the other hand, this testifies that people are attracted not by monetary advantages but rather by the commitment and values found in CSOs.

*1.6.3 Technological and infrastructural resources.* Material resources are important elements that enable CSOs to implement projects and to provide services. Besides, material resources of CSOs demonstrate the level of sustainability and independence of the organisation. For instance, the availability of an office facility allows the organisation to work and to provide services even when external funding is not available.

Fifty-one percent of regional stakeholders think that CSOs have adequate or rather adequate equipment and infrastructure to achieve the organisation's defined goals while 37% of participants are sure that equipment are either inadequate or completely inadequate. According to the survey of Committee of Voters (2002) the majority of organisations have the minimum equipment for their work, 95% of them have own computer. However, the majority do not have enough facilities like transport, printing equipment to support their work.

According to the CCC survey, CSOs mostly have the following material resources at their disposal: computer and digital equipment, furniture, E-mail/Internet, they do not own property like building or automobiles, using mostly rented office space provided either for free or paid.

**TABLE III.1.11: Material resources at Ukrainian CSOs disposal**

| Resource            | 2002 | 2003 | 2004 | tendencies |
|---------------------|------|------|------|------------|
| Free office space   | 40%  | 38%  | 37%  | —          |
| Own office space    | —    | 11%  | 13%  | —          |
| Rented office space | 40%  | 47%  | 44%  | ↑          |
| Office furniture    | 59%  | 70%  | 70%  | ↑          |
| Phone               | 65%  | 82%  | 79%  | ↑          |
| Fax                 | 40%  | 50%  | 48%  | ↑          |
| Copier              | 37%  | 45%  | 43%  | ↑          |
| Computer            | 55%  | 76%  | 75%  | ↑          |
| E-mail/Internet     | 47%  | 67%  | 65%  | ↑          |
| Automobile          | 9%   | 12%  | 11%  | —          |

Source: Counterpart Creative Center, 2004

Positive changes were observed with regards to the availability of material resources of CSOs during the surveyed period of time. As can be seen in Table III.1.11, the availability of almost all material resources increased from 2002 to 2004, particularly phone, fax, computer,

and Internet access. Thus, CSOs have now better access to information and information technologies, and should therefore be able to provide a higher quality of services. The comparative analysis of the results received in 2002 and 2004 helps us draw a conclusion that the material resources of CSOs had been significantly improved. The fact that the material assets of Ukrainian CSOs are gradually developing is a good sign for the future development of the sector.

## Conclusion

The structure of civil society in Ukraine is characterised by rather high levels of non-partisan political action and voluntary participation. Ukrainians prefer giving and volunteering outside of organised structures. Membership in CSOs is very low (17%), while significant numbers of people participate in informal movements and meetings. The tendency of informal participation preference by Ukrainians is also observed by Ukrainian sociologists (Stepanenko, 2005). However, it is important to note that a significant number of CSO members (41%) participate at least in two CSOs. Thus, whereas the extent of people's participation is not broad and well structured, it is characterised by rather significant depth and quality. Also, volunteering (non paid work) for public benefit is a commonly performed act by Ukrainians, and CSOs report high levels of human potential, which are mostly volunteers.

Among registered CSOs at the local level, the largest group is represented by political parties affiliates (72.6%), then NGOs (15.6%). At the national level, the largest group is represented by NGOs (63%) and charitable organisations (23%). When the level of participation is compared with registered numbers, 71% of registered CSOs (parties affiliates) involve only 1.9% of people (DIF, 2004), 0.42% represented by trade unions involve 0.4% and the other 17% of CSOs represented by charitable organisations and NGOs involve 11.7% of people. The assumption is that the larger portion of registered organisations is not working or exists only on paper.

The answer to the phenomena of low participation in CSOs lays in the capacity of CSOs to serve and reach out to as many people as possible. Around one quarter of organisations are living on the annual budget of less than 5,000 USD. Many organisations report insufficient resources to have paid outreach professionals and provide services to a wide audience of clients. Still, CSOs capacity is growing by accumulating the material assets necessary for their work and by growing professionalism of human resources.

Inter-organisational and interpersonal links in civil society remain very weak. Inter-personal links should be better organised in formal way, which Ukrainian civil society is lacking. Inter-organisational links are mostly supported by information sharing and joining conditional coalitions, the level of formal partnership, federation, umbrella and international bodies' membership is underdeveloped.

Thus, the structure of civil society in Ukraine is characterised by deep rooted and massive energy for civic participation, which has the tendency to spontaneous and informal action, as shown by the events around the 2004 Presidential elections. Civil society's organised structures are not attractive for Ukrainians, since they are not well-structured and often have significant capacity problems inhibiting their ability to provide an effective platform for people's participation in civil society.

## 2. ENVIRONMENT

This section describes and analyses the overall political, social, economic, cultural and legal environment in which civil society exists and functions. The score for the Environment Dimension is 1.6, indicating that positive environment for civil society has not been created in Ukraine so far. Figure III.2.1 presents the scores for the seven subdimensions within the Environment dimension.

**Figure III.2.1: Subdimension scores in environment dimension**



### 2.1 Political context

This subdimension examines the political situation in Ukraine and its impact on civil society. Table III.2.1 summarises the respective indicator scores.

**TABLE III.2.1: Indicators assessing political context**

| Ref. # | Indicators            | Score |
|--------|-----------------------|-------|
| 2.1.1  | Political Rights      | 2     |
| 2.1.2  | Political competition | 2     |
| 2.1.3  | Rule of law           | 1     |
| 2.1.4  | Corruption            | 0     |
| 2.1.5  | State effectiveness   | 2     |
| 2.1.6  | Decentralisation      | 2     |

*2.1.1 Political rights.* To evaluate the situation of political rights in Ukraine one needs to divide the period into pre-Orange Revolution and after November 22, 2004. In 2001 ICNL noted that Ukrainian law provides a solid legal basis for exercising political rights. Yet, these rights were not implemented in practice: Due to violations of democratic norms, elections so far have not had a clear and direct impact on the formation of the bodies of power. Thus, the presidential election of 1999 was characterised by massive interference by the executive authorities in support of the incumbent president (OSCE, 2000). Similar violations were committed during the parliamentary elections in 2002 (OSCE, 2002). The results of the 2004 presidential election have been largely seen as demonstrating how the authorities were able to exert pressure on the opposition and independent deputies (Hillenbrand, 2005). The widespread fraud that occurred during the 2004 Presidential elections clearly illustrates the political rights violations in Ukraine.



However, the final outcome of the 2004 presidential election has changed the situation in Ukraine dramatically. IFES 2005 survey shows that a majority of Ukrainians (73%) say they have not made efforts to ensure their rights or interests as a citizen are respected, and roughly as many say the events that took place in November and December 2004 have made them more likely to make efforts in the future to ensure that their rights as a citizen are respected. However, only 30% of respondents think that people like themselves can influence decisions made by the government. Yet, the events surrounding the elections have increased Ukrainians' faith in the power of voting. A majority of Ukrainians (53%) now say that voting gives them a chance to influence decision-making in the country. In October, the same share of people said voting can make a difference as disagreed with this notion (47% vs. 47%). Nearly all Ukrainians (92%) report at least a moderate interest in the elections. Even among the most apathetic segment of the population, 18-25 year olds, 88% say that they were very or somewhat interested in the presidential elections (IFES, 2005).

There is a significant gap between the *de jure* guarantees of political rights in Ukraine and their practical enforcement. The communist legacy and the recent political regime have significantly obscured the realisation of citizens' political rights. The tendency has changed since Orange Revolution, when government officially declared the course to open, transparent policy and citizens' participation in public decision-making. The Orange revolution has created a certain optimism in society that citizens can change the political agenda by using their political rights. Yet, it remains to be seen to what extent this will become reality.

*2.1.2 Political competition.* A multi-party system has emerged in Ukraine in recent years. However, in reality it does not ensure the effective representation of genuine interests of the bulk of the electorate. The development of the party system has been hindered by such factors as a lack of articulate expression of the citizen's interests. A significant part of the political arena has been filled by artificially created parties whose aim is to protect the interests of various clans and groups of oligarchs, as well as some individual political leaders. For the most part, new parties have been created from the top down, the process of choosing their ideologies becoming an utterly fake business, and their organisational structures and membership are provided by the authorities using government resources and public officials (Hillenbrand, 2005). The Map of Social Forces in Ukraine (March 2004) indicates that all the political parties are cantered around financial industrial groups (major tycoons).

Experts state that the Ukrainian multiparty system experience a quantitative rather than a qualitative growth: in 1993 there were 15 parties, in 1998 -52, in 2001 -109 and in 2005 -125. However, Ukrainian parties lack clear ideology and strategic direction, so Ukrainian voter mostly oriented by the party's leader (Shaigorodsky, Merkotan, 2006). According to a survey by the National Institute for Strategic Studies, about 6% of the population belongs to parties, but only a handful of parties are mass membership based with clear ideologies and platforms. Most of the 123 political parties registered as of January 2003 existed only on paper (Freedom House, 2004b).

In 2003, senior-level personnel changes at the central and regional levels of government reflected a power struggle among three main factions: the Donetsk group, represented by Prime Minister Viktor Yanukovich (Party of the Regions of Ukraine); the oligarchic Social Democratic Party of Ukraine (United), headed by presidential chief of staff Viktor Medvedchuk; and the Dnipropetrovs'k group, which controls the Labour Ukraine Party (the

most influential figure in this group is oligarch Viktor Pinchuk, Kuchma's son-in-law) (Freedom House, 2004b). After Orange Revolution, Our Ukraine Block, which is formed by former democratic opposition that won Presidential elections (centre-right), Block of Yulia Tymoshenko (left right), Our Regions Party (right), centre-left Socialists, Communists and United Social-Democrats, captured the majority in Ukrainian Parliament,

*2.1.3 Rule of law.* The rule of law in Ukraine is awarded 3.3 score by Freedom House in its *Countries at the Crossroads* publication in 2004 (scale 0 weak to 7 strong). The country's governance rating declines from 5.00 to 5.25 because of the persistent lack of transparency in policy making. (Freedom House, 2004) "...state safeguards are, to a large degree, intended to protect power as such and some particular individuals at the helm of power, rather than to protect performance in pursuance of the people's interests" (Freedom House, 2004b).

The most drastic violations of the rule of law are visible in the field of human rights, while educational institutions, NGOs, mass media and individuals are still very poorly informed about their legal rights and the means to secure their enforcement. Limited understanding of and appreciation for human rights by law enforcement agencies also makes it difficult to build trust and confidence in the rule of law. Use of the security services and the tax administration to harass those who question authority is common practice. For stateless individuals, of which there are an estimated 400,000 in Ukraine, human rights violations occur on a regular basis. In an effort to protect the human rights of refugees, the Office of the United Nations High Commissioner for Refugees (UNHCR) lodged more than 250 court cases against the Government in 2003 and 2004 alone (UNDP, 2004).

The equality of citizens before the law is in questionable. However, neither awareness of human rights, nor a culture of standing up to protect them, have been promoted among citizens. The involvement of large masses of the population in the shadow economy, their need to adjust themselves to living under conditions of imperfect laws and high fiscal pressure does not contribute to fostering a law-abiding culture among citizens, or their willingness to live in compliance with the laws. Within government bodies and the bureaucracy at large, the direct orders of authorities play a greater role than effective laws, norms or official authority (Hillenbrand, 2005).

*2.1.4 Corruption.* According to Transparency International's Corruption Perception Index, Ukraine has been among the most corrupt countries of the world for several years in a row. In 2004, Transparency International ranked Ukraine with the score of 2.2, 122<sup>nd</sup> among 145 ranks of countries in its annual Corruption Perceptions Index (TI, 2004). In 2005 the score has improved to 2.6 putting Ukraine at 107 place among 158 countries under review. (TI, 2005)

This ranking is a reflection of the state of business in Ukraine. In particular, it is a manifestation of the fusion of business with government, in exercising an illegal administrative impact on businesses; in the enormous size of the shadow economy, and in the criminalization of the economy as such. Closely linked to this perception of corruption is the problem of money-laundering, which has led to international sanctions on Ukraine in the past. A key factor has been the corrupt nature of government bodies.

In practice, key roles in elaborating state policy are played by shadow actors and backroom schemes. Vested interests in financial and industrial sectors, as well as high officials and the president's personal entourage, exert an enormous influence on official government bodies.

All this has stripped the decision-making process of openness and transparency. The process of lobbying has not been regulated by law and has often been pursued in a very uncivilized fashion (Hillenbrand, 2005).

According to TI Global Corruption Barometer 2004 among the most corrupted Ukrainian institutions are political parties, parliament, police and customs, the least corrupted are religious bodies and NGOs (TI, 2004a).

Numerous anticorruption initiatives introduced in recent years have not achieved overwhelmingly positive effects. Nevertheless, some positive improvements have been made to the legal system with regard to the fight against corruption. In 2003, Parliament introduced a flat tax for personal income, adopted new pension laws, and made important changes to the criminal and criminal procedures codes, as well as to laws regulating banking activity. In February 2003, the Financial Action Task Force on Money Laundering (FATF) lifted its recommendations concerning sanctions against Ukraine (introduced in December 2002). However, FATF retained some constraints and called for additional monitoring of financial operations in the country (Freedom House, 2004b)

However, at least the attitude of Ukrainians to corruption has changed after Orange Revolution, as IFES (2005) reports: Currently, more Ukrainians say that there is “no official corruption” than did before the elections (50% vs. 37%).

*2.1.5 State effectiveness.* In 2004, the government’s effectiveness is ranked higher than only 28.4% of countries under review by the World Bank Governance Dataset (World Bank, 2004).

The limited effectiveness of the state means that Ukrainians generally lack confidence in government institutions and officials. When asked about the effectiveness of the president, Parliament, their Oblast governor, their mayor, and their city/village councils, more Ukrainians are of the opinion that these institutions are not effective than are of the opinion that they are effective. The Parliament is felt to be the least effective of the institutions (18%) followed by the president (22%), oblast governor (29%), mayor (29%), and local councils (41%) (IFES, 2002).

On average, the people of Ukraine do not perceive the Government as a useful source of assistance. Within the last 12 months, about two thirds (67%) of Ukrainians did not turn to municipal, police, social welfare departments, or employment centres. Among these government institutions, the citizens of Ukraine most frequently sought help from social welfare departments (13%), employment centres (9%) and the police (8%) (UNDP, 2002).

The Ukrainian social support system has sufficient resources to address social needs, but does so poorly. Ukrainian expenditures on social programs are extremely high compared to other countries at 3% of GDP. Nonetheless, social programs are poorly targeted with considerable expenditure wasted on families that are not poor. This is particularly true in the case of so-called ‘privileges’ and housing allowances. While, these programs have reduced poverty (and extreme poverty) by several percentage points, the leakage is considerable. In other words, resource allocation needs to be improved to do the job. Targeting can be done in a variety of ways including categorical benefits, income testing, asset tests, and proxy means testing in which indicators are used to substitute for the direct measurement of income (World Bank, 2004a).

**2.1.6 Decentralisation.** The legal basis for the development of local self-government in Ukraine is elaborated in two laws, ‘On Local State Administrations’ (1999) and ‘On Local Self- Government’ (1997). These laws guarantee self-government, provide for the basic principles of local government organisation and activities, and establish the legal responsibilities of local government bodies. The law on local self-government also establishes the procedure for local referendums, meetings of local citizens and other local initiatives. Local governments are granted exclusive powers in the areas of socio-economic and cultural development, budget, finance and pricing, management of public property and services, transport and communication, construction and land zoning, health care and social protection, and sports. The Concept of Administrative Reform also provides models for the development of institutions of local self-government. One of the most important steps in recent years in encouraging decentralisation was the passage of the new budget code in 2001. Under this, funds are allocated directly to nearly 700 cities on the basis of a revenue equalization formula. The adoption of a modern budget code has also helped improve budgetary management and state finance. (UNDP, 2004)

The June 2001 budget code created a coherent scheme for distributing revenues from taxes and duties among state-, oblast- and *rayon*-level administrations. Since it provides a more objective, formula-based method of revenue distribution, the share of total government outlays going to local budgets has exceeded 40%. Still, the old scheme of budget transfers from the state to local governments remains in place and is often characterised by payment delays and corruption (Freedom House, 2003).

## 2.2 Basic Rights and Freedoms

This subdimension examines to what extent basic freedoms are ensured by law and in practice in Ukraine. Table III.2.2 summarises the respective indicator scores.

**TABLE III.2.2: Indicators assessing basic freedoms and rights**

| Ref. # | Indicators         | Score |
|--------|--------------------|-------|
| 2.2.1  | Civil liberties    | 1     |
| 2.2.2  | Information rights | 1     |
| 2.2.3  | Press Freedom      | 1     |

**2.2.1 Civil liberties.** Civil liberties in Ukraine are awarded a 3.8 score scale 0 weak to 7 strong) by Freedom House (Freedom House, 2004c). In 2001 International Center for Non-profit Law’s (ICNL’s) analysis of Ukrainian legislation stated that Ukrainian law provides a solid legal basis for exercising freedoms of speech and association through citizens’ associations, unions of citizens’ associations, and unions of legal entities. Although these laws are subject to interpretation, restrictions on freedom of association fall within the framework of international law (ICNL, 2001). Similarly, in 2003 Freedom House report *Nations in Transition* also noted that the Ukrainian Constitution contains broad guarantees for human rights and civil liberties, these rights are not always secure.

An example is the situation of members of the political opposition. Some members of the opposition believe that the practice of holding political prisoners has reappeared. On 26 December 2002, 18 members of the rightwing Ukrainian National Assembly were sentenced to two to five years in prison for “creating mass unrest” during an anti-Kuchma event on March 9, 2001. The European Court of Human Rights also has declared admissible the complaints of Ukrainian inmates regarding torture and inhuman treatment (Freedom House, 2003). The bodies of state power have exercised systemic pressure on representatives of the

opposition and on NGOs that are dedicated to the promotion of democracy. Open debate of important issues by society at large has been hindered at both the national level and in specific regions of the country.

The fact that the state of civil liberties in Ukraine does not comply with democratic norms, and that it is deteriorating has particularly come to the surface in the course of the 2004 election campaign. In particular, the freedom of expression and freedom of assembly are endangered. Also, the 2004 election campaign was characterised by mass violations of the right to assembly and by massive persecutions for political convictions. Until December 2004, the authorities were able to ignore violations of civil rights and liberties and, in fact, pretended that such violations did not exist (Hillenbrand, 2005).

After the Orange Revolution the situation has changed and experts admit that the country achieved better results in the freedom of expression and freedom of assembly, but the general state of human rights protection is still poor. Problems are mostly connected with the unnecessary government interventions in the activity of some CSOs and penal system. (US Department of State, 2006).

*2.2.2 Information rights.* Freedom of speech and free expression in the media, in accordance with the Law on Mass Media, implies that every citizen has a right to seek, receive, save, use, and disseminate any information freely and independently via mass media. All Ukrainian citizens, legal persons, and state authorities have the right to receive all publicly available information concerning activities of state authorities, citizens' associations, and their officers. They also have the right to receive any other information necessary to exercise their rights, freedoms, and lawful interests under the Law on Mass Media and the Law on Information (ICNL, 2001). According to a special article of the Budget Code on "Accessibility of Information on the Budget", budget information must be made public.

In practice, according to the research done by the "Europe XXI" foundation, citizens of Ukraine have wide experience in requesting information but not positive in obtaining some provisions, esp. government spending information. To get necessary information Ukrainian citizens are challenged by discrepancies in legislation on information access, government violations of information laws, poor management and miscommunication within government, absence of information about informational requests meeting by government, existence of confidential documents, as well as low legal and informational culture of reference seekers by themselves (Europe XXI, 2004).

Internet usage, which can be a very helpful source of information, is growing rapidly in Ukraine. There are about 300 Internet providers and approximately 3 million users (up to 8% of the population), reports the Kyiv International Institute of Sociology. Some politically oriented Web sites such as Ukrains'ka Pravda, Glavred, Korrespondent.net, and www.polit.com.ua have become important sources of independent information. There are no restrictions on Internet access for private citizens, but authorities do harass opposition Internet sites (Freedom House, 2004).

*2.2.3 Press freedoms.* The Press Freedom Survey of Freedom House scored Ukrainian freedom of press 60, which places Ukraine between the 'partly free' and 'not free' categories. According to *Nations in Transit 2003* published by Freedom House, over the last years press freedom in Ukraine was becoming more restricted: in 1997 the score was 4.50, while in 2003 the score was 5.50 (scale from 1 (highest) to 7 lowest).

In the years of previous regime (1999-2004) Ukraine had a fairly sizable and vibrant media, journalists and media outlets—both state owned and private—they typically lacked true independence. One of its main causes is the fact that insufficient development of Ukraine’s advertising market forces mass media outlets to rely for financial support on oligarchs, who in exchange wield considerable influence over journalistic content and programming (Freedom House, 2003). In addition, journalists faced regular harassment and violence for their reporting, particularly investigative work on corruption and crime linked to the authorities or to the country’s powerful oligarchs. Existing laws do not fully protect journalists in Ukraine, and violence against them is all too common. The most notorious case was the September 2000 murder of Heorhiy Gongadze, who was editor of the opposition Internet newspaper *Ukrains’ka pravda* (Freedom House, 2003). In 2001, the “Committee to Protect Journalists” nominated then-President Kuchma as one of the world’s top 10 enemies of the press. In addition, “an elaborate system of censorship, including instructions emanating from the offices of the presidential administration, distorted news and skews coverage of political affairs.”

According to the CSI Media review 5.6% of media items are concerned with the problem of information right in Ukraine. The problem of media freedom and bias were very important before the elections, hence independent media paid attention to biasness and dependency of journalists, pressing the independent media – 5<sup>th</sup> Channel, Dzerkalo Tyzhdnia, while such papers like *Uriadovy Courier* (government official paper) provided optimistic articles on media freedom in Ukraine

Until November 2004, mass broadcast media exhibited a high degree of uniformity and bias in their coverage. This has changed significantly since the Orange Revolution (Hillenbrand, 2005).

## 2.3 Socio-Economic Context

This subdimension analyses the socio-economic situation in Ukraine. Table III.2.3 shows the respective indicator score.

**TABLE III.2.3: Indicator assessing socio-economic context**

| Ref. # | Indicators             | Score |
|--------|------------------------|-------|
| 2.3.1  | Socio-economic context | 2     |

To operationalise the concept of ‘socio-economic environment’, eight indicators were selected, which represent the different means through which the socio-economic context can potentially impact on civil society: 1) Poverty; 2) Civil war; 3) Severe ethnic or religious conflict; 4) Severe economic crisis; 5) Severe social crisis; 6) Serious socio-economic inequities; 7) Illiteracy and 8) Lack of IT infrastructure.

In Ukraine social and economic conditions, which influence the development of civil society are the following:

1. *Widespread poverty - do less than 40% of Ukrainians live on less than 2 US\$ a day?* No. Approximately a quarter of the population is classified as poor, using a Eurostat poverty line. Using the national poverty line of \$4.3 per day in 2001, some 11% of the population would be classified as moderately poor. In 2002, about 40% of the population received either social insurance or social assistance benefits (UNDP, 2004). It is therefore not possible to speak of extensive poverty

- in Ukraine.
2. *Civil war - did the country experience any armed conflict during the last five years?* No. No armed conflict took place since the 2<sup>nd</sup> World War.
  3. *Severe ethnic or religious conflict?* No. Ukraine experienced a degree of national conflict in 2004 during Orange Revolution. There were attempts to divide country between East and West according to the language issue but these attempts were never realised in practice.
  4. *Severe economic crisis – is the external debt more than the GDP?* No. The external debt comprised 26.6 (2001) 24 (2002). According to IMF Staff Report, 2004, in 2003 this was 22.5% of GDP.
  5. *Severe social crisis?* Between 1989 and 1999, the number of live births fell from 691,000 to 389,000. Large numbers of young people delayed having families due to uncertain economic conditions. As a result, from 1997 to 2002, Ukraine’s population fell from 50.2 to 47.8 million persons. Because of the low birth rate, emigration and other historical factors, approximately 15% of all Ukrainians are over 65, a high ratio compared with most other low to middle income countries (UNDP, 2004).
  6. *Severe socio-economic inequities, i.e. is the Gini-coefficient > 0.4?* No. While there are considerable social and economic inequities in Ukraine, Gini coefficients in Ukraine based on money income and expenditures were significantly higher, at 0.35 and 0.36 (World Bank, 2004a).
  7. *Pervasive illiteracy - are more than 40% of the adult population illiterate?* No. Ukrainian population is characterised by high literacy ranging from 1% and 7.1% for different age groups.
  8. *Lack of IT infrastructure – are there less than 5 IT hosts per 10,000 inhabitants?* No. There are 18 hosts per 10,000 inhabitants in Ukraine according to the data of International Telecommunication Union, 2003. By 2003, there were 420 Internet Service Providers on the service market, broadband connections with Western Europe, USA and Russia were established, all *rayon* (district) centres were digitalised, an estimated 8% of the population regularly used the Internet, and 6.4 million consumers used mobile telecommunications (UNDP, 2004).

In Ukraine only two of the eight negative socio-economic conditions are present: social crisis and social and economic inequities with a gini coefficient close to the border line that means that social & economic conditions limit the effective functioning of civil society only to certain extent.

## 2.4 Socio-Cultural Context

This subdimension examines to what extent socio-cultural norms and attitudes are conducive or detrimental to civil society. Table III.2.4 summarises the respective indicator scores.

**TABLE III.2.4: Indicators assessing socio-cultural context**

| Ref. # | Indicators          | Score |
|--------|---------------------|-------|
| 2.4.1  | Trust               | 2     |
| 2.4.2  | Tolerance           | 1     |
| 2.4.3  | Public spiritedness | 2     |

*2.4.1 Trust.* According to the national poll conducted by Institute of Sociology of the National Academy of Sciences of Ukraine and Democratic Initiatives Foundation (2004) Ukrainians more trust each other (39.5%) than distrust – 18%. Generally, Ukrainian citizens

mostly trust their relatives and family – 4.4, while trust to compatriots levels 3.2, which is less than to church – 3.3 and mass-media 2.9 (scale from 0-poor, 10-highest). The majority of respondents (42.3%) still prefer the answer “difficult to say” in all the cases but trust to family (DIF, 2004). Also, Community Survey has shown that 77.5% of respondents think that people can be in most cases trusted, and 22.5% said that they cannot be too careful in dealings with other people. The level of trust to other people has grown from 30.2% in 2001 to 49.5% in early 2005 (DIF, 2005). This may be connected to the impact of the events surrounding the Orange Revolution and shows a positive tendency in the development of Ukrainian society.

*2.4.2 Tolerance.* Tolerance indicator measures the attitude of society members to people different by race, religion, sexual orientation, etc. to whom usually some stereotypes exist. Community Survey has shown that 94.3% of respondents do not like to have as neighbours, people of different race, 91.1% different religion, 46.8% immigrants/foreign workers, 47% homosexuals.

The tolerance index score is 3.3 indicating that on average respondents mentioned 3.3 of the 5 groups when asked whether they would not like to have them as neighbours. This indicates widespread intolerance. The intolerance was even more exaggerated by the elections process in 2004 when a ‘war’ between main candidates for the President post has divided country into two parts: South –Eastern and Western. These territories differentiate due to the historic track as well as differences in economic, ethnic and language conditions.

For Ukraine the issue of the East-West division is crucial as it is a potential source of conflict. According to Kiev International Institute of Sociology and Zerkalo Tyzhdnia survey (2005) respondents recognise the division of Ukraine to the West and East parts means division to two hostile parties. “More than one third of people consider that people living in different regions of Ukraine are enemies. What can be more horrifying!” There is a difference about such views among representatives of different regions: while 60% of living in the West do not consider people in the East enemies, 54% of easterners do so (Mostovaya, Rakhmanin, 2005).

*2.4.3 Public spiritedness.* The CSI Community Survey found that 61% of respondents can always justify claiming of government benefits to which they are not entitled, 17% can justify it sometimes and only 22% never. As for public transportation, 15% of people try to avoid paying for public transportation, 56% sometimes and 29% never. Fifty-two percent will never cheat on taxes even they have a chance, while 29% try to cheat sometimes and 19% doing it always. The public spiritedness index score is 2.3 on a scale from 1 (very low public spiritedness) to 3 (very high public spiritedness).

As shown in Table III.2.5, among the mostly important aspects of their life Ukrainians recognise their own and their children’s prosperity, good health and good family, which are ranked highest. Second priority is given to democratic development of Ukraine, possibility of criticism and democratic monitoring of decisions made by authorities, cultural and national revival, and social recognition or respect. It is also regarded as very important to have equal opportunities in society. However, participation in activities of political parties and NGOs as well as in religious life either seen as “difficult to answer” or “mostly unimportant” (DIF, 2004).



**TABLE III.2.5: The most important aspects of life for Ukrainians**

|   | Unimportant | Mostly important | Difficult to answer | Mostly important | Very important |
|---|-------------|------------------|---------------------|------------------|----------------|
| Democratic development of Ukraine   | 2.9         | 4.0              | 27.3                | 36.1             | 29.3           |
| Your children prosperity  | 1.1         | 1.3              | 2.8                 | 9.0              | 85.3           |
| Prosperity  | 0.4         | 1.0              | 1.7                 | 23.6             | 73.2           |
| Good health   | 0.4         | 0.4              | 0.3                 | 6.1              | 92.6           |
| Good family   | 0.4         | 0.3              | 2.3                 | 8.8              | 87.9           |
| Possibility of criticism and democratic monitoring of decisions made by authorities | 5.8         | 11.4             | 33.3                | 30.4             | 18.7           |
| Cultural and National revival   | 2.7         | 5.6              | 17.6                | 42.9             | 31.1           |
| Positive moral and psychological society  | 1.1         | 1.8              | 13.9                | 40.8             | 42.3           |
| Social recognition  | 1.1         | 3.0              | 9.2                 | 44.1             | 42.3           |
| Equal possibilities in society  | 0.7         | 2.2              | 11.9                | 36.1             | 48.8           |
| Participation in activities of political parties and civil organisations            | 16.2        | 27.6             | 34.8                | 15.7             | 5.5            |
| Participation in religious life   | 12.8        | 21.5             | 29.8                | 22.3             | 13.3           |

Source: Democratic Initiatives Foundation, 2004

According to the CSI Media review quite a large portion - 34 media items - touch on the issue of public spiritedness, which testifies to the high level of spiritedness in the society. Media connected the development of public spiritedness, faith, moral and culture with the activity of the Foundation of Art Development, speaking about religious organisations, about activity of the League of Maecenats and Kozaks' associations.

## 2.5 Legal Environment

This subdimension examines the legal environment for civil society and assesses to what extent it is enabling or disabling to civil society. Table III.2.6 summarises the respective indicator scores.

**TABLE III.2.6: Indicators assessing legal environment**

| Ref. # | Indicators                    | Score |
|--------|-------------------------------|-------|
| 2.5.1  | CSO registration              | 2     |
| 2.5.2  | Allowable advocacy activities | 1     |
| 2.5.3  | Tax laws favourable to CSOs   | 2     |
| 2.5.4  | Tax benefits for philanthropy | 2     |

*2.5.1 CSO registration.* In Ukraine the legislative base for CSOs is sufficient although quite complicated. Depending on the mission CSOs can register either as citizens association, charitable organisation, youth organisation, creative and professional union, trade union, religious organisation, credit union, community organisation, organisation of property holders living in block building. In order to register a packet of documents must be provided and usually registration takes up to 2 months. It is comparatively easy to register CSO with regional status, while registration with national or international status involves more complicated procedures.

Although the registration procedure for POs complies with standards of good practice, the two-month registration timeframe is too long in comparison to the five-day registration period for commercial legal persons. The absence of a centralised NPO registry and the

restricted public access to registry contents are critical flaws in the current law and impede the development of the third sector (ICNL, 2001).

The results of the CSI Regional Stakeholders survey regarding the assessment of the CSO registration process is shown in Table III.2.7. It is interesting that respondents were very divided in their answers. Still a majority of respondents consider that registration is quick but not simple in Ukraine, registration procedure is done according to the law, same procedures are applied to all applicants and small organisations can use the procedure that do not put unbearable burden on them. Yet, around half of CSOs representatives had negative experience in registering: RSC participants noticed that registration often depends on the decision of the local government solely, many organisations were denied registering simply because of declared advocacy activity, interpreted it as political. It is also difficult to re-register the organisation or to change its status. There is a discrepancy within legislation as youth organisations should be registered free of charge, while for other entities, the registration involves a payment.

**TABLE III.2.7: CSO registration procedure in Ukraine**

|  | Yes | No  |
|--|-----|-----|
| Registration is quick  | 54% | 43% |
| Registration is simple   | 41% | 54% |
| Registration procedure does not violate the registration laws  | 58% | 42% |
| Same procedures are applied to all applicants  | 58% | 40% |
| Registration procedure does not make it impossible for small organisations to register and inexpensive | 60% | 40% |

*2.5.2 Allowable advocacy activities.* There is a significant gap between legal provisions on civil society advocacy and their implementation in Ukraine. The Ukrainian constitution provides the right of citizens to influence the decision making process through public associations. Article 38 proclaims that citizens have the right to participate in the management of public affairs. Article 40 confirms the citizens' right to direct individual and collective written appeals and to appeal personally to the bodies of state power and local self-government. Citizens can also use the court system to appeal against actions or omission of bodies of state power, local self-governance bodies, public servants and officials. Ukrainian law allows CSOs to actively lobby and participate in the preparation of legal and normative documents, including those requested by state or local authorities or political parties. However, Ukrainian CSOs are not allowed any direct legislative initiative or participation in the forming of government. Also, Ukrainian charities may not provide monetary or other direct support to political parties or candidates (ICNL, 2004). The provisions<sup>13</sup> of civil society involvement in the public policy process assure public participation in policy development and realisation via information distribution, public discussions, consultations, and by creating public councils within government bodies. Although government sets the policy agenda and priorities for public consultations, citizens associations can propose their agenda as well.

However, the legal provisions lack mechanisms of government reporting on taking public opinion onto their policy agenda, as well as any public control instruments of government activities. So, the regional stakeholder survey respondents consider that absence of

<sup>13</sup> The Decree of the President of Ukraine "On Assuring Citizens Participation in the State Policy Making and Realization", #1276/2005, 15/09/2005 and the Order of Cabinet of Ministers of Ukraine "Some Issues of Assuring the Citizens Participation in the State Policy Making and Realization" #1378 of 15/10/2004

mechanisms to control government put reasonable restrictions on advocacy activity of CSOs (51%), while 24% of participants such restrictions are unreasonable and 15% are sure that there is no such restrictions.

*2.5.3 Tax laws favourable to CSOs.* Despite complaints of CSOs, the tax system is generally favourable for CSOs activities. Any CSO is exempt from all taxes when statutory documents contain a list of activities to achieve its mission. CSOs income is tax exempt when received as charitable donations and voluntary contributions, passive income, any government money, international technical assistance, humanitarian aid and statutory activities. Some additional tax-privileges are granted to the enterprises that are run by CSOs of handicapped people. However, as part of the CSI's legislation case study, CSOs reported the following problems of the system: getting a separate "nonprofit" status, which actually provides "tax-exempt"; selling goods and services is not tax-exempt<sup>14</sup>; necessity to comply with the list of statutory activities, activities are not well-determined by law; poor understanding of CSOs issues by tax authorities esp. in remote areas (CSI Legislation Case, 2005).

*2.5.4 Tax benefits for philanthropy.* In Ukraine any legal entities may deduct donations made to non-profit organisations (NPOs) in an amount ranging from two to 5% of taxable income. Ukraine also provides for the possibility of an additional 5% for deductions made to certain enumerated institutions, such as money donated to organisations engaged in the protection of Ukraine's cultural heritage. As businessmen admit this legal provision is not an incentive to donate as usually profits are not reported by Ukrainian business, the deduction is too small compared to the entire turnover, the procedure of documenting the deduction is a burden for the corporation. Tax deduction imposed to the enterprise turnover gets more preference among businessmen, but Ukrainian Parliament resists passing this provision (CSI Legislation Case, 2005).

Individuals may take a deduction of two to 5% of taxable income, as long as the donations are made to an organisation that is registered in accordance with the Law on Charity. In Ukraine, donations made by natural persons in forms other than monetary donations (such as in the form of purchase of lottery tickets, participation in fundraising activities, or transfer of assets) are not deductible. The deduction does not apply to small enterprises using the simplified taxation system. Legal persons and individual entrepreneurs qualifying as small businesses pay a unified tax on revenue at the rate of six or 10% of revenue. This system does not grant any tax benefits for donations (ICNL, 2004).

## **2.6 State-Civil Society Relations**

This subdimension describes and assesses the nature and quality of relations between civil society and the Ukrainian state. Table III.2.8 summarises the respective indicator scores.

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<sup>14</sup> The provision to sell goods and services in the framework of core activity of NPO was adopted in 2003 and a year later it was banned by the Law on Budget 2004. In 2005 this provision was simply deleted from the Law on the Taxation of Enterprise Profit, so the status of this provision is unclear and may be interpreted by tax authorities according to their preference.

**TABLE III.2.8: Indicators assessing the relations between state and civil society**

| Ref. # | Indicators                                | Score |
|--------|---|-------|
| 2.6.1  | Autonomy of CSOs                          | 2     |
| 2.6.2  | Dialogue between CSOs and the state       | 1     |
| 2.6.3  | Support for CSOs on the part of the state | 2     |

*2.6.1 Autonomy.* According to Ukrainian law CSOs are autonomous from the State and State oversight is reasonably designed. According to an ICNL report, Ukrainian law addresses the authority of tax, licensing, legalizing and other bodies, in detail supervising activities of legal entities including CSOs. In addition, the law determines which documents may be demanded for the purposes of audit, as well as, when and to whom audit reports should be submitted. The law regulates authority of legalizing bodies to audit CSOs with fewer details in comparing with similar authority of tax service and licensing bodies. The absence of procedure outlining how to conduct audits is the main deficit of the Ukrainian law. For example, there is no rule preventing audits from being conducted at night or every week (ICNL, 2001).

However, 85% of respondents to the regional stakeholder survey assessed that government oversight has increased in the period of elections, especially at the local level: many examples of government interference were listed in Crimea and Eastern part of Ukraine which mostly related to government requests to provide reports and documentation about CSO activities. According to the CSI Legislation Case the above mentioned control bodies use their power very selectively: some CSOs can exist without any auditing and some are intensively checked especially before the elections. For example, in late 2003, pro-governmental forces and the Communists started campaigns against Western support to NGOs in order to discredit their role in the 2004 election-monitoring process. From 2003 to 2004, Ukraine's rating for civil society declined from 3.50 to 3.75 owing to the apparent efforts to limit the influence of NGOs in the run up to the 2004 presidential elections (Freedom House, 2004).

*2.6.2 Dialogue.* Today in Ukraine mechanisms are in place to facilitate systematic dialogue between the state and a broad and diverse range of CSOs. In 2002 Ukrainian government started measures to improve transparency and increase public input in political processes. In August 2002, for example, President Kuchma issued the decree *On Additional Measures on Ensuring Openness in the Activities of State Institutions*. In the fall, several parliamentary committees created consultative boards and invited experts from NGOs to participate. To date, these boards have proven quite effective and have developed several draft laws (Parliament Committee on Foreign Affairs invited CSOs experts on EU integration issues, Parliament Committee on Press Freedom, Finance and Budget Committee). In many local administrations offices on cooperation with CSOs and communities were opened. This is not mandatory for legislative bodies, but is a common practice (Freedom House, 2003).

While state-civil society dialogue is regulated, its enforcement is still a question: 82% of Ministries and Branches of executive power established departments of public relations. Looking deeper into their function, they still mostly work with the mass media and focus mostly on presenting a positive image of the respective government institution using the press (54%) but not on consulting civil society and involving it in decision making (Dialog for Reforms, 2003). The respondents of regional stakeholder survey considered the level of dialogue to be either limited (58%) or moderate (37%), naming the cases of creating the CSOs public councils in regions. Again this process was not recognised transparent and

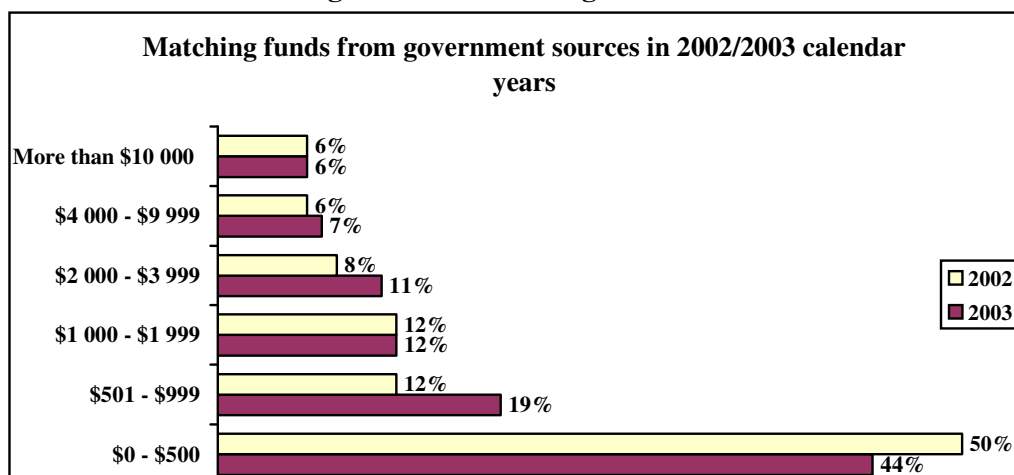
equal: only pro-governmental CSOs were invited to participate. At the local level authorities mostly communicate with the leaders of CSOs that personally well-known and are not ready to open and transparent dialog with the sector. Local authorities tend to show greater interest in the activities of NGOs that aim to help the poor, children, and the disabled rather than those that are more engaged in the advocacy.

The Counterpart Creative Center survey has shown that in general in the course of the last three years the number of contacts of Ukrainian CSOs with the government increased. However, a large quantity of contacts does not necessarily translate into higher quality and effectiveness. Out of 12 articles on state dialogue with CSOs, found in the media review, 8 types of CSOs were mentioned; political parties and single issue coalitions are mostly important for the State, the others are trade unions and other (not specified types), some dialog exists between state and religious organisations, social movements, environmental CSOs and service CSOs.

The Ukrainian government has been making attempts to establish a dialogue with civil society; such efforts enhanced after the Orange Revolution and the subsequent change in government. However, cooperation is still lacking clear and transparent mechanisms of interaction, especially considering the responsibility of government to provide feedback to CSOs. So, we may conclude that dialogue between civil society and government is a “one-way street”, when CSOs have power to access government documents and submit proposals, while no system of ensuring the responsibility of government to take CSOs’ proposals into account is in place.

*2.6.3 Cooperation/support.* In Ukraine there are cases of government support of civil society as the legislation allows CSOs to compete for state funds. The law governing state procurement of goods, labour, and services allows NPOs to contract with the government. The law generally requires the government to choose a contractor by open tender. No state regulations exist to provide clear procedures of contracting and grants allocating. According to the Law on Citizen’s Associations, POs may carry out economic activities only through a separate legal entity. This inhibits POs from engaging directly in state procurements. Charitable organisations cannot participate in state procurement contracts at all for taxation reasons, as they may lose their benefits and be excluded from the registry of NPOs if they engage in the purchase or sale of any goods or services. The Ukrainian Parliament has approved a list of national charitable organisations that may be recipients of in-kind government assistance. Currently, such assistance is granted to organisations for the disabled, veterans, and veterans of the Afghan war; to creative unions; some amateur sports organisations and others. Every year, the list changes slightly to reflect the interests of the Budget Committee and People’s Deputies. Only few municipal authorities have adopted social contract regulations, which in the absence of State law do not have regulatory power. Odessa and Kiev local authorities have adopted regulations that determine that such assistance should be granted to POs on a competitive basis and through transparent mechanisms (ICNL, 2001).

Only 11% of respondents to the regional stakeholders survey receive significant support from government, while the CCC survey shows that around 33% of CSOs reported that they received financial assistance from the state in 2003. Sixty percent of that group received funding in the amount less than \$1000.

**FIGURE III.2.2: Matching CSOs funds from government sources in 2002/2003**

Source: CCC survey, 2004

Around 26% of CSOs received in-kind contribution from the state or the local self-government bodies. The majority (65%) of these organisations obtained in-kind contribution that amounted to less than \$500.

Although government support exists in Ukraine, the procedures of transparency and open competition are lacking, which inhibits the access of CSOs to government funds. There is no coherent policy of government funding in Ukraine, which allows interpretations of laws and regulations by government officials on the verge of conflict of interests.

## 2.7 Private Sector-Civil Society Relations

This subdimension describes and assesses the nature and quality of relations between civil society and the private sector. Table III.2.9 summarises the respective indicator scores.

**TABLE III.2.9: Indicators assessing private sector – civil society relations**

| Ref. # | Indicators                               | Score |
|--------|--|-------|
| 2.7.1  | Private sector attitude to Civil Society | 1     |
| 2.7.2  | Corporate social responsibility          | 1     |
| 2.7.3  | Corporate philanthropy                   | 2     |

*2.7.1 Private sector attitude.* Content analysis of the literature shows that the attitude of the private sector towards CSO is very biased. Businesses do not consider the activity of CSOs to be professional (CVU, 2002). When asked about NGOs capacity in realising social projects, only 29% of businessmen recognised that NGOs can impact on social service, while 49% consider that business has the capacity to realise social projects as their financial potential is higher than in civil society (UNICEF, 2002). When deciding about the recipients of donations, businesses prefer to give without mediators: 87% of business giving goes directly to the recipients of the support usually people in need, 22% of business giving is distributed via NGOs and other 11% provides support to state maintained social care institutions (CCC, 2005). This tendency testifies that businesses prefer non-institutionalized charity presumably because of the distrust of the institutions.

The attitude of business towards civil society is seen mostly between indifferent (30%) and positive (20%), according to data received as part of the regional stakeholder survey. CSI

Media review shows that the private sector's attitude towards civil society, on the basis of media items, can be described between generally indifferent and positive.

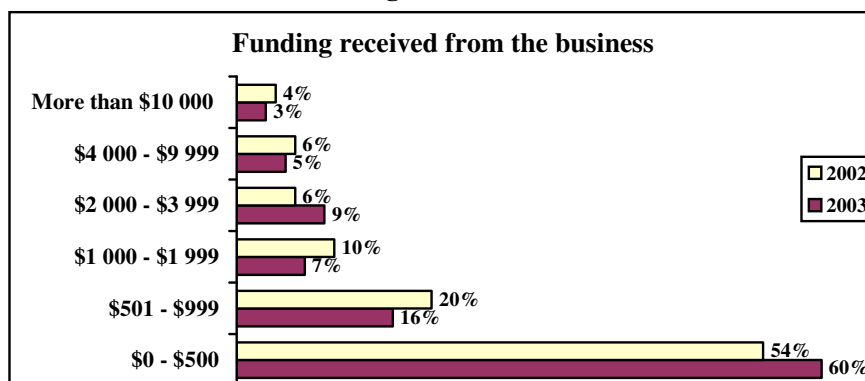
Hence, the attitude of the private sector to civil society is mainly indifferent which reflects the attitude of the general population to CSOs, which is expressed in low levels of participation.

*2.7.2 Corporate social responsibility.* In today's Ukraine business does not understand the essence of social responsibility as the activity directed to protect against social and environmental consequences of their activity. This is very typical for Ukrainian companies (not international). The notion is limited to charitable activity or philanthropy. Even so, not many companies are interested in the long-term social responsibility strategy; the most interested are companies with the large number of clients. Here social responsibility is directly connected with the attitude of clients, who consider companies, which doing good for society as trustful. This determines their choice of company's products. In the underdeveloped market this reason is not a priority for achieving competitive advantage. Very often socially important activity depends on the preferences of top management of the company. The most visible and recognised social priorities of business deal with the quality of output, solving legal problems, minimization of corruption, care about staff and raising their professional skills. Eighty percent of respondents to the Regional stakeholders survey rated the work of major companies in Ukraine in taking into account the social and environmental consequences of their activity as either insignificant or limited. Only 15% of people think that it is moderate. Eighty-eight percent of respondents indicated that business associations participate in broader civil society initiatives either rarely or sometimes. Ukrainian business is mostly concerned with own survival in the current economic environment although there are efforts to declare social responsibility as a principle of activity were made by several companies, like mobile companies "UMC" and "Kyivstar".

*2.7.3 Corporate philanthropy.* Corporate philanthropy still lacks a strategic approach, as it was admitted by the 2002 report on business philanthropy supported by UNICEF. In 2004 only 15% of business giving was done as part of a company's strategy, while for 47% of companies it is "mostly individual, unrelated events"; and 35% of companies practiced charity on a regular basis, although without a strategic goal (CCC, 2005).

According to CCC research, corporate giving is mostly directed towards CSOs of self-help and marginalised people groups – 67%, state supported social institutions (hospitals, schools, orphanages) – 59%, then member-serving associations 35%, sport organisations 27%, environmental organisations – 14%. The tendency has not really changed since 2002 UNICEF supported research. Ukrainian businesses prefer to support CSOs with services, offices, suppliers, and intellectual property. Such donations are not usually reported. Donations are peace meal depending on the funds at business disposal for charity. CCC research on corporate philanthropy (2005) has shown that 22% of medium and big businesses make their donations through CSOs. The average amount of the donation is \$7,900.

Only 23% of respondents to the regional stakeholder survey think that CSOs have indigenous corporate funding and mentioned shares are from 10% to 100%. At the same time CCC CSO survey demonstrates that around 52% of CSOs received financial assistance from business in 2003. More than 50% received funding that did not exceed \$500 per year as it is shown in figure III.2.3. Around 39% of CSOs received in-kind contribution from the business in 2002 (CCC, 2005).

**FIGURE III.2.3: CSOs funding from business in 2002/2003**

*Counterpart Creative Center, Civil Society Organisations in Ukraine. The State and Dynamics 2002-2005*

## Conclusion

From 2001 to 2004, the growth of Ukrainian civil society took place in a rather unsupportive environment. Prior to November 2004, the Ukrainian political regime was characterised by its strong control over public life, widespread corruption, dominance of tycoons' clans, poor observance of rule of law, paternalism and clientelism. With the growing state power, total state ineffectiveness and corruption, the Ukrainian government has adopted regulations that prevented citizens' involvement in policy and protected government from civil society's advocacy. This was particularly visible in the field of human right and freedom of the press. Whereas Ukrainian legislation provides basic rights and freedoms for citizen participation, which are compatible with the international law, these rights and freedoms were rarely realised in practice.

Recently Ukrainian civil society has developed in a positive socio-economic environment. While poverty is increasing and the gap between the very rich and poor is widening, other factors such as the growing economy and IT usage are supportive for the formation of a middle class, which in turn is key for the development of civil society. On the other hand, the general socio-cultural context is characterised by low levels of tolerance in society, while the level of trust and public spiritedness are more than average and growing year by year. Intolerance of Ukrainians was clearly demonstrated during the course of the 2004 Presidential elections, with growing disparity between Eastern and Western parts of the country.

State –civil society relations are characterised more by sovereignty than cooperation. The government's attitude towards civil society is based on its goal to protect its autonomy and regulate rather than to enter into dialogue with civil society and develop mutual responsiveness. This is not supportive for CSOs' advocacy activity. There was a tendency of state control over international technical assistance usage by CSOs. The most significant pressure of the state on CSOs was visible during the election campaign throughout regions of Ukraine. During this campaign there were attempts to falsify civic movements by using pro government NGOs.

The private sector maintains an indifferent attitude towards CSOs, while establishing their own bodies to donate to social causes. The concept of corporate social responsibility (CSR) is very new for Ukraine. The perception of CSR is limited to charitable activities and assistance to state maintained institutions.

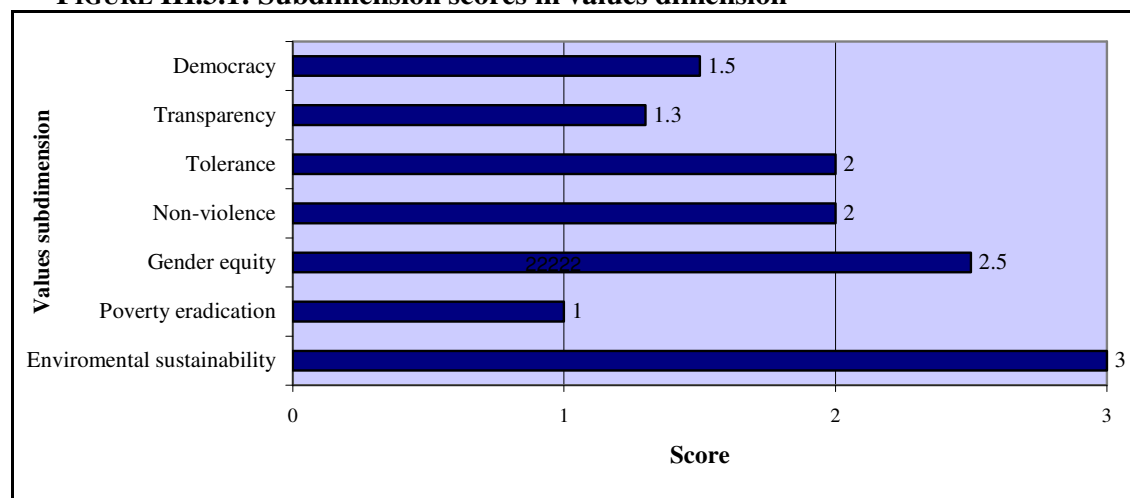


It is important to note that after the Orange Revolution the general environment for civil society development has changed for the better. CSOs are now recognised as important players in the government's reform agenda. Still this trend has not materialized in practice. The problem is in the general political instability, which prevents civil society to develop coherent measures together with the government. Yet, the continuing democratic course of Ukraine's political system provides a lot of opportunities for civil society development.

### 3. VALUES

This section describes and analyses the values promoted and practiced by Ukrainian civil society. The score for the Values Dimension is 1.9, reflecting that some delinquencies exist in the value basis of Ukrainian civil society. Figure III.3.1 presents the scores for the seven subdimensions within the Values dimension. Only the low score for the transparency subdimension stands out as a problematic area.

**FIGURE III.3.1: Subdimension scores in values dimension**



#### 3.1 Democracy

This subdimension examines the extent to which Ukrainian civil society actors practice and promote democracy. Table III.3.1 summarises the respective indicator scores.

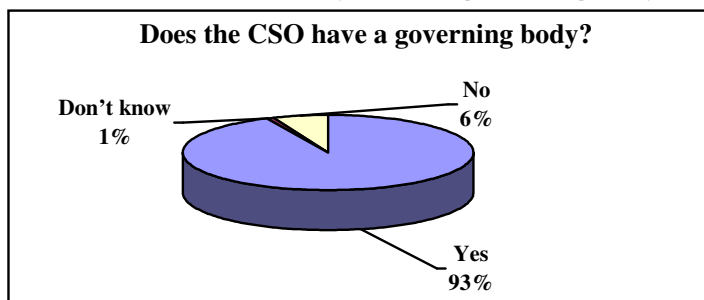
**TABLE III.3.1: Indicators assessing democracy**

| Ref. # | Indicators                                 | Score |
|--------|--|-------|
| 3.1.1  | Democratic practices within CSOs           | 1     |
| 3.1.2  | Civil society actions to promote democracy | 2     |

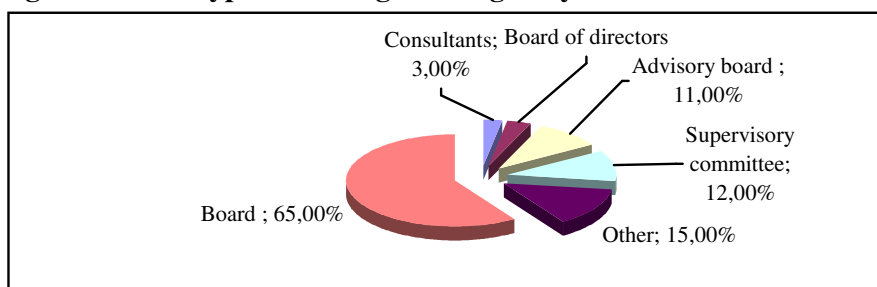
*3.1.1 Democratic practices within CSOs.* According to the regional stakeholder CSO leadership is mainly elected through an open and transparent process and CSO members have certain influence on decision making: 84% of respondents are sure that CSO leader is selected by members of a organisation. Ninety-one percent of civil society experts think that CSO members have moderate (42%) or substantial (49%) influence in decision-making in the organisation. Still this statement relates only to very low number of CSOs experts, mostly CSOs leaders by themselves<sup>15</sup>.

CCC annual CSOs survey indicates that around 93% of CSOs have a governing body. The division based on the type of the governing body of a CSO is as follows: the majority of CSOs (65 per cent) have executive committees, 36% have various types of boards (advisory boards, supervisory boards, boards of directors, scientific boards, association boards etc). Please see Figure III.3.2 and Figure III.3.3

<sup>15</sup> Board Source 2003 survey: „More than 70% of organizations report that the chief executive is also the founder of the organization, is ... a member of governing body (90%)

**FIGURE III.3.2: Availability of CSO governing body**

Basically all CSOs that have the governing body also have a written document that specifies the duties and responsibilities of the governing body (79 per cent). CSOs demonstrated high results in terms of the involvement of the governing body in the activities of the organisation. The meetings of the governing body are conducted more than four times a year at the majority of the surveyed CSOs. Only 11% of organisations have the meetings of the governing body twice a year and 12% of organisations have one annual meeting of the governing body.

**Figure III.3.3: Types of CSO governing body**

In 92% of CSOs (compared to 82% back in 2003) the executive director attends the meeting of the governing body; 76% of the organisations conducted the elections to the governing body since it was established (compared to 70% back in 2003).

Other information concerning CSOs governance is based on the NGO governance practices survey conducted by BoardSource: The facts that more than one-quarter of respondents did not identify their highest governing body, and nearly one-fifth of those that identified more than one governing body could not say which had principal decision-making responsibility, suggest that there is a considerable degree of uncertainty over where the governance function resides within the organisation. This impression is reinforced by the finding that in nearly one-third of organisations, governance is exercised directly by a general assembly that does not delegate authority between meetings to another governing body, such as an executive committee or board of directors. This lack of a clearly defined and positioned governance function is no doubt rooted in the vague and confusing legal framework. However, organisations themselves show little inclination to structure governance through provisions in statutes, bylaws, and other documents (BoardSource 2003). The majority of internal events bear either formal character or are in paper (CVU, 2002).

Civil society governance may be considered perfect and the law requires a governing body (mostly a board) to be in place and all the decision making to be done mainly by the board. According to the law a board is seen as the management body, which is not productive for the

division of governance and management in CSOs. We may conclude that there is a gap between formal practices of CSOs and actual practice of governance.

*3.1.2 CS actions to promote democracy.* Seventy-five percent of respondents to the regional stakeholder survey were able to give a couple or several examples of civil society's public campaigns or actions dedicated to promoting democracy. Most examples given by respondents focused on the role of civil society organisations in the 2004 presidential election, students' demonstrations, campaigns for increased fair and unbiased media coverage, programs aimed at increasing voter turnout and decreasing the opportunity for vote tampering as well as programs on public councils creations and against violation of students' social security benefits, etc. Seventy-one percent of respondents assess civil society's role in promoting democracy at the societal level as limited (35%) or moderate (36%).

The CSI Media review found 50 articles where civil society actions to promote democracy were mentioned. These articles are attributed to the period of Orange revolution (public protests in Maydan, Kyiv, freedom of mass-media during elections and CSOs protecting human rights). The Orange Revolution witnessed an unexpected level of maturity and organisation of Ukrainian NGOs. They were active in carrying out informational and awareness-raising campaigns, monitoring election campaign and providing legal advice to citizens. There were also Ukrainian NGOs that played a key role in carrying out exit polls allowing for the level of falsifications to be identified (Kempe, Solonenko, 2005).

During the course of 2004 President's election campaign Ukrainian CSOs has proved their capacity of promoters of democracy in Ukraine. But as was proved by current practice, CSOs key activities elicit little public interest between elections, as government starts resolving issues connected with economy and social wellbeing, being uninterested in civil society and its initiatives.

## 3.2 Transparency

This subdimension analyses the extent to which Ukrainian civil society actors practice and promote transparency. Table III.3.2 summarises the respective indicator scores.

**TABLE III.3.2: Indicators assessing transparency**

| Ref. # | Indicators                                    | Score |
|--------|---|-------|
| 3.2.1  | Corruption within civil society               | 1     |
| 3.2.2  | Financial Transparency of CSOs                | 1     |
| 3.2.3  | Civil Society actions to promote transparency | 2     |

*3.2.1 Corruption within civil society* As discussed under indicator 2.1.4., corruption within Ukrainian society is seen as widespread. When it comes to corrupt behaviour, to what extent does civil society differ from society at large? In Ukrainian society the prevailing thought is "Bribery is a normal thing"- 85.3% of respondents agreed with this statement, while 24% of respondents consider that giving bribe to official to solve some issue is just a payment for he/her services (Peoples Voice Project, 2002). Transparency International Global Corruption Barometer 2004 has found that Ukrainians perceive NGOs as quite corruptive bodies (3 on the scale 1 –not corrupt, 5-extremely corrupt), although less corruptive than political parties and government (4.3) but more corruptive than religious organisations (2.0) (TI, 2004a).

The regional stakeholder survey found that 60% of respondents regard corrupt incidents in CSOs to be frequent or very frequent compared with 40% who assess them as being rare or

very rare. Narozhna (2004) mentions the example of financial manipulation in the form of “Otkat” (payment for decision making in favour of recipient) which is described as being so widespread among *grantoids* (i.e. CSOs funded by Western aid, whose activity is aimed at pocketing the benefits from new grants). She also points to the existence of phantom NGOs that appear before every election campaign: “every election campaign in Ukraine witnessed an explosive proliferation of short-lived NGOs. They receive unrecorded flows of cash to organize ... all sorts of actions in support of their candidate” (Narozhna, 2004).

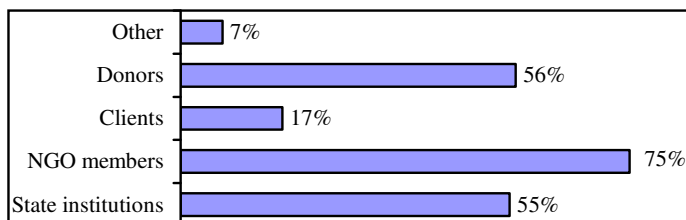
Thus, corrupt behaviour in civil society is common, which is a reflection of general widespread corruption in Ukraine.

**3.2.2 Financial transparency of CSOs.** Ukrainian NGOs generally take a minimalist approach to transparency and accountability. For example, while two-thirds of respondents’ organisations publish an annual report, only one-third do so regularly. Annual reports are most commonly distributed only to a narrow audience of members; interestingly, nearly 40% of respondents did not identify a means of distributing annual reports, perhaps suggesting they are not distributed at all. Similarly, while 72% of organisations report conducting financial audits, only 33% do so annually (BoardSource, 2003). Double bookkeeping [among CSOs] is common as a means of avoiding excessive Ukrainian taxation (Freedom House, 2003).

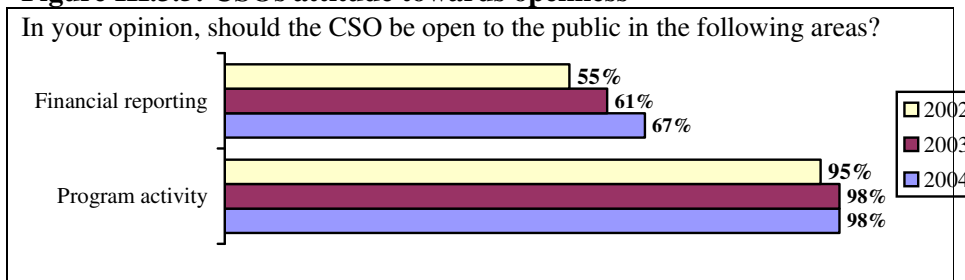
The regional stakeholder survey found that 72% of respondents think that CSOs make their financial accounts publicly available. However, it was stressed that in most cases, the availability of financial reports is only formal, and they are rarely presented to the public. According to the CCC 2002-2004 CSO survey, the majority of the Ukrainian membership organisations report to the members, over fifty percent of CSOs report to the state agencies and donors. Less than 20% of organisations report to their clients. In comparison with 2002 the portion of CSOs that report to their clients increased from 19% up to 27% in 2003 respectively in 2004 the percentage fell down again. The portion of CSOs that report to the members of the organisations or the state agencies did not change much. In 79% of organisations the members of CSOs have an access to financial documentation of the organisations.

CSOs are accountable to the following institutions as shown at the Figure III.3.4.

**Figure III.3.4: Bodies, to which CSOs are accountable**



The following Figure III.3.5 depicts the answers of respondents about the need for transparency of CSOs in program and financial activities.

**Figure III.3.5: CSOs attitude towards openness**

As for the need for transparency of CSOs in program activities, no significant difference is observed in the answers provided during the previous years. And as for the financial activities there is a tendency to make the organisations more transparent.

*3.2.3 CS actions to promote transparency.* In the regional stakeholder survey, most respondents (73%) remembered none or only one or two examples of civil society campaigns to promote transparency and two third of stakeholders assess the impact of these campaigns as being either insignificant or limited. The following examples were mentioned: “Open government”, “For transparent society”, “People’s Voice”, PORA as well as action of Kievites against Kyiv city administration. It should be noted that regional stakeholder survey was conducted before November 2004 events. While consultations that were conducted after Orange Revolution revealed that civil society actions in this field are more and more often: campaigns to reveal transparency of government-business interaction on land assigning to construction companies. As for civil society’s role in promoting corporate transparency, the majority of stakeholders assessed it as insignificant or limited.

Media review provided six media items covering civil society actions to promote government transparency. The most important items were connected to the creation of public councils in the government agencies: Public Council for Defense Ministry; Publishers Association has signed the agreement on exchange information between tax administration and association of publishers. Also there was news coverage about CSOs attempting to establish citizens’ oversight over agricultural trade.

Still there are many ‘pseudo CSOs’ that pretend to promote transparency. As experts admit, a number of entities formally pertaining to the “third sector” in reality operates with the direct support and in the interests of particular government bodies, clans and groups of oligarchs. These entities widely resort to falsification of civil initiatives and surrogate substitutions, hijacking the functions of independent social institutions and simulating allegedly wide-ranging support for unpopular authorities. Such actions became particularly widespread during the election (Hillenbrand, 2005).

Ukrainian civil society has shown its determination to fight for transparency during Orange Revolution events. Unfortunately, in many cases instances of CSOs which promote transparency is used to manipulate these organisations in order to solve private (often competition) issues in politics and sometimes in business. Hence, often civil society’s activities in this field do not receive widespread support.

### 3.3 Tolerance

This subdimension examines the extent to which Ukrainian civil society actors and organisations practice and promote tolerance. Table III.3.3 summarises the respective indicator scores.

**TABLE III.3.3: Indicators assessing tolerance**

| Ref. # | Indicators                                    | Score    |
|--------|---|----------|
| 3.3.1  | Tolerance within the civil society arena      | <u>2</u> |
| 3.3.2  | Civil society activities to promote tolerance | <u>2</u> |

*3.3.1 Tolerance within the CS arena.* Thirty-four percent of regional stakeholder survey respondents considered that there are no forces within Ukrainian civil society that are explicitly racist, discriminatory or intolerant. However, 36% and 25% could identify either one or two examples or several cases of such behaviour. The following examples were given: discrimination against women, some cases of human rights violation, discrimination of Ukrainian language, etc. Some respondents noted that the majority of ordinary people are intolerant, support discrimination and racism. However, the majority of respondents (70%) are sure that relation of these forces to civil society at large are a marginal or completely isolated and strongly denounced by civil society.

*3.3.2 CS actions to promote tolerance.* More than one third of regional stakeholder survey respondents cannot think of any examples of civil society public campaigns, actions or programs dedicated to promoting tolerance. The following examples were given by 61% of respondents: Program towards tolerance within framework of Crimean Tatars integration into Ukrainian society, run for life for disable, social adaptation of people with HIV/AIDS. Fifty-nine percent of respondents assess civil society's current role in promoting tolerance as limited or moderate. During consultations participants pointed out that actions to promote tolerance are appropriate only in the regions where ethnic tensions are still occur. They recognised that tolerance and peaceful conflict resolution is a virtue of civil society not government in Crimea.

Media review has found 12 articles that cover civil society actions to promote tolerance. The examples covering the issue are connected with the intolerance caused by President's elections in November 2004 and attempts of CSOs to combat intolerance between regions. In this case, civil society has become a driving force in promoting a tolerant society.

Freedom House in its 2004 "Nations in Transit" recognises that there are no significant anti-liberal or extreme NGOs in the country. However, there are concerns that the activities of such groups could be boosted to destabilize the country on the eve of the 2004 presidential election, especially in regard to interethnic or inter-confessional relations. In late 2003, the main Christian groups in Ukraine (excluding the UOC under the Moscow patriarchate) issued a statement warning against such attempts (Freedom House, 2004b). During the elections and events of the Orange Revolution these groups promoted tolerance and non-violence by appealing to society in general. They were followed by Jewish and Islamic leaders, who appealed to their constituencies.

### 3.4 Non-violence

This subdimension describes and assesses the extent to which Ukraine's civil society actors and organisations practice and promote non-violence. Table III.3.4 summarises the respective indicator scores.

**TABLE III.3.4: Indicators assessing non-violence**

| Ref. # | Indicators                         | Score    |
|--------|------------------------------------|----------|
| 3.4.1  | Non-violence within the CS arena   | <u>2</u> |
| 3.4.2  | CS actions to promote non-violence | <u>2</u> |

*3.4.1 Non-violence within the CS arena.* Half of regional stakeholder survey respondents think that there are isolated groups that occasionally resort to violence. For example, during election when power structures use violence or political parties use aggressive youth, Russian community in Crimea fights for joining Crimea to Russia, etc. Sixty-five percent of respondents think that usually or always the acts within civil society are denounced by other civil society actors.

*3.4.2 CS actions to promote non-violence and peace.* A third of RSC respondents cannot think of any examples when civil society promotes non-violence and/or peaceful conflict promotion through public campaigns, actions or programs. Among given examples are the following – actions of Crimean Tatars, No to war – yes to peace, demonstration against war in Iraq, Orange revolution events. Fifteen percent of respondents think that current role of civil society is insignificant, 27% are sure that role is limited, 38% - moderate, and 19% assess it as significant.

In the media review there are 12 items that cover civil society actions to promote non-violence and peace. They are mostly connected to the non-violent protests against President's elections fraud. Here the role of civil society is visible and promoted. The time range of publications testifies that non-violent elections were promoted by civil society before the protests and created the ground for peaceful resolution of conflict.

### 3.5. Gender Equity

This subdimension analyses the extent to which Ukrainian civil society actors practice and promote gender equity. Table III.3.5 summarises the respective indicator scores. CSI NAG has decided that Indicator 3.5.2 “Gender equitable practices within CSOs” is not appropriate in Ukraine as the policy of equal opportunities is not practiced in Ukraine in general neither legal requirements for this have existed so far.

**TABLE III.3.5: Indicators assessing gender equality**

| Ref. # | Indicators                             | Score    |
|--------|--|----------|
| 3.5.1  | Gender equity within the CS arena      | <u>3</u> |
| 3.5.2  | Gender equitable practices within CSOs | n/a      |
| 3.5.3  | CS actions to promote gender equity    | <u>2</u> |

*3.5.1 Gender equity within the CS arena.* Female representation in Ukrainian CSOs is considered to be high, as signified by the following statement of a RSC participant who considered that “civil society is a place, where women can realise their potential in difference to the other sectors. Besides, women have a specific mindset and qualities to work in CSOs, as they are often associated with mercifulness, charity and care about society”. Seventy-five percent of regional stakeholder survey respondents assess the significance of forces within civil society that are explicitly sexist or discriminatory against women as small. Ninety-five percent of respondents are confident that sexist practices within civil society publicly denounced by other civil society actors. Regional stakeholder consultations revealed that CSOs are gender balanced entities, women are equitably represented as leaders and members



of civil society. Women serve as governing body chair most often in organisations with missions in social services, health, environment, and law, advocacy and politics.

**3.5.3 CS actions to promote gender equity.** More than two thirds of RSC respondents can think of none (33%) or only one or two examples of civil society public campaigns, actions or programs dedicated to promoting gender equity. For examples, program of women CSOs, program to support lonely men, debates in the Supreme Council of Ukraine. Fifty-seven percent of respondents assess current role of civil society in promoting gender equity at the societal level as moderate (38%) and significant (19%) while 29% think that its role is limited or insignificant (14%). In the media review civil society actions to promote gender equity were covered in only one media item. The content was devoted to promotion of gender balance in science.

***Gender-based Advocacy: The Crimean Charity Fund***

*The Crimea Charitable Fund brought together a working group of advocates for women and children and successfully lobbied the Ministry of Labour to provide social benefits to women adopting older children and abolished a corrupt hospital policy that incorrectly overcharged socially disadvantaged women in its maternity ward. A separate public information campaign showing adoption was not as complex as people believed resulted in a 10-fold increase in adoptions in Crimea.*

Of the twelve percent of Ukrainian CSOs working on the issue of trafficking of women and domestic violence, the most acute problems of Ukrainian women (Shevchenko, 2001). Today more than thirty women's CSOs are active at the national level in Ukraine, with hundreds more active at the local level. Nearly 170 women's organisations in Ukraine are now members of the NIS-US Women's Consortium. Some of the women's organisations now working in Ukraine include:

- *Union of Ukrainian Women.* The U UW has worked to restore the national identity and appreciation of the cultural heritage of Ukraine.
- *Zhinocha Hromada.* This organisation, which has seen as its task the renaissance of the Ukrainian nation, has taken a special interest in the development of women. For example, it has worked with TACIS support to establish a training school for women in small businesses, and it has been involved in various anti-AIDS activities. Zhinocha Hromada has also been directly engaged in giving women a voice in politics by sponsoring, for example, the Ukrainian Congress of Women's Organizations before the 1994 elections, and the Bloc of Women's Organizations in 1996 to support the new Constitution of Ukraine.
- *All-Ukrainian Women's Society.* This society has focused mainly on cultural issues, but has been active in giving Ukrainian women a voice and chance to participate in international conferences on women's issues.
- *Socially oriented women's organisations.* These include, for example the *Soldier's Mothers of Ukraine*, *Ecofem*, *Child and Environment*, and *Daughters and Mothers (UNDP, 2002)*.

As RSC participants discussed, women's issues are solved exclusively by civil society and no other social actors. However, civil society is still lacking widespread support in these endeavours.

### **3.6 Poverty Eradication**

This subdimension examines to what extent civil society actors promote poverty eradication. Table III.3.6 presents the indicator score.

**TABLE III.3.6: Indicator assessing poverty eradication**

| Ref. # | Indicators                      | Score |
|--------|---------------------------------|-------|
| 3.6.1  | CS actions to eradicate poverty | 1     |

*3.6.1 CS actions to eradicate poverty.* Ukrainian CSOs are often divided into those that are driven by genuine social concerns and those that pursue personal interests under the mask of social needs. The first category is represented by such diverse associations as veteran unions, welfare organisations, etc. They are limited with resources they mostly provide support to their members (Narozhna, 2004). Generally 49% of support provided by NGOs to their clients/members is material/financial charitable support (Shevchenko, 2001).

Almost half of RSC respondents could not think of any or only one or two examples of civil society public campaigns, actions or programs dedicated to eradicating poverty. The following examples were presented – strengthening role of CSOs in social problems solving, address social assistance to pensioners, creation of food and cloth banks, etc. However, 50% of respondents think that overall role of civil society in reducing poverty is insignificant; the other 50% that this role is either limited or moderate. In the media review 8 articles that cover civil society actions to eradicate poverty were found. These are specific activities of CSOs in the field of poverty eradication, such as “Derzhava”, “Ukrainska rodyna”, Chernobyl Fund, Caritas-Ukraine, etc. Mostly the clientele of such organisations are children. Since these activities are not coordinated, one cannot call it a campaign.

The issue of poverty was put at the agenda of Ukrainian policy making only in 2001, when national strategy to overcome poverty was adopted. Up to now, poverty eradication is considered to be the task of the government; therefore CSOs are not considered a powerful force in this respect.

### 3.7 Environmental Sustainability

This subdimension analyses the extent to which Ukrainian civil society actors practice and promote environmental sustainability. Table III.3.7 presents the indicator score.

**TABLE III.3.7: Indicator assessing environmental sustainability**

| Ref. # | Indicators                            | Score |
|--------|---------------------------------------|-------|
| 3.7.1  | CS actions to sustain the environment | 3     |

*3.7.1 CS actions to sustain the environment.* Civil society is considered to be a prime force behind environmental protection activities in Ukraine. At the national level, the All-Ukrainian Ecological League (AUDEL) has played a major role in stimulating a dialogue on environmental issues—including parliamentary hearings. The Coalition for Energy Safety, Awareness and Civil Rights, which now unites 28 organisations, has been actively engaged in issues of energy and environmental policy since November 1998. Oblast AUDEL organisations cooperate closely with local self-governments bodies. Other environmental CSOs involved at the national level include the National Ecological Center of Ukraine, the All-Ukrainian Ecological League, the All-Ukrainian Children’s Association “Ecological Guard”, the Ukrainian Ecological Association “Green World”, the All-Ukrainian Charitable Foundation “Parostok”, “Geoeko – XXI,” and the Ukrainian Environmental Protection Association (UNDP, 2001).

The majority of RSC respondents think very positively about civil society actions in environment field. Only 8% of respondents do not present any examples of civil society public campaigns, actions or programs dedicated to protecting the environment. The following examples were given – program “Clean streams”, “Let’s clean our house”, Mariupol ecological initiatives, Initiative to increase quality of fresh water in Berdyansk, actions of Green World, etc. Only 11% of respondents think that overall role of civil society in protecting the environment is insignificant and 25% assess it as significant, the rest respondents see such role either limited or moderate.

Thus, Ukrainian civil society is very active in protecting environment and this activity receives wide public support.

## **Conclusion**

Values are an important determinant of the state of Ukrainian civil society since they distinguish civil society from other sectors, as stated by a national workshop participant. In this respect, Ukrainian civil society has a lot of problems in achieving public credibility and support due to its elusive adherence to important values. The biggest problems for CSOs are related to their limited ability to equally pursue the same values inside organisations that they promote in society in general.

The majority of NGOs only formally observe democratic governance principles. The mixture of functions between the governing body and executive staff is the key problem for Ukrainian CSOs, preventing them from practicing democratic governance. Another major problem for Ukrainian CSOs remains corruption and financial irregularities. These are common for any organisation or entity that must conduct its activities within the general environment of a prevailing shadow economy. Still many CSOs currently do recognise that their financial viability depends strongly on their transparency and openness.

Ukrainian CSOs take a leading role in promoting tolerance, gender equity, non-violence and environmental protection in society and do so better than the state. For example, it was civil society that prepared the ground for peace and tolerance during the conflict that divided society during the 2004 election campaign.

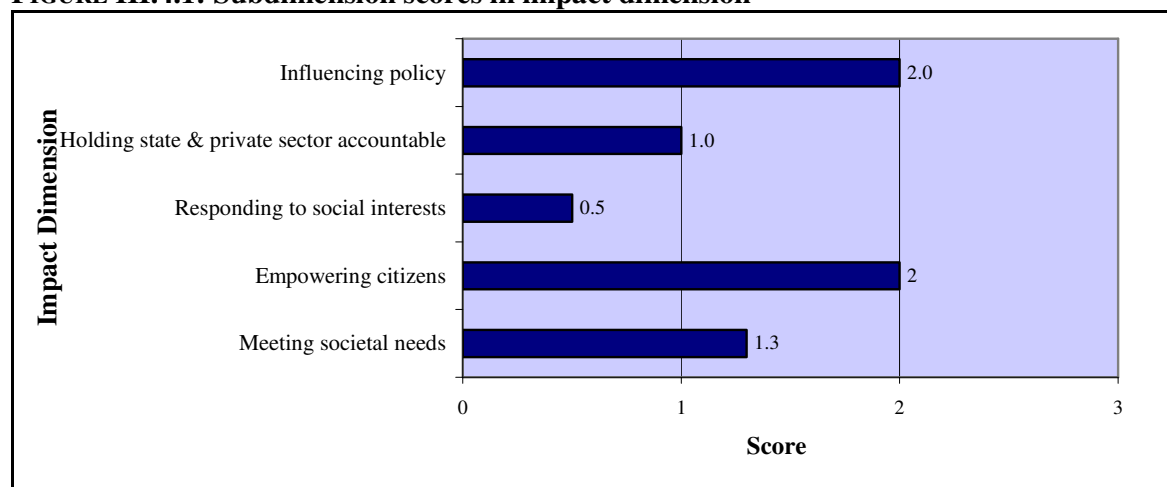
However, the fact that Ukrainian CSOs do not recognise the issue of poverty as a key area for their work is extremely problematic. One notices a lack of commitment to the needs of the people, which leads to the population refraining from participating in or at least supporting the work done by CSOs.

In general, civil society’s practice and promotion of certain values determines the general attitude of the public towards civil society. As was admitted by RSC participants, there is a significant gap between the values pursued inside and outside of CSOs. This discrepancy is a major reason for the lack of public trust in civil society.

## 4. IMPACT

This section describes and analyses the extent to which civil society is active and successful in fulfilling several essential functions within Ukrainian society. The score for the Impact Dimension is 1.5, reflecting an average level of impact for civil society. Figure III.4.1 presents the scores for the five subdimensions within the Impact dimension.

**FIGURE III.4.1: Subdimension scores in impact dimension**



### 4.1 Influencing Public Policy

This subdimension describes and assesses the extent to which Ukrainian civil society is active and successful in influencing public policy. Table III.4.1 summarises the respective indicator scores.

**TABLE III.4.1: Indicators assessing influencing public policy**

| Ref. # | Indicators                           | Score    |
|--------|--------------------------------------|----------|
| 4.1.1  | Human rights impact                  | <u>3</u> |
| 4.1.2  | Social policy impact                 | <u>2</u> |
| 4.1.3  | Impact on national budgeting process | <u>1</u> |

According to the public opinion poll of the Razumkov Center (2003), the level of impact of CSOs on public policy is considered as insignificant (40.6%) and nonexistent (27.5%). However, advocacy and lobbying are becoming more and more common activity of Ukrainian CSOs. According to a CCC survey (2004) around 45% of organisations consider these activities to be one of three of the most important ones and 88% of the CSOs comment that they are involved in advocacy. The Capacity Index of Ukrainian CSOs for advocacy and lobbying is 3.06 (at the 5-point scale), which testifies that CSOs have average capacity to advocate and lobby the important issues and to influence the decision making process (CCC, 2004). Table III.4.2 below provides information on the involvement of the CSOs in advocacy and lobbying, where a significant increase between years 2002 and 2004 is noticeable.

**TABLE III.4.2 Involvement of the CSOs in advocacy and lobbying**

|          | <b>Component</b>  | <b>Score. 2002</b> | <b>Score. 2004</b> |
|----------|---|--------------------|--------------------|
| <b>1</b> | CSO collects information and researches the issue.  | 2.51               | 3.63               |
| <b>2</b> | CSO systematically seeks input and response from its members and the public on the issue.       | 2.55               | 3.28               |
| <b>3</b> | CSO formulates a viable policy position on the issue.   | 2.22               | 3.05               |
| <b>4</b> | CSO communicates position/stand on the issue.   | 2.2                | 2.73               |
| <b>5</b> | CSO obtains and/or allocates resources (especially time and money) for advocacy on the issue.   | 2.3                | 3.07               |
| <b>6</b> | CSO builds coalitions and networks to obtain cooperative efforts for joint action on the issue. | 2.02               | 3.12               |
| <b>7</b> | CSO takes follow up actions to influence policy and/or to maintain public interest.             | 2.17               | 2.56               |

The weakest points of civil society advocacy capacity are their ability to communicate their position/stand on the issue and follow up actions on the issue and ability to maintain public interest on the issue.

CSOs advocacy work is not sufficient according to opinion of citizens: according to the national poll, a majority of Ukrainians do not get legal protection for defending their rights and interests (57.2%), only 9.4% feel safe in this relation (DIF, 2005) National poll respondents admitted that NGOs are not good in accomplishing their advocacy task – only 2% of them consider that they are good in protecting rights and interests of population, the rest consider them poor and very bad. (Shevchenko, 2001)

The general picture of policy influence of CSOs today has been shaped significantly by elections campaigns in Ukraine in 2002 and 2004. During the hotly contested 2002 parliamentary elections, the Central Election Commission felt impelled to organise an advisory board that involved a number of leading NGOs with substantive experience in this area and brought meaningful issues to the board for discussion and review. On the local level, most NGOs are at least somewhat effective at communicating with government and initiating policy change (US AID, 2002).

Ukrainian NGOs were active during the 2002 parliamentary elections, especially through the All-Ukrainian Monitoring Committee. Major NGOs, particularly leading public policy research institutes such as the Razumkov Center, are increasingly influential in policy debates. The Democratic League, a coalition of a dozen leading think tanks, was established in June 2002 to address the problems of civil society and its interaction with government authorities. In fall 2002, several parliamentary committees formed public advisory boards (with financial support from the International Renaissance Foundation, Ukraine). These boards have proven quite effective and have written several draft laws. The Ministry of Foreign Affairs, Ministry of Environmental Policy, and the State Committee on Entrepreneurship have also set up such boards. At the same time, the highest-ranking officials generally do not demonstrate a real commitment to cooperating with NGOs. The Council of Experts on Domestic Politics under the President of Ukraine, created in 2000, has not been convened since 2002. In many cases, NGOs are unable to influence decision-making processes on a permanent basis. Instead, authorities use pro-government NGOs to create the appearance of consulting with the public (Freedom House, 2003).

Respondents of Regional Stakeholders Consultations were asked to assess how active civil society has been in influencing public policy in protection of journalist rights. The following data was received:

**TABLE III.4.3: Civil society’s public policy influence on the issue of journalist rights (activeness)**

| Issue                        | Inactive | Somewhat active | Active | Very active |
|------------------------------|----------|-----------------|--------|-------------|
| Defence of journalist rights | 6        | 28              | 50     | 16          |

Success level of civil society efforts to influence public policy decision-making was assessed as follows:

**TABLE III.4.4: Civil society’s public policy influence on the issue of journalist rights (successfulness)**

| Issue                        | Unsuccessful | Somewhat successful | Successful | Very successful |
|------------------------------|--------------|---------------------|------------|-----------------|
| Defence of journalist rights | 13           | 33                  | 41         | 13              |

*4.1.1 Human Rights Protection.* For the Human Rights Policy Impact Case the case of the Orange revolution, where civil society and citizens protested against the Presidential election fraud of November 2004, was selected. Not surprisingly, the case received the highest coverage in the second period of Media monitoring during “Orange Revolution” and Presidential elections in November 2004 (See Annex 4). There are 25 items that cover the topic, which reflect on the actions during revolution as well as speculate about the role of CSOs in the revolution.

This section briefly describes the involvement of CSOs in the lead up as well as during the Orange Revolution. During the course of elections in October-December 2004 human rights organisations activity ranged from education and informing citizens about their rights to direct advocacy at courts and work with militia. Ukrainian human rights organisations brought to the attention of international organisations the numerous violations that occurred during the election campaign. In November 2004 a new momentum was achieved through the self-organisation of citizens, the development of youth and student movements and associations of journalists standing for freedom of expression and independent media. As a result society became noticeably more capable of withstanding manipulations, pressure and dirty political technologies that involve misleading information and propaganda. Under the pressure of civil society journalists protested against the order to follow government recommendations in covering the election campaign events – a powerful step to freedom of press in Ukraine. This weakened the power of Kuchma regime to influence the public. And as the final note – civil society could make a major political change – to force the government (first Parliament, then Supreme Court) to recognise the election fraud (Hillenbrand, 2005).

*4.1.2 Social Policy.* Ukrainians consider that the most unaccomplished task of CSOs is their mission to protect social and human rights and influence government (Razumkov, 2003). In 2000 Ukrainian think tanks developed policy documents on social policy for Cabinet of Ministers of Ukraine (when the Prime-minister was the current President Yushchenko). Expert reviews and public hearings on implementation of the Government Action Plan were held in December 2000 and in April 2001. The government’s social policy was widely discussed with extensive involvement of CSOs such as the Institute of Reforms, the Razumkov Ukrainian Center for Economic and Political Studies, the Agency for

Humanitarian Technologies, the Institute of Civic Society, the Institute of Competitive Society, the Institute of Politics, the International Center for Policy Studies, the Union of Leaseholders and Entrepreneurs of Ukraine, the Ukrainian Union of Manufacturers and Entrepreneurs, and the Center for Anti-Crisis Studies. As a result of these extensive discussions, a set of specific proposals with respect to mechanisms for raising the population's living standards were developed and eventually considered by the Government (UNDP, 2002).

After the adoption of the Law "On Social Services" in 2003 (enforced in January 2004) Ukrainian CSOs organised a public campaign to change the discriminative provisions for non-governmental sector in this law. The aim of the campaign was to provide equal opportunities for all the providers of social services. During the campaign experts developed and submitted changes to the law as well as conducted wide information campaign. In 2004 the changes to the law were submitted and partially accepted.

Media review has shown that civil society impacted on social policy in the sphere of protection the rights of invalids. However, only 2 of the 283 articles (0.7%) covered stories of successful campaigns, of the invalid association headed by MP Sushkenich and the long-term work of the Association of Mentally Disabled Children Parents, headed by famous civil society leader Raisa Kravchenko.

*4.1.3 Civil Society's Impact on National Budgeting process.* CSOs never participated in the national budget policy process due to the laws governing budget development and adopting. In March 2005 when changes to the State Budget 2005 were discussed CSOs were challenged to introduce better provisions for philanthropy that were regulated by this law. Major NGOs and expert coalitions were lobbying the changes in the legislation dealing with the corporate philanthropy privileges and tax-privileges for commercial activity of NGOs in the framework of their statutory activity. Among such NGOs were Association of Ukrainian Banks, Institute of Competitive Society, International Renaissance Foundation and others.

Regional stakeholder survey respondents were asked to assess how active civil society has been in influencing public policy in tax policy, which is linked to the National Budgeting process. The following data was received as reflected in table III.4.5:

**TABLE III.4.5: Civil society's public policy in tax policy**

| Issue      | Inactive | Somewhat active | Active | Very active |
|------------|----------|-----------------|--------|-------------|
| Tax policy | 28       | 49              | 20     | 3           |

According to the opinion of RSC participants some activity of CSOs is observed in the field of tax policy, which can be attributed to the active position of business associations, which promote interests of their members, for example Federation Trade Unions of Small and Private Entrepreneurs, Association of Ukrainian Banks, Association of Rent Holders and Entrepreneurs. The success of such efforts was considered to be a bit lower, as RSC participants explained that the procedure of tax policy change is very complicated and only those CSOs that have access to power can succeed. The assessment of the levels of success of civil society efforts to influence tax policy is shown in the table III.4.6.

**TABLE III.4.6: Civil society's public policy influence in tax policy**

| Issue      | Unsuccessful | Somewhat successful | Successful | Very successful |
|------------|--------------|---------------------|------------|-----------------|
| Tax policy | 37           | 38                  | 22         | 3               |

The issue of civil society impact on National Budgeting process was not covered by media as the review process was conducted in June-July and October-December 2004 in the time when budgeting process was not a topic for press. We found four items that deal with the issue, which reflect the role of public council in the Ministry of Defence and some general reflections on how to involve civil society in the budgeting process. This testifies to very limited and almost invisible activity of civil society in the area of budgeting.

## 4.2 Holding the State and Private Corporations Accountable

This subdimension analyses the extent to which Ukrainian civil society is active and successful in holding the state and private corporations accountable. Table III.4.7 summarises the respective indicator scores.

**TABLE III.4.7: Indicators assessing holding state and private corporations accountable**

| Ref. # | Indicators                               | Score |
|--------|--|-------|
| 4.2.1  | Holding the state accountable            | 2     |
| 4.2.2  | Holding private corporations accountable | 0     |

*4.2.1 Holding the state accountable.* To answer the question on effectiveness and efficiency of Ukrainian CSOs in holding state accountable, the CSI examined the extent to which CSOs monitor the state performance and their impact. Fifty-seven percent of RSC respondents think that civil society is only somewhat active in holding the state accountable while only 18% think that CSOs are active or very active. As for successes of civil society in keeping the state accountable only 15% of respondents assess them high while the rest were very sceptical about it (29% think that civil society is unsuccessful in this field). The range of CSOs impact is expressed by the Member of Parliament:

*During my working experience both in Parliament and government, I always felt pressure – in a positive sense – only from entrepreneurs' organisations. They are the most active. I do not recall any other organisations, maybe apart from environmental ones, who are that active.* (Interview of MP Yekhanurov, SEAL, spring 2004).

There are 11 items detected by Media Review that cover the impact of civil society in holding state accountable. They mostly focus on the role of CSOs in making government accountable subsequent to the implementation of the Cabinet of Ministers program of the country development.

Respondents of Regional Stakeholders Consultations were asked to assess how active civil society has been in influencing public policy on corruption.

**TABLE III.4.8: Civil society public policy on corruption**

| Issue      | Inactive | Somewhat active | Active | Very active |
|------------|----------|-----------------|--------|-------------|
| Corruption | 39       | 38              | 15     | 8           |

As we see from the Table III.4.8. Ukrainian civil society is considered either inactive or somewhat active in fighting corruption. As RSC participants admitted in 2004, it was very difficult to fight against corruption in the country, where corruption was promoted by government, since CSOs might get in danger of government persecution. Success level of civil society efforts to influence public policy decision-making was assessed also as low as it is visible at the Table III.4.9.



**TABLE III.4.9: Civil society's public policy influence on corruption**

| Issue      | Unsuccessful | Somewhat successful | Successful | Very successful |
|------------|--------------|---------------------|------------|-----------------|
| Corruption | 48           | 41                  | 8          | 3               |

*4.2.2 Holding private corporations accountable* Compared to its role as a government watchdog, civil society's activities in monitoring corporate behaviour is significantly smaller. Fifty-six percent of RSC respondents assess civil society role in holding private corporations accountable as inactive against 8% of respondents who see some activism of CSOs in this field. As for successes, only 6% noted successes of CSOs in keeping business accountable while 51% have not seen any successes. The recent cases named are connected with the construction in public leisure places (parks, children play grounds), initiated by some businesses in large cities. Citizens organise campaigns against such construction, forcing local governments to adopt measures to prevent such construction. In the media there were no articles reflecting the impact of CSOs on private corporations in the monitoring period.

### 4.3 Responding to Social Interests

This subdimension analyses the extent to which Ukrainian civil society actors are responsive to social interests. Table III.4.10 summarises the respective indicator scores.

**TABLE III.4.10: Indicators assessing responding to social interests**

| Ref. # | Indicators           | Score |
|--------|----------------------|-------|
| 4.3.1  | Responsiveness       | 1     |
| 4.3.2  | Public trust in CSOs | 0     |

*4.3.1 Responsiveness.* Traditionally Ukrainian CSOs followed the lead of the State in responding to social interests, e.g. creation of Chernobyl Sufferers associations, Afghan War Veterans Union, since their efforts only developed after a relevant legislation had been adopted or after tax privileges to such associations had been granted (Kuts, 2000). Such NGOs were mostly GONGOs created to distribute the privileges among their members. Later NGOs were formed that genuinely pursued the tasks emerging with the social problems: mostly self-help groups of handicapped people, mothers of soldiers, etc. As Narozhna (2004) states: "In a society where social problems are acute, their [CSOs] goals and motivations are directed at improving social services for and increasing the social security of their constituents." These groups were responding to social problems but limited their service to their members.

The level of responsiveness of CSOs may be judged from the opinion about their necessity in a society: when asked how necessary NGOs are in Ukraine, 49% of respondents say that they are either essential or very necessary, while 23% say they are not very necessary or at all necessary. Respondents' opinions about the necessity of NGOs are impacted by partisan affiliation, as 62% of Yushchenko supporters believe NGOs are necessary while 15% say they are not necessary. By contract, Yanukovych supporters are nearly evenly split with 35% saying NGOs are necessary and 33% saying they are not necessary (IFES, 2005)

Ukrainian civil society's activities in responding to social concerns do not receive much attention of the media as only 1.4% of items were detected during media monitoring process. They did not respond to the most important social issues determined, such as children protection, poverty, and welfare. According to the news items civil society was mostly

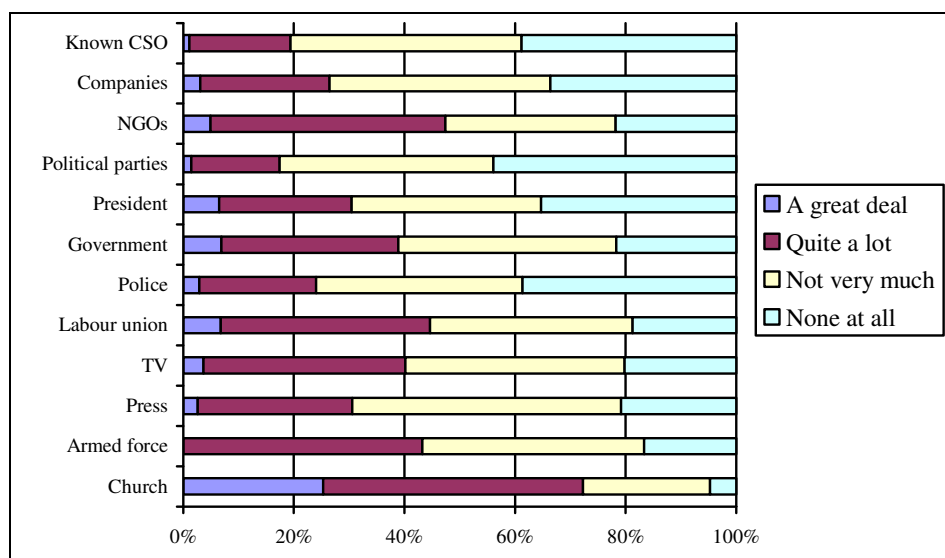
responsive to the issues concerning development of civil society per se, advocacy and agriculture development.

**4.3.2 Public trust.** Weakness to respond to social concerns determines the level of public trust to Ukrainian CSOs. The most trusted are the groups that pursue the social interests of their clients –between 40 and 50% among (Carson, 2001). The other data provided by IFES (2005) testifies to low levels of trust: While more Ukrainians say that they have a more positive than negative impression of nongovernmental organisations or NGOs (29% vs. 7%), more than a quarter of Ukrainians (27%) do not have an opinion on this question. The large number of Don't Knows reflects the fact that many Ukrainians are not aware of what an NGO is (24% in IFES' 2003 survey).

According to a June 2003 poll by the foundation Democratic Initiatives, the most trusted social institution in Ukraine is the church. Trust to other CSOs is the following: NGOs are more distrusted (49.8%) than trusted (15.2%) Trade unions are more distrusted (41.6%) than trusted (16.3%), political parties are also more distrusted (59.9%) than trusted (8.5%) (DIF, 2004).

The CSI Community survey found that public trust is the highest in the church, then NGOs, labour unions, and armed force. The lowest trust is to political parties, the press, police and companies. See Figure III.4.2.

**FIGURE III.4.2: Public trust in different institutions**



The widespread distrust in major CSOs such as political parties, NGOs, and labour unions lead the NAG to assign this indicator a very low score.

#### 4.4. Empowering Citizens

This subdimension describes and assesses the extent to which Ukrainian civil society is active and successful in empowering citizens, especially traditionally marginalised groups, to shape decisions that affect their lives. Table III.4.11 summarises the respective indicator scores.

**TABLE III.4.11: Indicators assessing empowering citizens**

| Ref. # | Indicators   | Score    |
|--------|--|----------|
| 4.4.1  | Informing/educating citizens   | <u>2</u> |
| 4.4.2  | Building capacity for collective action and resolving joint problems | <u>2</u> |
| 4.4.3  | Empowering marginalised people                                       | <u>2</u> |
| 4.4.4  | Empowering women   | <u>2</u> |
| 4.4.5  | Building social capital  | <u>3</u> |
| 4.4.6  | Supporting/creating livelihoods                                      | <u>1</u> |

4.4.1 *Informing/educating citizens.* Ukrainian citizens do not know much about the activities of CSOs in general: 100% of respondents answered “no”, when asked about sufficiency of public knowledge about CSO activity. Still the information about CSOs can be received from mass-media 31%, from NGOs themselves 21%, Internet 18% and by word of mouth – 14% (Grassroots, 2003).

The CCC survey found that CSOs do often not inform interested parties on the follow up of their advocacy efforts (Table III.4.12).

**TABLE III.4.12: CSO informing citizens**

| Question   | Always/<br>Most of<br>the time | Someti<br>mes/Ra<br>rely | Never | Don't<br>Know/ Does<br>not Apply |
|--|--------------------------------|--------------------------|-------|----------------------------------|
| Does the NGO monitor and keep interested stakeholders informed on the implementation of new or existing laws and regulations as a result of successful recommendations made by the NGO on issues of concern to constituents? | 29%                            | 37%                      | 25%   | 9%                               |

However, the majority of regional stakeholder survey respondents assessed civil society to be somewhat or fully active in undertaking public information or public education activities generally, and their efforts are mostly successful (59% of respondents). For example, in educational campaigns aimed at voter education, gender equity, protection of human rights as well as information dissemination in bulletins and journals like special publications of the Association of Renters and Entrepreneurs, Democratization of Ukraine program, ecological and human rights groups' papers that are widely distributed. This can be attributed to the fact that many CSOs specialise in civil education (30%) and human rights (34%) as well as determine their main types of activity as information dissemination (39%) and educational (37%) (CCC, 2005).

The efficiency of such efforts was tested when respondents of regional stakeholder survey were asked to assess two specific campaigns – “Partnership for transparent society” and “Youth against corruption in universities”. First campaign was assessed as unsuccessful by 22% of respondents against 30% who saw it as successful and 48% mentioned it as somewhat successful. The second youth campaign was seen as somewhat successful by 68% of respondents, 16% as unsuccessful and by 15% as successful. None of respondents assess either campaign as very successful. In the Media review 6% of items of civil society informing and educating public were detected that mostly concentrate mostly on citizens' education on voter's rights, some environmental issues, and consumer protection. The CSI Community survey has shown that only 9.5% of people mentioned that CSOs inform them about important issues. ]

Thus, it seems that civil society's activity around informing and educating citizens is quite developed in Ukraine although it is not steady and only increases during election time. Also many CSOs publish specialised information and provide education to specific groups and members, but not to society at large.

*4.4.2 Building capacity for collective action.* The organisation of public (mass) events, protest action is regarded as a positive example of civil society's impact, particularly as compared to their impact on the government and level of social justice (Shevchenko, 2001). Table III.4.13 shows data on how often CSOs attempt to mobilise people in Counterpart Creative Center survey.

**TABLE III.4.13: CSOs mobilisation of citizens**

| Question   | Always/<br>Most of<br>the time | Sometime<br>s/Rarely | Never | Don't<br>Know/ Does<br>not Apply |
|--|--------------------------------|----------------------|-------|----------------------------------|
| Has the NGO ever mobilised the public around decisions undertaken by local or national government bodies on issues of concern to constituents? | 23%                            | 45%                  | 25%   | 7%                               |

Similarly, the CSI Community survey found that as much as 16.5% of respondents could remember an instance when a CSO helped their community to come together around a specific issue and directly solved a specific problem or addressed a specific need.

This rather positive assessment is mirrored in the regional stakeholder survey findings, where 54% of respondents think that civil society is somewhat active in building the capacity of local communities while 17% think that CSOs are inactive and 29% sure that they are active and very active. Eighty-four percent of respondents are confident that civil society is somewhat successful or successful in working with communities. Some examples of such activities included community development initiatives funded by EU, World Bank and via Ukrainian Fund for Development of Self-governance.

Of course, a rather unique example of community mobilisation is represented by the Orange Revolution, which was the focus on media reporting on this issue. The Orange Revolution witnessed an unexpected level of maturity and organisation of Ukrainian NGOs. Already before the election, Ukrainian NGOs funded by international donors proved to be able to mobilise a large number of people for demonstrations. In addition, they were active in carrying out informational and awareness-raising campaigns, monitoring election campaign and providing legal advice to citizens. There were also Ukrainian NGOs that played a key role in carrying out exit polls allowing for the level of falsifications to be identified (Kemp, Solonenko, 2005).

*4.4.3. Empowering marginalised people.* CSOs that commit themselves to the protecting rights and social rehabilitation of marginalised people represent quite a significant portion among Ukrainian civil society. According to CCC survey CSOs dealing with children represent 24% of all organisations, disabled – 13%, pensioners/elderly people 12%. Thirty-one percent of Ukrainian CSOs recognise their main activity as solving social issues while majority work as lobbying and advocacy structures (45%) (CCC, 2005).

The survey of Ukrainian Institute of Social Research (2001) has shown that 18% of CSOs works with invalids, 19% are children organisations. According to the category of clients

19% of CSOs work with marginalised children, 15% with invalids, 13% with poor, 10% - large families, 3% with risk groups, 25 – Chernobyl victims (Shevchenko, 2001). Similarly, the CSI Community survey has shown that 18% of people can remember an occasion when a CSO specifically helped poor people in the community to improve their lives. Thirty-eight percent of regional stakeholder consultation think that civil society activity targeted poor communities and poor people.

An interesting example is the Kievan NGO “Dzerela”, which started as a self-help group of mother’s of mentally disabled children. During its 10 years existence this group succeeded in rehabilitation of children as well as protecting their rights. Today this NGO is a leading organisation that created all-Ukrainian coalition of the similar NGOs. The example of Dzerela is not unique: many such type NGOs has grown in powerful and recognised organisations, being heard and supported by local authorities and by national government.

Ukrainian CSOs have become the only agencies that provide a voice to marginalised people together with providing innovative social services. In this they pioneer the change in the entire system of social protection. Examples include positive experience of private orphanages that steadily changed the system of institutions for orphans or homeless protection programs of Way to Home NGO that achieved success in Odessa. Thus, while civil society certainly does not cover all the issues connected with marginalised people, its activity level should be recognised as rather high with some results.

*4.4.4 Empowering women.* Ukrainian CSOs that work with women represent 12% of the whole CSO sector (Shevchenko, 2001). Their main tasks are protecting women against violence and trafficking, care about gender balanced employment, protection of women’s economic rights, development of women’s businesses, etc. The major part represents socially oriented women CSOs. CCC survey data is very close – 10% of CSOs are women organisations and 14% of CSOs’ clients are women. Twelve percent of community survey respondents remembered an occasion when a CSO helped women in the community to improve their lives.

The efficiency of women NGOs was evaluated by the Institute of Social Research: to the question how women NGOs impact their lives, only 2% answered, that the impact was significant, 26% - some impact and 20% - no impact. Fifty-one percent could not answer this question, as they do not know about any women NGO. Positive impact of women NGOs is determined by those respondents that consider that women discrimination is very high in Ukraine. (Shevchenko, 2001)

Still Ukrainian CSOs are very active in empowering women and, in fact, are the only institutions in the social landscape that promote and protect women rights.

*4.4.5 Building social capital.* To measure to what extent civil society contributes to building social capital, the level of trust among CSOs members vs. non-CSOs members was compared. Findings from the community survey show no significant differences between CSO members and non-members: 79.6% of the first group vs. 75.9% of the latter do generally trust other people.

However, according to the Institute of Social Research survey (1999) public spiritedness is higher among CSOs members than non-members: when answering the question “Why some people participate in NGOs”, 50% of members consider that participation in CSOs reflects

interests and convictions of people versus 37% of non-members that think so. Thirty-nine percent of members consider that membership gives the opportunity to communicate with the same-thinkers versus to 24% of non-members, membership provides opportunity for self-realisation: members 30% and non-members 17%. In general it means that members more often explain the motivation to CSO participation with socially accepted reason than those who do not participate (Shevchenko, 2001).

*4.4.6 Supporting livelihoods.* When examining how active and successful is civil society in creating/supporting employment and/or income-generating opportunities (especially for poor people and women) Ukrainians admit that CSOs are mostly engaged in help to marginalised people (58%), provision of material support (49%), self-help, rights protection, while employment opportunities are not high on the list (41%). The conclusion can be made that CSOs mostly provide material assistance rather than creating opportunities: they mostly engaged in material/financial help (49%) compared to employment (4%) and education (2%) (Shevchenko, 2001).

Twelve percent of the CSI Community survey respondents mentioned CSOs that helped community members to set up income-generating activities. Respondents of Regional Stakeholders Consultations have provided the following examples: modelling of successful experience in creation of socio-economic dimension of community development, creation of self-organising bodies at local level, CSOs increase level of activism in communities, CSOs help in building new schools in rural area, free legal consultations to Roma population, etc.

In the media review, 1.4% of items that cover civil society activities on supporting livelihoods, e.g. project of the Association of farmers and private land holders to support developing farming, enterprise for handicapped people.

Thus, the activity of CSOs in supporting livelihoods is still weak, due to the fact that CSOs themselves lack capacity to provide employment and professional opportunities.

## 4.5 Meeting Societal Needs

This subdimension examines the extent to which Ukrainian civil society is active and successful in meeting societal needs, especially those of poor people and other marginalised groups. Table III.4.14 summarises the respective indicator scores.

**TABLE III.4.14: Indicators assessing meeting societal needs**

| Ref. # | Indicators                               | Score |
|--------|--|-------|
| 4.5.1  | Lobbying for state service provision     | 2     |
| 4.5.2  | Meeting societal needs directly          | 1     |
| 4.5.3  | Meeting the needs of marginalised groups | 1     |

*4.5.1 Lobbying for state service provisions.* As many as two-thirds of RSC respondents could not think of any specific examples of civil society lobbying the government to provide public services to the population. However, among issues that were lobbied the following were mentioned – pension reform, increase salaries to miners and benefits to Chernobyl and Afghan War veterans, debates on law on social services. The majority of respondents saw such lobbying as somewhat successful or successful. The number of media items covering civil society activity in lobbying state service provision constitutes 0.7% or 2 of 283 found

items, one is concerned with the privileges for Chernobyl victims and the other is about moving social services to the local communities.

This low level of advocacy work around social issues may be explained by the fact that during the period under review Ukrainian society was more concerned with political rather than social issues. Still there are examples of an active role and stand of CSOs in lobbying for better social protection of citizens, which were realised after new government came in power. Such examples include child and maternity protection, orphans care, pension reform and care about homeless people. Many of lobbying for state social service provision takes place at the level of communities, when successful and innovative experience is taken by the national government agencies into realisation. Thus, one can conclude that CSOs are active in lobbying for state service provision although they are not always successful.

*4.5.2 Meeting pressing societal needs directly.* Ukrainian civil society is quite active in directly meeting pressing societal needs. NGOs provide a wide spectrum of social services to different categories of recipients. The majority serves to all the population (34%), children (20%), and to marginalised people (orphans, invalids, poor, etc). They mostly provide financial support, consulting, rehabilitation, psychological support (Shevchenko, 2001). According to CCC survey (2004) 28% of Ukrainian NGOs provide social service. Yet, only 41% of Ukrainians are satisfied with the help of NGOs, while 55% are not. Generally, Ukrainians think that NGOs do not fulfil their task of social support. Twenty-four percent gave an average, 34% a poor and 22% a very poor rating, while only 1% assessed the NGO performance as good (Shevchenko, 2001).

The country's system of social service provision limits the ability of CSOs to provide social services. The major problem is government funding, gets mainly assigned to the state maintained social service providing institutions. The other problem is in the realm of legislation, which, on one hand, provides opportunity for civil society to compete for state funding, and on the other hand, demands licensing of services. Problematic is service fees collection as social services are considered free by population. Local philanthropy has not become an important source of funding due to low capacity of organisations to mobilise local resources. Ukrainian people still consider the community (i.e. friends, neighbours, family) as the basic provider of social support. A sociological survey produced by Kharkiv University found that 90% of social service seekers try to find support within the community. Only 10% call on the organised structures, which are mainly state supported. Of these people, the majority is disabled (Kuts, 2001). This also creates a perception of absence of independent citizens initiatives at the social service provision market.

In the media review 6% of media items were detected where civil society was portrayed as actively and successfully meeting important societal needs, e.g. establishing orphanages and providing help and assistance to children, invalids and pensioners, like Caritas-Ukraine.

*4.5.3 Meeting needs of marginalised groups.* The Ukrainian state has traditionally been responsible for the protection of marginalised people. The majority of respondents that require support (47%) indicated that they expect to get it from the State: only 6.6% expect to get it from CSOs and 45% mostly rely on themselves. There are high expectations of Ukrainians on CSOs, since 82% of respondents consider that CSOs should help marginalised people. However, CSOs do not meet people's expectations: only 1% of respondents consider that CSOs are good in realising social protection programs, the rest consider them poor and very bad. (Shevchenko, 2001)

However, 57% of CSI community survey respondents think that voluntary organisations provide better services but 28% think that government agencies are more helpful. There are significant discrepancies in the quality of service, which is higher among CSOs than among state institutions.

CSOs still do not meet expectations of people, when it comes to the marginalised categories of population, although some activities are better implemented than in state sector.

## **Conclusion**

Overall, the impact of civil society on politics and society at large has been assessed as less than moderate. Despite a tremendous policy change achieved by Ukrainian civil society during the course of 2004 Presidential elections, the impact dimension's score was influenced by the low impact of civil society on society in general and social services in particular. Thus, a major finding is that there are significant discrepancies between the two functions of civil society: serving people and protecting their interests.

In the last few years the policy impact capacity of Ukrainian CSOs grew steadily especially regarding increased expertise in formulating policy alternatives. Unfortunately, the interaction with and feedback from the government remains weak. Despite efforts in human rights policy and social policy, the effectiveness of civil society's advocacy is assessed by citizens as poor. Civil society remains inactive in influencing budget policy. Civil society is more active than successful in demanding openness from the state, and almost inactive when it comes to the openness of business.

Ukrainian civil society reacts to societal problems better than government. CSOs are active in reaching out to citizens and creating capacity for collective action. There are impressive examples of civil society informing and educating citizens, empowering marginalised people and empowering women. The most powerful quality of Ukrainian civil society is in building social capital, through horizontal networks of citizens, characterised by trust and spiritedness. Still the effectiveness of CSOs' efforts to impact the wellbeing of society remains low, as does citizens' trust of civil society, which is a consequence of the CSOs' weakness to respond to social concerns. Civil society is not working to improve livelihoods in Ukraine. This function is seen as a governmental job and with the poor capacity of government to accomplish it, supporting livelihoods has become a problem of citizens and their families.

There are some impressive cases of CSOs lobbying for state service provision at the national level. Also, since Ukraine inherited a highly centralised system of social service provision, CSOs rarely stand in for an ineffective state. Other reasons are the lack of resources and professionalism among CSOs.

The impact of Ukrainian civil society remains disproportional between advocacy and service provision functions, and reflects the traditional route that was typical for CSOs along several centuries. This is characterised by an inclination to prioritise political issues over social service provision roles. However, history is not the only factor that makes CSOs impact imbalanced. The low capacity of providing quality services and financial difficulties can explain why civil society is not considered a viable alternative to the state, as a service provider. However, after the Orange Revolution a slight shift to move some social services into the hands of NGOs and private sector was seen.



## IV. STRENGTHS AND WEAKNESSES OF UKRAINIAN CIVIL SOCIETY

In this section the main outcomes of the National Seminar which was held at the end of the project on 23 December 2005 are summarised. Almost 70 people from CSOs, development agencies, academic institutions, mass-media, business and government participated in the seminar. After a presentation of the CSI project's results, participants were invited to identify the strengths and weaknesses of civil society in Ukraine and to come up with recommendations regarding how to strengthen civil society. Participants worked in four small groups. Each group examined one dimension of the CSI: structure, environment, values and impact. Though each group was concerned with a different dimension, certain common topics and issues were identified among them.

The National Workshop, regional stakeholder consultations and the discussions within the NAG proved that CSO representatives are not only capable of examining their external environment (e.g. the conduct of companies, the public administration, politicians), but are also willing and able to self-examine and scrutinise themselves and their activities and conduct in civil society as a whole. When participants at the National Workshop discussed the strong and weak points, they typically focussed on weaknesses and in more detail than on the strengths. Critical discussions also took place at the regional stakeholder consultations and in the NAG.

### STRENGTHS

The following section captures the main strengths identified and discussed during the course of the National Workshop and during regional consultations. Participants admitted that Ukrainian civil society has achieved significant growth in certain spheres since 2001 (CSI pilot phase), but there is a lot of work to do, even in those areas that were recognised as strong. By enhancing positive aspects of civil society, Ukrainian CSOs can open new horizons and address aspects that are recognised as weak.

*Informal citizen participation.* Civil society's structure is characterised by rather high levels of non-partisan political action and volunteering. However, Ukrainians prefer giving and volunteering outside of organised structures. Membership in CSOs is very low (17%), while significant numbers of people participate in informal movements and meetings. This preference among Ukrainians towards informal participation is also observed by Ukrainian sociologists (Stepanenko, 2005). It is also worth noting that a significant number of CSOs' members (41%) participate in at least two CSOs. Though citizen participation is not broad or formally well structured, it appears to have a certain depth and quality. Also volunteering (non paid work) for the public good is recognised as an important value by society.

*Advocacy versus social service provision.* Ukrainian CSOs are traditionally stronger in advocacy work than in social service provision. There is a significant growth in empowering citizens through civil society action, achieved through the increasing capacity to inform and educate citizens, building capacity for collective action, empowering marginalised people and building social capital. CSOs develop communication among themselves and pursue common interests by joining coalitions. They use the opportunities provided by the availability of political rights, civil liberties and basic human rights and freedoms in Ukrainian legislation. While the diverse and competitive political arena in Ukraine is

supportive for CSOs pursuing the interests of people, it is quite difficult to develop policy-related advocacy strategies in an environment where the government changes constantly.

*Capacity of civil society.* Civil society is a diverse arena, with almost all of the basic social strata being represented among civil society participants and leaders. Organisations are found in almost all corners of a country. Ukrainian CSOs have developed significant human capacity, professionalism and secured technological and infrastructural resources for their work. Civil society's infrastructure is growing: coalitions, umbrella bodies provide more and more high quality services to their members. The growing economy and the emergence of a middle class enhance civil society's development. CSOs strive to establish themselves on ideas and values that make them unique entities in the social landscape, such as tolerance, non-violence, gender equity and sustainable development.

*Context opportunities.* The legal environment for CSO activities and giving is favourable and compatible with international law. The Ukrainian government provides autonomy for civil society activities and the amount of government financial support of CSOs is growing. Corporate philanthropy is becoming a more common and acceptable activity, with many businesses declaring social responsibility as a principle for their activities.

*Strong value commitments.* Ukrainian CSOs generally follow a tolerant, gender equal, non-violent mode of conduct. This is connected to the leading role of civil society in promoting tolerance, gender equity, non-violence and environmental protection, where it performs better than the state. Although actions of civil society in this field arose in response to negative events, it was civil society that prepared the ground for peace and tolerance during the conflict when there was a danger of moving towards a divided society during the 2004 election campaign.

*CSOs and society at large.* Civil society responds to societal problems better than the unresponsive government. CSOs are active in empowering marginalised people and empowering women, specifically on such issues as trafficking and family violence. The most powerful quality of Ukrainian civil society is in building social capital, through horizontal networks of citizens, which are characterised by trust and spiritedness. The trust of CSOs is higher than trust of government and other institutions.

## **WEAKNESSES**

Participants determined a broad spectrum of civil society's weaknesses, linking and cross-referring specific concerns with the wider context, and in some cases also identifying their root causes.

*Citizens and CSOs.* The involvement of Ukrainian citizens in public affairs occurs mostly outside of formal structures of registered CSOs. While the number of registered CSOs has not grown since 2001 and membership has remained almost the same, the levels of citizen participation in civic activities, has increased tremendously. High levels of volunteering, community work and informal action of citizens, testifies to the fact that CSOs often do not provide a platform for citizen participation and are not seen as attractive. There are a number of reasons for this, including:

- Although organisations are more or less equally scattered around the country, a significant portion of them is defunct or has very little capacity or financial viability.

- NGOs prefer the voluntary work of committed people over providing employment opportunities for professional staff.
- Despite a promising social and economic outlook, the majority of NGOs exist in miserable conditions, lacking professionalism and entrepreneurship.
- Citizens' access to CSOs is poor, as many CSOs do not have offices, and do not manage membership and clients bases. Organisations do not conduct public events and activities and they do not issue appeals for donations and membership outreach.
- High competition for resources and a general societal context, characterised by low level of rule of law, corruption, clientelism and shadow economy make CSOs less open to cooperation and they lack the basic elements of financial transparency.
- While higher than other institutions, public trust in CSOs is still low (more people distrust than trust CSOs), which indicates that there is a general disbelief in the capacity of CSOs to solve people's problems and protect their interest discourage citizens from participating in CSOs and making donations to them.
- Ukrainian citizens are poorly informed about civil society activities, since mass-media coverage of CSOs issues is very limited. Subsequently, Ukrainian CSOs do not interact with journalists, although certain fault can be placed on journalists who are not interested in civil society issues.
- Effectiveness of CSOs efforts to impact the wellbeing of society remains low. Civil society is not working to improve livelihoods in Ukraine, which is regarded as a task of the government. Given the poor capacity of the government to accomplish this goal, supporting livelihoods has become a task of citizens and their families.
- CSOs are working in a socio-cultural context, which is characterised by low levels of tolerance in society. Intolerance by Ukrainians was clearly demonstrated during the course of the 2004 Presidential elections, with growing political differences between Eastern and Western parts of the country. These differences prevent interaction of CSOs of different regions as well as involvement of people across regions.

### *Civil Society and State.*

There are a number of negative factors inhibiting a more effective relationship between CSOs and the state. These include:

- Before November 2004, CSOs existed in a political context that was characterised by strong government control over public life, widespread corruption, tycoons' clans in power, poor observance of rule of law, paternalism and clientelism in social structure.
- Government tried to manipulate the civic movement in its own interests by creating GONGOs and pocket NGOs. This legacy was inherited from the totalitarian regime.
- NGOs are limited in developing their economic capacity by the state policy that preserves the state monopoly with regards to welfare issues. Also, the government seems scared by any independent initiative and there is a lot of suspicion that business can hide under the mask of nonprofit agency to avoid tax payment.
- In the last years the policy impact capacity of Ukrainian CSOs has steadily grown, especially CSOs' expertise and policy analysis. Unfortunately, the interaction and feedback from the government remains weak.
- Civil society is still inactive in influencing budget policy. Ukrainian civil society is more active than successful in demanding accountability from the state and almost inactive when it comes to demanding the accountability of business.

- In the Ukrainian governance system clientelism and access to power play more important roles than citizens' free speech. This eventually shapes CSOs' advocacy practices.
- Though the data testifies that state funding of CSOs is growing, government prefers to use CSOs' resources, especially from international sources. It argues that well-resourced CSOs should help the government in solving social problems.
- Government attempts to keep the unclear regulation of NGOs' advocacy work (no clear provisions for advocacy) and the virtual prohibition of their service provision role, which limits civil society's ability to reach out to the population.
- In many aspects, government's neglect of CSOs is echoed by citizens' disrespect of CSOs. Absence of declared policy principles by the Ukrainian government, which focus on civil society's important role, contradicts European norms and standards, where CSOs are recognised partners of government.

### *Inside civil society*

The answer to the phenomena of low participation in CSOs lies in the limited capacity of CSOs to serve and reach as many people as possible. Thus, sustainability is a core problem for the sector.<sup>16</sup>

- Around one quarter of CSOs has an annual budget of less than 5000 USD. Many organisations report insufficient resources to employ paid professionals and provide services to a wide audience of clients.
- NGOs' social service capacity depends on their resource mobilisation capacity, which is underdeveloped, professionalism both in service provision and organisational issues and support from the government.
- Registered organisations do not often provide a platform for citizens' participation.
- Inter-organisational and interpersonal links within civil society remain very weak. Inter-organisational links are mostly supported by information sharing and joining transient coalitions, whereas the level of formal partnerships through federation, umbrella and international bodies is underdeveloped. This may be explained by the general tendency to associate in informal ways rather than to create formal bodies.
- Cooperation among CSOs is often driven by fundraising purposes. Competition for the resources often undermines ethical standards.
- A mixture of functions of the governing body and executive staff is a key problem of Ukrainian CSOs, that prevents them from practising democratic governance. The internal governance deficit does not allow CSOs to become important players in the country's public arena since inner practices eventually impact their activities to pursue democracy in society at large.
- One of the major problems of Ukrainian CSOs remains corruption and financial obscurity, which is typical for any organisation/entity that needs to conduct its activity in the general environment of the shadow economy. Still, many CSOs recognise that their financial viability depends on their transparency and openness.
- Financial sustainability of CSOs is intertwined with the principle of civic activism, while state funding undermines autonomy of organisations. Ukrainian businesses maintain an indifferent attitude towards CSOs, while establishing their own bodies to give to society mainly by charity.

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<sup>16</sup> For details on civil society's sustainability problem, please see the study in Annex 3 of this report.

## V. RECOMMENDATIONS

The recommendations presented in this section were made by participants of the National Workshop, regional stakeholder consultations and by the NAG. These recommendations are made public so that readers and civil society stakeholders can reflect on these matters and potentially decide to act upon them. They are specifically addressed both to civil society itself, as well as to the public administration and politicians. They strongly rely on the specific weaknesses mentioned above.

Ukrainian civil society stakeholders have determined two major fields in need of intervention – government policy change and intra-sectoral capacity building- to change the landscape for CSOs. These interventions would further develop and involve citizens in the societal space, outside of the family, government and market, where people associate to advance common interests.

Ukrainian CSI participants recommended focusing advocacy activities, in order to achieve the following changes in government policy:

- Change the government attitude toward civil society from ‘regulation’ to ‘involvement, cooperation and support’. Civil society should have open access to government policy and feedback mechanisms on civil society policy interventions. The state’s policy of funding CSOs should be clear, transparent and non-discriminatory.
- Laws and regulations should be developed for NGOs accomplishing their key mission of protecting citizen’s interests and providing services, which are compatible with international democratic standards. There should be legal provisions to enable CSOs to compete on the market of social service provision with state maintained institutions. Access should be granted to NGOs to service provision on a competitive basis with public and private providers.
- Develop a clear policy and transparent legal system that ensures the sustainability of CSOs, with a focus on domestic sources for civil society income, such as government funding, grant giving foundations, private and corporate philanthropy, social enterprise, membership dues and fees for service.
- Introduce clear and feasible legal procedures for citizen participation in civil society (giving time, money and goods). Tax privileges should be based on the current economic conditions and income level of citizens and corporations, rather than blindly copying the legal practice of other countries.
- Together with state funding, government should assure that citizens have access to CSOs, through public office space, communication channels (media) and material resources, on the basis of clear rules and competition. Issues related to civil society should be introduced in the government education policy. This would include professional, graduate and post-graduate courses on NGO management in the programs of the state maintained universities.
- Establish openness and transparency as competitive advantage when regulating CSOs, and to optimize financial and reporting requirements for NGOs. To avoid clientelism and corruption – civil servants should be banned from participating in NGOs.
- Government should address the intolerance problem escalated by elections with the help of civil society using positive experience and skills of CSOs in conflict

resolutions as well as supporting people exchanges and cooperation among different regions.

***Besides advocating for government policies, CSOs should collectively accomplish the following tasks:***

- Demand that the state develop procedures for participation in public policy and work closely with government.
- Address the needs of the society, not donors, to raise civil society's public credibility and trust.
- Establish a common voice and promote collaborations around common issues.
- Raise CSOs' accountability in implementing their missions and tasks. Assure transparency as a competitive advantage in the area of resource mobilisation.
- Demand that businesses take responsibility for the social, environmental and humanitarian impact of their activities (concept of corporate social responsibility).
- Develop ethics and standards of communication between NGOs, to raise the level of communication and openness in the sector.
- Professionalise organisational efficiency: ability to invest resources in the service provision and get the most efficient outcome.
- NGOs should be less dependent on international donors or political groups, and should consider raising local resources from multiple sources.

The following specific projects were proposed by CSI participants:

***Creating a system of public control.*** A system of control over government would allow the establishment of procedures for receiving feedback from the government on the actual proposal of recommendations on government policy by civil society. Also the system would complement the systems of state policy development and implementation currently available with an involvement of civil society. Public control would support growing government, business and CSOs' transparency. Therefore, it would assist in fighting corruption. Several policy documents on public control have already been developed by Ukrainian organisations. These require further discussion and advocacy efforts by CSOs.

***Involving civil society in budget policy.*** According to the current legislation, civil society can participate in policy making, implementation and monitoring of the state budget process. CSOs should submit their recommendations and proposals concerning the formulation, implementation and control of the budget. This should be done by directly contacting government bodies at all levels and by participating in the public consultative councils that exist at all levels. CSOs should more actively solicit government funding, using opportunities such as government announced tenders and grant competitions. More power should be given to civil society in controlling budget spending and violations in the budget policy. This task can be achieved by increasing CSOs' policy analysis skills, access to legal advice, by establishing legal consultative bodies, and by training lawyers that specialise in civil society issues.

***Introducing a system of civic education to involve citizens in civil society.*** The introduction of a system of civic education would increase knowledge on civil society among the wider public, and thereby encourage greater participation. Education on democracy should begin in primary schools, so that children can acquire the skills of participation from an early age. To achieve this the Ukrainian Ministry of Education, civil society activists and professionals should collaborate on the issue of civic education. Adult education can be accomplished

through media programs and distribution of information through the use of television and the press.

***Establish a system of professional education for CSOs.*** There is a need for a coherent and profession-based educational system for CSO professionals. It is time to move from sporadic training to introducing courses on nonprofit management, strategic planning, project management, fundraising, public relations and communication to the university education. This task can be achieved by developing such courses with the assistance of civil society experts on organisational issues. The Ukrainian Ministry of Education, which develops programs for University courses, could play an important role in this effort. Private universities could also be involved by negotiating possibilities of introducing such courses funded by fees.

***Creating environment supportive for growing domestic philanthropy.*** It is necessary to unite civil society funding instruments with the wider participation of citizens in philanthropy. The instruments for this are wide spread in countries with similar historical, political, economic, cultural and social environments to those of the Ukraine. Examples of these mechanisms include: community foundations, percentage philanthropy, social enterprise and fundraising techniques that involve wide public outreach. To implement these efforts it is necessary to enhance support infrastructure to establish and realise such mechanisms. It is also necessary to advocate for legislative change in favour of such mechanisms.

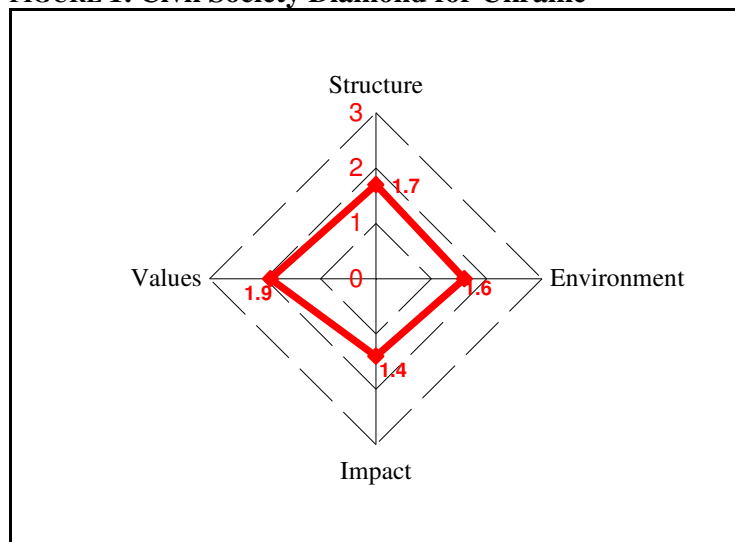
Other proposed projects include developing skills of CSOs in conflict resolution in order to help solve conflicts between Eastern and Western parts of Ukraine. It was also seen as important to advocate for equal policy opportunities in society in general.

In 2005, government worked on developing a Concept for State Support to Civil Society in Ukraine. Emphasis is placed on increasing the participation of citizens in policy making on the national and local levels. Government is now waiting for the civil society's input. This is an opportunity to improve government-civil society interaction and raise the image of CSOs for many years ahead.

## VI. CONCLUSION

The conclusion seeks to draw together the main findings and recommendation of the CSI project in Ukraine and can be summarised in form of the Civil Society Diamond for Ukraine (see figure VI.1.1).

**FIGURE 1: Civil Society Diamond for Ukraine**



The diagram visualising the state of Ukrainian civil society in the form of a diamond shows that civil society is rather well balanced and of medium size.

The least developed is the **impact** dimension, despite the tremendous success of Ukrainian civil society during the Presidential elections in 2004. This testifies that in general the impact of civil society on society at large, on social policy and the wellbeing of citizens remains underdeveloped. CSI participants proposed concrete measures to improve civil society's impact, particularly around strengthening advocacy capacities of CSOs. Hopefully, these measures will increase the impact of CSOs and improve the state of civil society in its other dimensions as well.

The low breadth of citizen participation is a key weakness for civil society's **structure**, indicating the limited engagement of Ukrainian citizens in formal CSOs. Also, civil society's level of organisation is assessed as only moderate, due to the weakness of CSO umbrella bodies, support infrastructure, international linkages and rather weak cooperation among CSOs. Civil society's strengths include the large diversity of civil society participants, the rather strong depth of citizen participation and the availability of human and technical resources. The further development of the structure dimension will require a particular focus on increasing CSO membership, the scope of donations and voluntary work, and cooperation within civil society, both on the level of organisations and via membership umbrella bodies.

In the **environment** dimension the most negative factors include frequent violations of basic freedoms and rights, the generally problematic political context and the weak relationship between the private sector and civil society. Specific attention is required to improve the rule of law, tolerance, civil liberties, dialogue with the state, corporate social responsibility and the fight against corruption, where civil society should take the lead. In Ukraine, the socio-economic context, the legal environment for CSOs and philanthropy are positive for civil



society. Also, state-civil society relations are encouraging for the future development of civil society.

**Values** are considered the strongest feature of civil society in Ukraine. Ukrainian CSOs are effective in pursuing sustainable development, gender equity, peaceful resolution of conflicts and tolerance inside the sector and in society in general. However, the qualities that develop trust and understanding, such as democratic governance, transparency and openness require more efforts from CSOs. Ukrainian CSOs do not focus their work on poverty eradication as a relevant area. This is connected to an unclear understanding the notion of poverty in society and the current poverty eradication policy of the Ukrainian government.

The CSI project provided a multitude of data, interpretations, assessments and recommendations. Focusing specifically on action and policy-oriented recommendations, several specific themes emerged from this comprehensive analysis of the state of Ukrainian civil society. First, civil society needs to address issues of citizen involvement in CSOs, by increasing CSOs' capacity to reach out to people, by providing services to the public and by mobilising citizens' philanthropic potential. Second, civil society should request that government establish clear procedures for civil society's involvement in policy making, policy implementation and monitoring, since the current system is non-transparent and insufficient for an effective engagement between civil society and government. Third, civil society organisations should develop their organisational capacity not only by using the facilities provided by international technical assistance, but also by creating a domestic base of CSO professionals with the support of government and the mobilisation of local resources.

### **Next steps**

The Ukrainian CSI Team will make every attempt to publicise the findings of this study as wide as possible, to popularise this publication both among CSOs and among that part of the public which are less familiar with the topics discussed here – the government, civil servants and politicians both at the central and regional level. The NCO will also initiate meetings with those members of the NAG and other interested parties, who are interested in continuing to be involved in taking the findings and recommendations of the CSI project further, e.g. by elaborating on the recommendations and attempting to put them into practice.

In its English version, this publication will serve as the basis for international comparisons within the framework of the Civil Society Index project as a whole. In 2006 a global CSI conference took place that convened all national teams that participated in the Civil Society Index, as well as other project partners and external stakeholders.

For Ukraine the project outcomes will become a valuable resource for the development of the strategy of civil society and state cooperation, which the Ukrainian government can use in the framework of the EU-Ukraine Action Plan. The CSI has become a part of the National Strategy of Civil Society Development, which is initiated by the Consortium of NGOs "Ukraine – It's Us", since it is recognised by the Consortium members as a valuable source of tangible data on civil society's state and development, which requires further periodical measurement of civil society in Ukraine. Therefore, efforts will be taken to continue the project on the basis of methodology provided by CIVICUS.

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## **ANNEX 1 — LIST OF NATIONAL ADVISORY GROUP MEMBERS**

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2. **Katkova Irina**, Turbota pro litnih (Age Concern) in Ukraine
3. **Khalilov Aider**, Crimean Parliament
4. **Khusnutdinov Valery**, Ukrainian Union of Youth Organizations
5. **Korovchenko Bohdan**, Internews Ukraine
6. **Kremeshna Tetiana**, “Olesia” Company
7. **Kucheriv Ilko**, Democratic Initiatives Foundation
8. **Mitsay Andriy**, Ministry of Economy and European Integration of Ukraine
9. **Panniotto Volodymyr**, Kyiv International Institute for Sociology
10. **Rogalin Yakiv**, Charitable Foundation “Kindness”
11. **Rubtsov Valerij**, Institute of Local Democracy
12. **Semenova Olena**, AIDS/HIV International Alliance in Ukraine
13. **Volochaj Olena**, All-Ukrainian Independent Association of Judges

## **Annex 2: OVERVIEW OF THE CSI RESEARCH METHODS**

Ukrainian team employed the following research methods to collect data and assessments on civil society issues: regional stakeholder survey, regional stakeholder consultations, community survey, media review, fact finding and cases development, and overview of the existing research. The approach of each data collection method is described in greater detail below.

- Secondary sources: An overview of existing research data, published research and academic sources relating to the issue of civil society development is summarised in the overview of civil society status in Ukraine.
- Regional stakeholder survey: Representatives of CSOs, Government, the corporate sector, the media and other stakeholders were interviewed in six regions: Crimea, Trans-Carpathia, Lviv, Chernigiv, Kharkiv oblast, and Kyiv.
- Regional stakeholder consultations (RSCs): In six regions representatives of various stakeholders, who previously completed the questionnaire, were invited to participate in a one-day discussion on research outcomes for their respective region. The total number of participating representatives was 76.
- A 2005 annual survey of Ukrainian CSOs was conducted by Counterpart Creative Center in cooperation with Kyiv Institute of Sociology between July and September 2005. The survey is a component of annual CSO research activity that is done in this format each year since 2002. Since 2002 the survey has been conducted with financial support from the “Ukrainian Citizen Action Network” (UCAN) project implemented by the Institute for Sustainable Communities (ISC) funded by United States Agency for International Development (USAID).
- Community Survey. In 4 communities (carefully selected to account for important socio-demographic factors, e.g. urban-rural; affluent-poor etc.), 400 individuals were surveyed through individual interviews on, among others, their value dispositions, activities within civil society and attitudes towards and engagement with community-level CSOs.
- Media review: The reporting of six printed media sources on civil society was reviewed for a five months period.
- Fact finding. Two case studies were taken to collect data on the indicators measuring corporate social responsibility and civil society influence on public policy (Orange Revolution). A separate policy analysis and legislation review on the issue of civil society sustainability was conducted.

### **Regional stakeholder survey**

The regional stakeholder survey was carried out from March to April 2004. Total number of questionnaires distributed was 120. The respondents were selected due to the regional distribution: Kyiv, Kharkiv, Crimea, Lviv, Chernigiv, Uzghorod. Also the belonging and knowledge to civil society stakeholders was important: from 20 questionnaires distributed in one region 15 were representatives of CSOs, and other 5 were from government, business, academia (if available) and mass-media.

We contacted people and delivered questionnaires to their place. Some respondents were contacted by E-mail. Also the questionnaire was in Internet for those willing to participate. The condition for participation was knowledge of civil society issues.

The majority of respondents live in a town (48%), or small town (29%), 17% were from the metropolis and 1% was from rural area. Gender distribution of respondents was equal: 50% of women and 50% of men. Twenty-three percent of respondents normally speak Ukrainian, 41% of Russian speaking respondents, the rest speaks both languages or other language. The majority of respondents (77%) are religious people, mostly Orthodox (54%). About 50% of respondents are ethnic Ukrainians, 20% have mixed ethnic origin and the rest represents ethnic minorities. According to the level of income 25% of respondents consider themselves people with less than average income, 46% with average income, 12% with high income and the rest – with low income.

Of respondents, 36% participate in three organisations, 51% - in two, and 12.2% did not belong to any CSO. Distribution of the regional survey participants is show at the table A 1.

**TABLE A 2.1. Regional stakeholder survey participants' participation in organisations**

|   |        |
|---|--------|
| Private Entrepreneurs Union   | 0.7%   |
| Traders or Business Association                                     | 1.9%   |
| Professional Association (doctors, teachers, etc.)                  | 7.8%   |
| Trade Union or Labour Union   | 1.3%   |
| Neighbourhood/ Village committee                                    | 3.2%   |
| Religious or Spiritual group  | 2%     |
| Political group, movement or party                                  | 8.5%   |
| Cultural group or association                                       | 1.3%   |
| Burial society  | n/a    |
| Co-operative, credit or savings group                               | 2%□    |
| Education group (e.g. parent-teacher association, school committee) | 1.3%□  |
| Health group / Social service association                           | 0.7%□  |
| Sports association  | 2%□    |
| Youth group   | 12.5%□ |
| Women's group   | 4.6%   |
| NGO / civic group / human rights organisation                       | 23%    |
| Ethnic-based community group  | 2%□    |
| Environmental or conservational organisation                        | 1.3%□  |
| Hobby organisation (e.g. stamp collecting club)                     | 0.7%□  |
| Other groups  | 7.2%   |

### Regional stakeholder consultations

Respondents of the regional stakeholder survey were invited to participate in the regional stakeholders consultations that took place in the east of Ukraine – Kharkiv oblast, north – Chernigiv, south – Crimea, west – Uzhgorod and Lviv, centre – Kyiv.

Each regional consultation lasted almost a whole day (from around 9.30 a.m. to 3.30 p.m.) and comprised two main blocks: (1) a discussion on the topic of what civil society actually is, and (2) discussions on selected other topics.

(1) After an introduction to the CSI project, and to the aims of the consultation and mutual introductions, research results were presented, which focused on the misunderstandings surrounding the civil society term in Ukraine as only a small number of people understand concepts such as *non-profit*, *voluntary organisation*, and trade unions are not regarded as civil associations etc. The participants were then invited to indicate whether their organisation belongs to civil society or not, and to give reasons for their assessment. Then a

discussion followed during which the moderator allowed participants to interact and debate and only asked questions on controversial subjects, such as the inclusion/exclusion of political parties, economic chambers, and trade unions from civil society.

(2) In the second part of the regional stakeholder consultations we presented the Regional stakeholder survey results to participants and then initiated a discussion on the following topics: (a) negative conduct in civil society (e.g. corruption, abuse of influence, intolerance, violence, etc.); (b) the role and importance of written rules in civil society (e.g. code of ethics, regulations, etc.); (c) communication among CSOs within the region.

In all consultations, participants offered many practical examples for the issues under discussion as well as proposed concrete action to improve the state of civil society.

**Community Surveys** - data collection with face-to-face interviews with individual respondents about relevant attitudes and behaviour concerning such issues of participation, NGOs, trust of citizens, citizens interaction with the government- were conducted in a selection of communities across the country.

Communities where surveys were conducted:

1. Urban, middle class, high service – Donetsk
2. Small town middle service, low income class, Western Ukraine – Kamianets Podilski, Khmelnytska oblast
3. Town low service low income multiethnic – a former industrial district of Kherson
4. Rural low service below the bread income multiethnic – Zakarpattya, Peretchyn

Six hundred interviews (150 household in each community) were planned and 400 conducted by the research organisations in regions of selected communities due to the procedure and questionnaire provided by CSI team. Before interviews the Interview Training was conducted for selected 20 interviewers (some by training, some by coming to the region).

The main results of community survey are the following:

- Community survey has shown that almost 61% of Ukrainians donate to charity on the regular base against 39% that do not donate.
- Community survey has shown that 49.25% of citizens actively provide any support outside of a CSO, and 8.25% do volunteering for a CSO, which totally shows that 57% of Ukrainians participating in civil society without payment.
- Community survey has shown that 48.4% have either attended in a community meeting or participated in a community activity.
- Community survey has shown that more than 56% of respondent donated to charity and, on average, their donation was 106 hryvnya (UAH) from their personal income while median number is 50 hryvnya. The minimum income for the year 2004 was established as 4346.7 UAH per year (362,23 UAH per month). By this we estimate that average donation of 106 hryvnya is 2.4% of the annual personal income.
- Community survey has shown that 43% of respondents devote on average 16 hours to volunteer work.
- According the community survey conducted in the CSI framework 40.8% of CSO members are members in more than one CSO.
- Community Survey has shown that 61% of respondents can always justified claiming of government benefits to which they are not entitled, 17% can justified it sometimes and only 22% never. As for public transportation, 15% of people try to avoid paying for public transportation, 56% sometimes and 29% never. Fifty-two% will never

cheat on taxes even they have a chance, while 29% try to cheat sometimes and 19% doing it always. The public spiritedness index score is 2.3 on a scale from 1 (very low public spiritedness) to 3 (very high public spiritedness).

- Community survey has shown that only 16.5% of respondents think that CSOs helped community.
- CSI Community survey has shown that 18% of people think that CSOs specifically helped poor people in the community to improve their lives. Only one item covers the civil society activity on empowering marginalised people
- Twelve percent of community survey respondents think that CSOs helped women in the community to improve their lives. Only 5% of respondents of regional stakeholders consultations mentioned activities of civil society targeted at women
- Only 12% of community survey respondents mentioned CSOs that helped community members to set up income-generating activities. Respondents of Regional Stakeholders Consultations have provided the following examples: modelling of successful experience in creation of socio-economic dimension of community development, creation of self-organising bodies at local level, CSOs increase level of activism in communities, CSOs help in building new schools in rural area, free legal consultations to Roma population, etc.

Of CSI community survey respondents, 57% think that voluntary organisations provide better services but 28% think that government agencies are more helpful against 23% of respondents that found out that NGOs are more helpful.

### Media review

The CSI project methodology included a review of relevant media on its reporting on civil society issues.<sup>17</sup> The media monitoring process was guided by the criteria outlined by CIVICUS. This involved an initial screening of the media for civil society related news, followed by the classification of this news according to standardized criteria. The monitoring was conducted by the representatives of the Counterpart Creative Center while data input and analysis was done by the Center for Philanthropy. National implementation team has selected six printed media. The specifics of the environment of 2004 year was taken into attention in Ukraine: high level of media engagement in elections process, media subjugation to different political forces via their belonging to tycoons who were supporting opposite political forces using mass media and journalists. To assure the validity of media under review we tried to diversify media sources according to political ideologies and ownership.

**Table A.2.3: Key features of monitored media**

| <i>Name</i>                 | <i>Type</i>     | <i>Political ideology /affiliation</i> | <i>Ownership</i>     | <i>Readership or viewership etc</i>       | <i>Geographic focus</i> |                     |
|-----------------------------|-----------------|--|----------------------|---|-------------------------|---------------------|
| Uriadovy Kurier             | Print           | Ukrainian government official paper    | Government           | All government officers obliged to follow | National                | Daily               |
| Vse O Buhgalter-skom Uchete | Print (journal) | Independent, no political affiliation  | Private              | Managers of any agency                    | National                | Weekly Professional |
| Dzerkalo Tyzhnia            | Print (paper)   | Independent - oppositional             | Private (Ukraine/US) | Intellectuals, middle class               | International           | Weekly              |
| Segodnya (Today)            | Print           | Daily yellow                           | Pro-                 | People                                    | National                | Daily               |

<sup>17</sup> See Appendix 6 for the results of a study on how civil society is represented in the media.

|               | (paper)         | page, pro-government              | government tycoon |                             |          |        |
|---------------|-----------------|-----------------------------------|-------------------|-----------------------------|----------|--------|
| Korrespondent | Print (journal) | Pro-Western                       | US                | Well-paid people, elite     | National | Weekly |
| Den'          | Print           | Loyal but distant from government | Private           | Intellectuals, middle class | National | Daily  |

We took the official government daily paper to monitor the official attitude, quality of presenting and types of CSOs. Two politically different papers mostly read by the middle class to learn how civil society is covered for target class of civil society. One yellow paper was chosen to see how often and in what light CSOs are covered – that helps to check the society attitude to CSOs. And we took a professional independent journal to see whether CSOs are considered a target audience for this kind of publication: it helps to estimate the attitude of the media towards the level of organisational development. The Korespondent journal was taken to see how relevant are the civil society issues for the publication with the target audience of well-paid people, how they are covered and in which light.

We selected articles and reports based on two general guidelines: (a) they dealt with civil society defined as the space between the family, state and market, in which people associate for the purpose of advancing their interests; (b) they dealt with an organisation which belong to the types of CSOs listed by CIVICUS. We included articles in the monitoring process in which civil society actors or activities appear. The presence of a civil society actor in an article was sufficient, either as a participant in an activity or as a directly or indirectly quoted commentator regarding an event. The article did not have to be explicitly concerned with civil society as such

For each article or report (“item”), we recorded the general information (date, title of the medium, etc), and the following main variables:

- type of item (character of article/report, whether it was a short report, opinion, interview, analysis, etc.);
- topic of the item (primary and secondary topic, both taken from a list of 37 themes, e.g. education, work and unemployment, accommodation, children, sport, agriculture, human rights, etc.);
- geographical scope of the item (i.e. international, national, regional, local);
- type of organisation (i.e. what types of CSOs appear in the item, i.e. written about or provide a comment on an event; according to a list of 23 CSO types);
- prominence of the item within the issue (press: article published on page 1, television and radio: report broadcast 1<sup>st</sup> in sequence; the importance of the article or report); and
- presentation of the CSO (i.e. was the CSO presented in the article, as positive, neutral or negative).

### **Survey “Civil Society Organisations in Ukraine. The State and Dynamics 2002-2005”**

A 2005 annual survey of Ukrainian CSOs was conducted by Counterpart Creative Center in cooperation with Kyiv Institute of Sociology between July and September 2005. The survey is a component of annual CSO research activity that is done in this format each year since 2002. Since 2002 the survey has been conducted with financial support from the “Ukrainian Citizen Action Network” (UCAN) project implemented by the Institute for Sustainable



Communities (ISC) funded by United States Agency for International Development (USAID).

The goal of the survey remains the same from year to year – to define the level of Ukrainian CSOs development according to the main principles of sustainable development. The subject of the research is the development of the CSO sector in Ukraine. The object of the research is the most active CSOs in Ukraine. According to the tasks of the research, each Civil Society Organisation should be considered as a separate unit for this activity. The sources of the information about each CSO were the representatives of this organisation, who had (i) all information on its activity (these had to be the representatives of the CSO management: the Head of the CSO or his/her Deputy), (ii) the information about the development of the CSO sector in general and (iii) the legal framework which regulates the activities of the CSO sector in Ukraine.

CSO development was evaluated according to certain criteria: sustainability as a level of organisational capacity; external links of CSOs; efficiency of CSO program related activities; the level of CSOs capacity and efficiency in representation and protection of interests, diversity of funding sources, level of professionalism, level of familiarity with current laws and regulations that affect CSOs and ethical norms development. The organisations were selected from all oblasts of Ukraine. The three main cities, Kyiv, Kharkiv and Lviv were represented as separate geographic units.

This study covers the following issues regarding Ukrainian CSOs development:

- The level of organisational capacity of CSOs;
- The external links of these organisations (including their cooperation with government, business, mass-media, communities and other CSOs);
- The efficiency of their programming related activities;
- The level of CSOs capacity and efficiency in the area of representation and protection of interests;
- The trends of the CSOs activities for the last four years (2002, 2003, 2004, 2005) in the above areas.

Tendencies in CSOs development from 2002 to 2005:

- Level of strategic management became lower;
- Growth in material resources of CSOs;
- Positive changes in CSO – business relationships;
- Changes in level of funding of CSOs (42% of respondents told that level of funding of their organisations increased);
- More CSOs declared readiness to undergo an audit;
- Cooperation between CSOs and government became more regular and effective;
- CSOs became more informed about laws and regulations;
- Negative changes in fundraising strategy.

The survey report summarises the findings from the 2005 annual survey of a sample of CSOs operating in Ukraine and traces the changes in the CSO development in Ukraine over the period 2002-2005. As well as this, the report includes a short research glossary; studies on the impact of funding sources on the organisational development of CSOs; evaluation of Ukrainian CSOs' websites; problem and needs analysis of Ukrainian CSOs; a study of regional trends in the Ukrainian third sector; a study of gender analysis in NGO development.

## ANNEX 3 — STUDY “POLICY ANALYSIS AND LEGISLATION REVIEW ON THE ISSUE OF CIVIL SOCIETY SUSTAINABILITY”

### 1. Introduction

The issue of sustainability has become the core problem of civil society existence in Ukraine. The CSOs sustainability depends largely on the legal and fiscal environment and also availability resources, from which organisations can derive funding. This study is aimed at the detailed look into the issues that shape civil society funding, namely, legal and fiscal environment and sources of funding, and to propose policy options to improve the state of CSOs sustainability.

### II. Civil society funding structure in Ukraine

Most of the NGO's in Ukraine have been founded within the last 13 years, since the beginning of political liberalization. At the moment there are approximately 40,000 NGO's registered in Ukraine (non-profit associations and foundations). The primary target groups of NGOs are children, youth, large families, low-income people, retired, disabled, unemployed, ethnic groups, poor or otherwise disadvantaged segments of the population. Other types of NGOs cross these social distinctions to address broader issues such as environmental protection, education and health care.

The major problem impeding development of civil society is the sustainability of citizens' organisations and initiatives, which negatively influences citizens' participation and democratic governance.

Ukrainian civil society sustainability problems are grounded in the poor public image, low impact on society, low capacity to use existing legal provisions, which leads to the lack of resources to conduct activities and develop action to serve their clientele.

We can divide problems of CSOs funding as internal and external:

- *External* problems are connected to the contradictory legal provisions, limiting the ability of individuals and companies to donate to CSOs, lack of government policy of civil society financial support, low level of citizens' income, shadow economy, poor image of CSOs in society, public distrust to CSOs, and traditionally underdeveloped philanthropy and low level of participation of citizens in socially important activities in Ukraine.
- *Internal* factors are the following: low level of CSOs transparency and accountability, underdeveloped fundraising skills, inability to use existing legislation, low capacity and incentive to do outreach in community, dependence on one single source of funding. CSO advocacy mechanisms that pursue the interests of the sector as a whole do not exist. The smaller and community based organisations are usually in less privileged position to get funding from the major donors than networks and capital based organisations.

*The sustainability of civil society depends largely on their organisational capacity to raise funding from multiple sources.* Ukrainian NGOs researchers note that, “51% NGOs have a single source of funding and these sources are international donors, 28% report that they do not have any funds, and 32% have annual budgets of less than \$2000” (*BoardSource, 2003*)

### III. Public policy in the field of CSOs funding

Ukrainian legislation that regulates civil society funding may be recognised as progressive if the laws and provisions were not so heavily plagued with the unnecessary procedures and requirements both for NGOs and their donors.

Under the Law on Taxation of the Profits of Enterprises, civil society organisations listed in Article 7.11 of the law (charitable organisations and associations of citizens) are exempt from taxes on income generated from the following sources:

- funds and assets, transferred free-of-charge or as a non-refundable financial aid, or as voluntary donations
- International Technical Assistance
- Funds received from the state or local budgets
- passive income
- funds and assets, received as a result of their primary (statutory) activity, in compliance with requirements established by the law.
- 

In practice CSOs can receive tax-exempt status after being registered by applying to the State Tax Administration, which examines their by-laws and makes decision due to the individual preferences and understanding of a single officer. .

The tax administration keeps the Registry of Nonprofit Agencies, which includes state budget institutions, charitable organisations, citizens associations, political parties, trade-unions, credit unions, professional and creative associations, religious organisations and local self-governance bodies. Thus, recognizing civil society organisations socially important role, Ukrainian government puts together privately incorporated entities with the public bodies that are governed and funded by the State. This creates competition for philanthropic money and voluntary labour, in which, budget institutions have more chances to succeed due to the organisational capacity and significant amounts of property in their hands. Besides they have long-time nurtured clientele and certain reputation. They are better positioned at the market of social service provision. That's why Ukrainian businesses prefer to donate to budget institutions rather than NGOs and consider NGOs less professional than traditional schools, kindergartens, orphanages, hospitals, etc.

Ukrainian laws provide income tax benefits to **corporations** (2-5% of annual profit) on donations to CSOs. Legal entities that support CSO in Ukraine receive benefits as determined by the *Law on the Taxation of the Profits of Enterprises* (5.2.2). As businessmen admit this legal provision is not an incentive to donate as usually profits are not reported by Ukrainian business, the deduction is too small compared to the whole enterprise turnover, the procedure of documenting the deduction is a burden for the corporation. Tax deduction imposed to the enterprise turnover gets more preference among businessmen, but Ukrainian Parliament resists passing this provision. Ukrainian legislation for corporate philanthropy seems to limit the very possibility of NGOs funding by business as Ukrainian legislator looks at corporate philanthropy as the possibility of State Budget leakage, in fact, showing the *distrust to genuine charitable work of corporations*.

**Individual giving** is stimulated by Ukrainian legislation and the *Law on Individual Income Tax* of May 22, 2003 makes any individual donations to any nonprofits deductible up to 5% of annual taxable income. The amount of charitable donation (tax credit) is declared when submitting annual tax declaration (March of the next fiscal year). Besides, this law grants tax

credits for donations to medical, educational institutions that were directly transferred in the form of payment for services of such institutions (law provides the list of such services). Ukrainian law limits receiving tax credit to Ukrainian citizens tax-payers, the amount of the tax credit should not exceed the annual amount of taxpayer salary, and tax credit can not be transferred to the next year(s). Citizens can donate to CSOs either by cash payment or via money bank transfer. With the *underdeveloped Ukrainian bank system*, the procedure of citizens' donations transfer becomes a burden for them, and together with much *complicated tax-return procedure* becomes an obstacle for private philanthropy development in general.

Besides, NGOs admit that membership fees are the most popular source of local funding, while *membership fees do not classify for any tax-deduction*. Larger proportion of individual donations in the form of membership fees reveals that tax-deductions are not incentive for individual giving like in the case with corporate giving. While membership fees collection is quite well-known procedure for individual NGOs supporters, that confirms the earlier conclusion about the *obscurity of donating procedures* to CSOs either by individuals or companies.

So, private and corporate philanthropy being *de jure* encouraged by Ukrainian legislation, *de facto* is suppressed by the availability of the number of requirements and restrictions posed by State.

**State funding** of CSOs is accomplished due to the law on Social Programs, which promotes partnership aimed at meeting public social standards. It allows NGOs to be agents, partners or subcontractors of government agencies in implementing programs approved under the budget code and this law. The primary aims of such programs are to set the specific objectives and priorities of social development for 1-5 years, as well as to secure minimum social standards and guarantees provided under special Law 2017. The law specifies mechanisms of NGO involvement in development and implementation of these programs. The sources for program funding are assigned for subsidies from the relevant Ministries budgets. The mostly active in subsidizing specific programs via partnerships with NGOs are the Ministry of Labour and Social Welfare, the Ministry of Health, former State Committee for Youth and Family Affairs (now Ministry of Youth and Sport), State Fund for Local Development. Though they announce *annual grant competitions* for NGOs, the funds are too scarce, *competition procedure is not transparent and funding is limited to direct service* without coverage of administrative expenses of NGOs.

The *Law On Social Services* of June 19, 2003 provides special public funds for Ukrainian care institutions and social work facilities run by nonprofits. In return this law requires an NGO to have a license for service provision to comply for funding, which again complicates the application procedure.

**Statutory activity** of the CSOs is determined by Ukrainian law as the provision of assistance and services in the framework of aims and goals stated in the organisation's by-laws. The list of activities, income from which can classify for profit tax-exempt, should be explicitly determined in the organisations' by-laws. As it was indicated at the beginning of the current chapter, *the judgment about tax-exempt granting is in the hands of Tax administration officer*.

According to the Law on Citizen's Associations, CSOs may carry out economic (profit making) activities only through a separate legal entity.<sup>18</sup> If CSO carries profit making activity it should do bookkeeping, tax payment and tax reporting separately for such activities.

When related to the sources of CSOs funding the following major obstacles prevent civil society development:

1. *Controversy of State recognition of private philanthropy.* While Ukrainian legislation contains a number of laws and President of Ukraine Decrees on philanthropy, civil society development and NGO support, the texts of such laws are rather declarative. Ukrainian legislation either lacks enforcement documents or contains inconsistent provision. There were no approaches to have a kind of a codex of public beneficial activities, thus many government agencies interpret the above-mentioned provisions to own benefit.

2. *Status of nonprofit organisations.* It is unclear which organisations representing civil society are public-beneficial versus state budget institutions and mutual interest associations. They all qualify for tax-exempt status and donations to them qualify for tax-deductions. The provision is confusing for Ukrainian citizens and corporations so they often donate to State supported social service providers.

3. *Private giving.* Many Ukrainian businesses and individuals, in fact, do not use existing tax deductions when donating to NGOs either in the form of charitable giving, or other forms like sponsorship or fees. The complicated procedure of getting tax benefits averts Ukrainian citizens from donating to nonprofits.

To improve the legal state of civil society and philanthropy it is necessary to undertake the following:

- Develop policy of civil society organisations support to ensure their sustainability.
- Introduce clear and feasible procedures for citizens' participation in civil society (giving time, money and valuables).
- Providing opportunity for giving coming from the current economic conditions and income level of citizens and corporations.
- Raising responsibility and accountability of CSOs in implementing their missions and tasks.
- Opening access for CSOs to service provision on the competitive basis with public and private providers.

When analysing the above mentioned policy options, one can find that some of them have already been enforced in the Ukrainian law, some require enforcement mechanisms, and some are still to be developed. The major conclusion is that the government measures towards civil society development are rather incoherent and vague in Ukraine. Developing the environment for civil society is doomed by the traditional approaches to citizens initiatives and post-communist legacy. New Ukraine government European integration focus gives civil society the chance to overcome the negative trends in civil society development by establishing the coherent and complex measures in this field, namely:

- *Establishing the Government – NGOs cooperation* policy and special government office to implement the policy. The option seems rationale though the realisation require much time and effort. It should be accompanied by NGOs consultations and

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<sup>18</sup> Article 24 of the Law on the Citizen's Associations.

- campaigning. The experience of countries that developed NGO-Government compacts, like Canada, Estonia, UK, is valuable to study.
- *Analysis and Improvement of existing legislation in the field to eliminate discrepancy among different laws and regulations* . The process is very complicated as such issues as NGOs, philanthropy and civil society is currently covered by more than 150 laws and acts.
  - *Information distribution on the role of NGOs and philanthropy, how to use existing provisions, and how to improve the state of society among citizens*. This will allow major process of self-regulation, while being quite extended in time.
  - *Introducing the innovative and quick procedures that activate both NGOs and citizens* mostly from the countries with the similar historic and economic background.

#### IV. Conclusion

Civil society development is one of the important elements of Ukraine's transformation. Unfortunately the development of civil society is impeded by the lack of resources and variable domestic sources to ensure proper advocacy of citizens' interests and provision of social services. Legal environment for civil society funding is contradictory: legal provisions and enforcement documents virtually limit the ability of individuals and corporations to donate to social cause, while coherent government CSO funding policy does not exist. In the most unprivileged position are smaller, community based CSOs providing social services to marginalised and poor population.

Ukrainian government could not establish clear provisions for CSOs to get government funding and citizens' support. There is no clear government policy of recognizing the role CSOs play in development and assuring CSOs sustainability as a key question in Ukraine. Neglecting the development of citizens' initiatives and their associations and institutions is the major problem of governance in Ukraine – with imbalanced policy of civil society development government virtually posses citizens' participation out of the country transformation concept.

We may conclude that Ukrainian legislation complies with the international standards that encourage private initiative and socially beneficial activities. Major provisions on exempting income tax for nonprofits and tax-deductions for philanthropy testify to that, but this does not happen in practice: *enforcement mechanisms and procedures are complicated, uncertain and often are left to interpretation of administering bodies*.

Tax incentives do not “work” because of the following:

- Corporate tax deductions are applied to the annual profit base instead of turnover; they are not classified as a tax credit by this VAT is not deducted;
- Individual donation transfer and tax refund is a complicated procedure;
- Membership fees to CSOs do not qualify for tax deductions;
- Fees for services and selling goods is considered commercial activity;

There is no specific law regulating the amounts and procedures of CSOs funding from the State Budget.

To improve the legal state of civil society and philanthropy it is necessary to undertake the following:

- Develop policy that assures sustainability of civil society organisations
- Introduce clear and feasible procedures for citizens' participation in civil society (giving time, money and valuables).

- Providing opportunity for giving coming from the current economic conditions and income level of citizens and corporations.
- Raising responsibility and accountability of CSOs in implementing their missions and tasks.
- Opening access for CSOs to service provision on the competitive basis with public and private providers.

Source:

Kuts, S. "Introducing percentage philanthropy in Ukraine. A Policy Paper". Budapest: NIOK, 2005. [www.onepercent.hu](http://www.onepercent.hu)

## ANNEX 4 — HUMAN RIGHTS POLICY IMPACT STUDY “THE ORANGE REVOLUTION AS A CASE OF CIVIL SOCIETY IMPACT”

### I. Introduction

The Ukrainian “Orange Revolution” burst out just in the middle of the CSI implementation in Ukraine. For a month or more in November –December 2004, millions of Ukrainians were peacefully practicing their human right to vote and to protect their dignity in the light of the immense election fraud by the government. Ukrainian business and citizens were donating money, products, and services. For three weeks financial donations estimated about 21 million UAH (approx. 4 million USD). People were self-organising in the union and spontaneous groups to peacefully protect the revolution. According to the research of the Kyiv International Institute of Sociology and “Zerkalo tyzhnia” paper 31% of Ukrainians were involved in the protest actions and meeting in 2004, 23% - supported opposition and 7% - supported pro-government candidate. The impact achieved by civil society protests was significant: Ukrainian Parliament had not recognised the result of elections, the Supreme Court of Ukraine had decided to revote the President’s elections as multiple elections violations were recognised and accepted during the court case. As the result Ukrainians could elect the candidate they fought for in the course of open and transparent third round vote.

### II. Putting the Policy issue in Context

The revolution was made possible as citizens were endowed with the right for peaceful assembly and association, which then brought about their capacity for collective action. Availability of such environment supported by organisational capacity of Ukrainian opposition, strong values and demand for democracy played the role in raising the effectiveness of civil society impact and powerful change in country power. In Ukrainian revolution we envision civil society as conceptualised by the CSI.

#### A. *Background of the Policy Issue*

Before November 2004 Ukrainian society has acquired political regime that was characterised by controlled public life, customized corruption, tycoons’ clans in power with strong hierarchy and personal loyalty to the heads, paternalism and clientelism in social structure. According to national opinion polls the largest group of respondents (40.2%) recognised “criminals and mafia” as the main social force (DIF, 2004). The main cause of the mass actions<sup>19</sup> in late 2004 were the protests against government (41.9%) as government had very low level of trust in the society that time. The second reason for citizen participation was economic, as 30.4% hoped to improve their material state with the change of power. The other important factors also were care for the future of children (21.7%), protests against injustice (20.1%). These factors separately hardly could bring the powerful result Orange Revolution had achieved, only combination of different aspects played the role in such impact of civil society.

The impact of civil society was prepared long ago the events of the November 2004. Well-known CSO “Committee of Voters of Ukraine” has realised voters education programs and election monitoring activities since 2001 and accumulated a tremendous experience on

<sup>19</sup> Here and ahead the national poll of the Democratic Initiatives Foundation and Institute of Sociology of Ukrainian Academy of Sciences (February-March 2005) is used



recognizing and fighting elections fraud. The formation of the public advisory council, in the office of the speaker of Ukrainian Parliament actually impacted at the Parliament and the reaction of its leader to the public protests.

### *B. Actors Involved*

In the assessment of experts, the revolution was a combination of national liberation, democratic and anti feudalistic movements and motives. This combination made such high levels of participation possible. The other important feature of Ukrainian revolution was the domination of not institutionalized civil initiatives and spontaneous self organisation of citizens. This allowed formation of the horizontal networks of civic participation, civic ethos and seeds of social capital (Stepanenko, 2005).

Interestingly, the middle class played a major role in the revolution as it was not a revolution of desperate/hungry people. The middle class is strongly oriented towards a specifically Ukrainian identity and commands a very high level of organisational capacity. As the middle class is the driving force behind civil society, the revolution might give birth to new quality of civil society in Ukraine.

Ukrainian famous people and pop celebrities played an important role, since they joined the Revolution and appealed to people from the stage of Maidan. This turned the Orange revolution not into a political event but into real civil society action. Also it is worthwhile to mention all the millions of individual philanthropists, who physically could not be at the square but brought hot water, food, cloths, gasoline, mobile phones, camping equipment to Maidan.

The civic organisations involved in the revolution were NGOs as well as civic movements, trade unions, religious organisations, and youth organisations – all of them were among the most active agents of the revolution. Thus, the CSI's broad definition of civil society including all kinds of collective actions outside the state and market was truly put into practice in the Ukrainian revolution.

## **III. Study Findings**

During the course of elections in October-December 2004 human rights organisations activity ranged from education and informing citizens about their rights to direct advocacy at courts and work with militia. This could happen due to the support provided by international donors, such as US AID, International Renaissance Foundation, etc. Ukrainian human rights organisations brought to the attention of international organisations the numerous violations that occurred during the election campaign. For instance, on August 10, 2004, the International Helsinki Federation on Human Rights (Vienna) reported it received numerous claims from Ukrainian citizens that were pressed to support the current prime minister's candidacy and were threatened for supporting the opposition candidate. Those claims were formulated and reached Vienna due to the assistance of Ukrainian human rights organisations. Similarly, the Ukrainian Helsinki Human Rights Association filed numerous appeals to Amnesty International and Human Rights Watch that allowed these international organisations to exert additional pressure on the Ukrainian authorities, and to attract the attention of international actors.

In November 2004 a new momentum has been achieved through the self-organisation of citizens, the development of youth and student movements and associations of journalists

standing for freedom of expression and independent media. As the result society has been becoming noticeably more capable of withstanding manipulations, pressure and dirty political technologies that involve misleading information and propaganda.

During several weeks of protests, that were mostly tense until December 3, 2004, when the Supreme Court of Ukraine declared the elections as fraudulent, the Orange Revolution has collected more than 4 million USD in local cash and non-counted tons of food, cloths, camping equipment, gasoline being donated by people and corporations.

In the CSI overview report (drafted in mid-2003) we distinguished between donor serving, government serving and members serving CSOs. Today we have the chance to see a new type of CSOs –functioning as arena outside of the family, the government, and the market where people associate to advance common interests. The ratio of collective action of the Orange Revolution were based on reason and distant from personal and ideological fanaticism (Stepanenko, 2006).

#### **IV. Conclusion**

Maidan phenomena as practical realisation of impact of civil society was possible due to the following factors available across CSI dimensions:<sup>20</sup>

- Impact: growing impact of human rights movement, cases of opposition movement's success in withstanding government.
- Structure: developing organisational capacity of civil society, experience of coalition building, resources were available for participants,
- Environment: availability of laws providing political rights and freedoms, distrust to government, government control and pressure of independent media and civic groups.
- Values: high level of values such as tolerance and non-violence prevailing in civil society.

The revolution might not happen if such conditions were taken into consideration

- absent and non-working procedures of citizens interests delivery to government: no interaction between citizens and government
- civil society was outside of public policy analysis, policy-making and policy realisation in Ukraine
- government could not manage development participation procedures, neither political parties addressed this issue.

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<sup>20</sup> Maidan was the name of main place where the protests taking place – Maidan of Independence in the capital of Ukraine, which acquired symbolic name of the actions during revolution.

## Annex 5. CORPORATE PHILANTHROPY IN UKRAINE

### Summary of Research Results on Corporate Philanthropy in Ukraine: The State and Perspectives

Counterpart Creative Center in partnership with Kyiv International Institute of Sociology conducted research on corporate philanthropy in Ukraine in May-July 2005. The study was funded by the Charles Stewart Mott Foundation (USA).

For the research purpose corporate philanthropy was defined as support of charitable organisation by business firms through contributions of money, goods, services, or volunteers. The main aim of the research was to assess the present corporate philanthropy situation in Ukraine, define the problematic and perspective areas and develop recommendations. The research collected and analysed information from large and medium Ukrainian-based businesses from all oblasts and Crimea. A combination of quantitative and qualitative methods such as telephone survey, in-depth interviews with selected business companies and content analysis of publications in Ukrainian mass media were used. Eight hundred seventy-nine medium and large business companies took part in telephone survey, 91 companies participated in structured in-depth interviews, 41 articles published during 2000-2005 were selected for content analysis.

This study answers the following questions regarding charitable practices of Ukrainian companies:

- What motivates companies to engage in charity? How popular is charity with companies?
- What are the forms of charity and beneficiaries? What spheres benefit from charity? Who is making the decisions with respect to charity in companies?
- Why do companies support certain non-governmental or charitable organisations? Who initiates charity – a company or an organisation? What kind of relationship do companies and beneficiary organisations maintain? Do companies take any control of funds they donate?
- Do companies intend to keep up their donations? Are they going to change their future charitable strategies?

Main results of the survey:

- Eighty-two percent of Ukrainian medium and large companies practice philanthropy. However, only 22% of them practice corporate philanthropy. The rest of the companies give directly to recipients (87%) and 11% of companies donate through government bodies and bodies of self-government.
- The major charity motivations are altruism (59%) and the company's desire to build its positive image (43%).
- The most common reasons for insufficient attention given to charity are lack of funds (56%), inadequate conditions (41%) and fear of misappropriation of funds (25%).
- Charity in Ukraine is only a 15% share of corporate strategies; for 47% of companies it is “mostly individual, unrelated events”; and 35% of companies practice charity on a regular basis, although without a strategic goal.
- Major donations are made to social welfare (80%). Considerable are donations made to health care (38%), science and education (26%), religious organisations (26%), culture and arts (22%); only 7% of companies donate to environment protection.

- Most organisations donate money (77%), goods, and services related to their fields of operation (59%); 19% of companies donate goods and services other than their own; only 5% involve their employees in charity efforts. Cash donations are most common in the West (82%) and least common in the South (70%), whereas donations of company goods and services are least typical in the East (53%).
- An average amount spent on philanthropy by Ukrainian companies is around \$36,000 per year. Business companies in Central and Southern Ukraine spent more than companies in Western and Eastern regions of the country. Only 12% of businesses spent over \$10,000 on philanthropy, but their part in all donations on philanthropy equals 97%. Sixteen Ukrainian business companies spent over \$100,000 per year on philanthropy.
- Fifty-six percent of companies reported a sense of fulfilment in their charity efforts, and only 13% - some kind of non-fulfilment.
- Most companies - 95% - plan to continue giving to charity, 82% are reluctant to change their charitable strategies, and only 10% were willing to do so. Future charitable strategies tend to correlate with the current ones. But it is important to note that 62% are planning to augment their spending and only 17% intend to seek an intermediary charitable organisation in future.
- One hundred sixty-four companies practice corporate philanthropy and 78 of them took part in in-depth interview. According to the results of in-depth interviews, most of the corporate donors in Ukraine focus their donation on the areas such as social care, health, culture and arts, and religion.
- Most of the interviewed companies support NGOs by transferring their contribution to an organisation's bank account (55 companies out of 78 interviewed). Forty-four companies support NGOs by providing them with products connected with company's main activities. However, still a big part of the business companies (24 companies) support NGOs by providing financial support in cash and/or by providing organisations with products that are not produced by these companies. Only 3 out of 78 interviewed companies devote volunteer work or provide in kind services.
- According to in-depth interviews, donations of 21% of Ukrainian companies are more than \$10,000. Thirty-one percent of companies give not more than \$1,000. However, 30% of respondents either didn't know the exact amount of company donations or didn't answer.
- Forty-one articles published during the time frame of 2000 to 2005 were analysed. The analysis shows rather positive coverage of philanthropic efforts both by state-owned and other periodicals. Content-analysis proved that, in general, there is a very few publications in Ukrainian mass media dedicated to corporate philanthropy issues. Moreover, considerable attention in these publications are dedicated to the philanthropy activity of Ukrainian businessmen in past.
- Corporate philanthropy events that support culture, arts, science, education and social welfare most frequently receive media coverage.
- Publications criticize philanthropic events as disguised attempts by certain business formations to conduct covert advertising and PR campaigns. Also criticized cases where the central and local authorities demand support from businesses. Charity events aiming at getting certain tax allowances receive negative coverage.
- The authors of the articles believe that most events, excluding sports, aim primarily at providing disinterested support to those who need it.

This study is only the first step in exploring and better understanding the current state of corporate philanthropy in Ukraine. Since corporate philanthropy is a significant aspect of

corporate responsibility both to society and to the community, it was used to study the level of corporate social responsibility and philanthropy in Ukraine.

## Annex 6: STUDY ON CIVIL SOCIETY IN THE MEDIA

### 1. Introduction

Mass-media today plays an important role in the society by dissemination of information thus becoming a powerful tool in shaping public opinion and encouraging action. The other important role of media clearly pertains to the civil society as media is becoming the watchdog and “forth pillar” of democracy. The media review is one of the primary research tools used to generate valid and useful data on the state of civil society in Ukraine. Thus the specific study on the representation of civil society in the media was conducted in the framework of the CIVICUS Index of Civil Society. The study draws on data collected from Ukrainian media over a period of two month in June-July 2004 and three months in October-December 2004. The time of monitoring coincided with the President of Ukraine election campaign (1st period) and protests caused by elections fraud (2nd period).

By doing the media review we aimed at the following:

- Provide information on specific civil society activities/actors that are reported in the media to get qualitative and quantitative data for scoring the CSI indicators:
- Establish whether and how civil society is represented by the media.

The media monitoring process was guided by the criteria outlined by CIVICUS which involved an initial screening of the media for civil society related news, followed by the classification of this news according to standardized criteria. The monitoring was conducted by the representatives of the Counterpart Creative Center while data input and analysis was done by the Center for Philanthropy. National implementation team has selected six printed media. In doing this we were posed to the challenge mostly connected to the environment of 2004 year in Ukraine: high level of media engagement in elections process, media subjugation to different political forces via their belonging to tycoons who were supporting opposite political forces using mass media and journalists. To assure the validity of media under review we tried to diversify media sources according to political ideologies, ownership, etc<sup>21</sup>:

**TABLE A.6.1: Description of media under review**

| Name            | Type  | Political ideology /affiliation     | Ownership  | Readership or viewership etc              | Geographic focus |        |
|-----------------|-------|-------------------------------------|------------|---|------------------|--------|
| Uriadovy Kurier | Print | Ukrainian government official paper | Government | All government officers obliged to follow | National         | Daily  |
| Vse O Buhgalte- | Print | Independent, no                     | Private    | Managers of any                           | National         | Weekly |

<sup>21</sup> *Nations in Transit, 2004*: There are a number of influential private newspapers in Ukraine, many with ties to particular political parties or oligarchic groups. The SDPU(u) controls **Den'** (with a declared circulation of 60,000) and Kijevskije Vedomosti (150,000). Fakty (850,000) and Kijevskiy Telegraf (60,000) are tied to the Dnipropetrovs'k group of oligarchs through their respective owners, Viktor Pinchuk and Andrij Derkach. **Segodnya** (700,000) is allied with the Donets'k group, while Stolichye Novosti (70,000) is controlled by former oligarch Vadym Rabinovych. The leading oppositional newspapers are Vechernije Vesti (500,000; Tymoshenko), Sil's'ki Visti (500,000; close to the Socialists), and Ukraina Moloda (100,000; close to Our Ukraine). Independent mass media are quite weak, although notable exceptions at the national level are **Dzerkalo Tyzhnia** (50,000 copies) and the Kyiv Post (25,000; Western owned), both of which provide an impartial, analytical approach.

The most influential magazines covering politics and offering rather balanced views are Halyc'ki Kontrakty (43,000), Kompanyon (20,000), Polityka i Kultura (20,000), and the Western-owned **Korrespondent** (50,000). The main state newspapers are Holos Ukrainy (170,000) and **Uriadovy Kurier** (110,000). Many local state bodies also have their own newspapers. Ukrainian-language periodicals account for only about one-fourth of the circulation of all newspapers and journals.

| rskom Uchete     | (journal)       | political affiliation             |                       | agency                      |               | Professional |
|------------------|-----------------|-----------------------------------|-----------------------|-----------------------------|---------------|--------------|
| Dzerkalo Tyzhnia | Print (paper)   | Independent - oppositional        | Private (Ukraine/US)  | Intellectuals, middle class | International | Weekly       |
| Segodnya (Today) | Print (paper)   | Daily yellow page, pro-government | Pro-government tycoon | People                      | National      | Daily        |
| Korrespondent    | Print (journal) | Pro-Western                       | US                    | Well-paid people, elite     | National      | Weekly       |
| Den'             | Print           | Loyal but distant from government | Private               | Intellectuals, middle class | National      | Daily        |

We took the official government daily paper to monitor the official attitude, quality of presenting and types of CSOs. Two politically different papers mostly read by the middle class to learn how civil society is covered for target class of civil society. One yellow paper was chosen to see how often and in what light CSOs are covered – that helps to check the society attitude to CSOs. And we took a professional independent journal to see whether CSOs are considered a target audience for this kind of publication: it helps to estimate the attitude of the media towards the level of organisational development. The Korespondent journal was taken to see how relevant are the civil society issues for the publication with the target audience of well-paid people, how they are covered and in which light.

## 2. Research Findings

In the following, we present the main findings and recommendations of the Civil Society in the Media Study.

*Frequency of reporting.* In the monitoring period there were 283 media items found that dealt with civil society issues in Ukraine. The highest rate of civil society reporting is observed in the Uriadovy Courier (Government Courier), which is an official paper of the government of Ukraine – 40.50%. By this we can assume that Ukrainian government is interested in the coverage of civil society issues. Independent media has significantly increased coverage of civil society issues in the period of Orange Revolution, that may be explained by high priority and interest to the topic. The least coverage of civil society issues was observed in the daily yellow press.

**TABLE A.6.2. Media coverage of civil society according to newspaper**

| Medium                     | Count of Medium | %      |
|----------------------------|-----------------|--------|
| Den'                       | 69              | 28.51% |
| Dzerkalo tyzhnia           | 12              | 11.98% |
| Korrespondent              | 26              | 10.74% |
| Segodnia                   | 8               | 7.44%  |
| Uriadovy Courier           | 98              | 40.50% |
| Vse O Buhgalterskom Uchete | 2               | 0.83%  |

Civil society issues are mostly found in the opinion and editorial parts of the media and are placed on the 2<sup>nd</sup> page, even such events as Orange Revolution did not changed the placement of civil society articles. Ukrainian civil society actions are mostly reported in the news stories and opinion pieces, which testifies that civil society is rather debated topic in society. Higher level of civil society actions in the news analysis and interviews make us to assume that civil

society actions often require experts comments, which may be explained that journalists do not have enough knowledge about civil society notion and understanding the civil society issues.

*The thematic coverage* of civil society issues was influenced by election campaign and protest actions: advocacy and national politics received the highest attention from the media. This caused attention to the very topic of civil society and its role in society in general: civil society spheres of activity received moderate attention (8.1%). Change in the coverage in two periods was visible as advocacy topic coverage has grown from 0% to 29.4%; economic issues coverage also increased a bit (from 4.30% to 9.15%) while focus on social issues has dropped in the second period.

Such topics as corruption, natural disasters, poverty, sexuality, terrorism and sports were not covered at all in the relation to civil society. We may assume that civil society organisations are not visible in the context of such problems, CSOs do not propagate their activities in these fields, or media are not interested in the topics, or these problems are not important for Ukrainian society.

When revealing civil society advocacy media links it with the economic issues and national politics, while national politics go in line with the economic issues and civil society as whole. Topics of social responsibility and philanthropy of business, migration problems, cultural and civil society are connected with economic issues. Topic of human rights is combined with the migration issues, and children with civil society. Interestingly, that topic of human rights was not connected to the advocacy of civil society during Orange Revolution: all the media envisioned only political essence of civil society activity during this period.

*Geographic Focus.* In the monitoring period Ukrainian media focused mostly on the national issues 65.38% and local issues – 21.37%. At the national level the most important topics were advocacy, national politics, civil society specific issues, economics, mass-media freedom, health and sustainable development. Most important local topics were advocacy, national politics, civil society specific issues, welfare/service delivery, children, corporate social responsibility and sustainable development.

At the regional level civil society is mostly reported on the topic of ethnic conflict or xenophobic attitude. The explanation may be in the country regional separation after elections and civil society actions to overcome it. The comparison on the topic frequency in period of summer 2004 and fall 2004 is supportive to the assumption.

*CSOs Types.* In the reviewing period the most frequently reported were coalitions of CSOs (15%): it is quite understandable as they were the main actors in the President's election protests. The other heavily reported CSO groups were "the others": may be, the monitor could not find the place for the other important civil society actor – groups of persons that participated in the revolution without bearing any institutional attribute. The second mostly reported CSOs are social movements. Then go the religious organisations, youth association, business associations and ethnic groups. The least reported are advocacy CSOs, women associations, social and recreational clubs, cultural and environmental CSOs. The economic interest organisations were never reported.

If we correlate CSO type and topic we may see that there is a significant gap between CSOs attributes and their actual activities: e.g. the topic advocacy was related to many types of CSOs and never to advocacy groups, trade unions were reported in correlation with national politics.



Topics and CSOs types are correlated for business associations that reported in the context of economic issues, for religious organisations, service CSOs –welfare, for youth CSOs, associations of marginalised people, ethnic groups, environmental CSOs, culture and arts.

#### *Civil Society Issues.*

Ukrainian media extensively covers the issues that related to Environment dimension (32.67% of publications) in the Civil Society Diamond. The second important issues are connected to the Impact (22.34%), Structure (24.01%) and the least extensively covered issues are connected with Values dimension (14.74%). This is observed through all the media sources.

The mostly reported subdimensions were: political context (13.6% of publications), breadth of citizen participation (8.9%), democracy (8.9%), level of organisation (8.9%), socio cultural context (8.1%), influencing public policy (5.5%), empowering citizens (8.9%), meeting social needs (5.7%) . The least reported subdimension were gender equity, environmental sustainability, depth of citizen participation and resources, which were covered by less than 1% of publications. So, we may see that Ukrainian media is mostly interested in the political role of civil society, citizen participation and empowerment, influencing public policy; they expect civil society to be guardian of values of democracy, rather than care of gender and environment problems; media attract attention to the level of civil society structure and socio cultural context, while they are not interested in the issue how meaningful is the participation and where CSOs should derive their resources.

*Image of CSOs.* The representation of CSOs in the monitored items was mostly neutral – 71.66% with the tendency to judge it positively – 26.32%. Only 2% of negative attitude was detected. The media reporting thus is rather positive with the score of 0.24 on a scale -1 (negative) to +1 (positive).

**TABLE A.6.3: Representation of CSOs in the media**

| Representation | # of items | %      |
|----------------|------------|--------|
| Negative       | 5          | 2.02%  |
| Neutral        | 177        | 71.66% |
| Positive       | 65         | 26.32% |

Very positive attitude expressed Uriadovy Courier and Day. The other media was mostly neutral, while no one medium was more negative than positive. Negative coverage of CSOs was observed in Dzerkalo Tyzhnia (opposition paper), Segodnya (yellow press) and Uriadovy Courier (pro-government).

**TABLE A.6.4: Representation of CSOs by media outlet**

|                             | Negative | Neutral | Positive |
|-----------------------------|----------|---------|----------|
| Day                         | 0        | 56      | 13       |
| Dzerkalo tyzhnia            | 3        | 20      | 6        |
| Korrespondent               | 0        | 24      | 2        |
| Segodnia                    | 1        | 14      | 3        |
| Uriadovy Courier            | 1        | 56      | 41       |
| Vse o buhgalterskom utchete | 0        | 2       | 0        |
| Дзеркало тижня              | 1        | 10      | 6        |

CSOs were positively represented in the news stories, opinion pieces, while there were negative opinion pieces and also news analysis.

According to the origin all the media were positive toward civil society issues, among them local issues received the most positive coverage, while national issues were covered in the least positive light. The most appreciated types of CSOs were economic interest CSOs, trade unions and women organisations.

The greatest level of positive attitude towards civil society was expressed in the Impact dimension, the least – in Values dimension.

### **3. Conclusion**

In the monitoring period Ukrainian media was characterised by high level of engagement in political process, media subjugation to different pro-government forces, their dependency on owners' preferences, strict government control and pressure. Thus the validity of media was assured by diversifying media sources according to political ideologies and their ownership together with taking into consideration the frequency and readers' circle.

Ukrainian civil society does not receive much attention from the media, even period of Orange Revolution has not received a significant increase (93 items in 2 month period before versus 149 in the second 3 month period) of the civil society media coverage. The placement of civil society issues on the pages testifies that civil society is not a priority topic of media. Large number of news means that media do not have much knowledge on the topic to provide in-depth analysis of the phenomena. Mostly neutral media attitude tells that journalists do not have clear perception of civil society and its role.

The thematic focus and civil society issues were largely influenced by election campaign and events after President's elections. So, the main topic covered by media was advocacy often linked to the secondary topic of national politics. We found a significant gap between types of civil society actions and types of CSOs that accomplished them, e.g. advocacy organisations were not connected with advocacy activities, trade unions dealt with national politics rather economic and labour issues. The closest to their attributed issues were economic development organisations and social welfare groups.

The CSI media study assisted to get a better understanding of the media's perception of civil society issues and actors in Ukraine. The findings of the media study show that a large proportion of CSOs is under represented in the media. Building the PR capacity of civil society actors as well as providing knowledge on civil society to media professionals, raising their understanding the importance of civil society and their own civil position may be helpful to make media a real bridge between wider public and civil society.

## ANNEX 7 - THE CSI SCORING MATRIX

### 1 – STRUCTURE

#### 1.1 - Breadth of citizen participation

*Description:* How widespread is citizen involvement in civil society? What proportion of citizens engage in civil society activities?

##### 1.1.1 - Non-partisan political action

*Description:* What percentage of people have ever undertaken any form of non-partisan political action (e.g. written a letter to a newspaper, signed a petition, attended a demonstration)?

|  |         |
|--|---------|
| A very small minority (less than 10%). | Score 0 |
| A minority (10% to 30%)                | Score 1 |
| A significant proportion (31% to 65%)  | Score 2 |
| A large majority (more than 65%)       | Score 3 |

##### 1.1.2 - Charitable giving

*Description:* What percentage of people donate to charity on a regular basis?

|                                       |         |
|---------------------------------------|---------|
| A very small minority (less than 10%) | Score 0 |
| A minority (10% to 30%)               | Score 1 |
| A significant proportion (31% to 65%) | Score 2 |
| A large majority (more than 65%)      | Score 3 |

##### 1.1.3 - CSO membership

*Description:* What percentage of people belong to at least one CSO?

|                                  |         |
|----------------------------------|---------|
| A small minority (less than 30%) | Score 0 |
| A minority (30% to 50%)          | Score 1 |
| A majority (51% to 65%)          | Score 2 |
| A large majority (more than 65%) | Score 3 |

##### 1.1.4 - Volunteering

*Description:* What percentage of people undertake volunteer work on a regular basis (at least once a year)?

|                                       |         |
|---------------------------------------|---------|
| A very small minority (less than 10%) | Score 0 |
| A small minority (10% to 30%)         | Score 1 |
| A minority (31% to 50%)               | Score 2 |
| A majority (more than 50%)            | Score 3 |

##### 1.1.5 - Collective community action

*Description:* What percentage of people have participated in a collective community action within the last year (e.g. attended a community meeting, participated in a community-organised event or a collective effort to solve a community problem)?

|                                  |         |
|----------------------------------|---------|
| A small minority (less than 30%) | Score 0 |
| A minority (30% -50%)            | Score 1 |
| A majority (51% to 65%)          | Score 2 |
| A large majority (more than 65%) | Score 3 |

#### 1.2 - Depth of citizen participation

***Description:* How deep/meaningful is citizen participation in civil society? How frequently/extensively do people engage in civil society activities?**

##### 1.2.1 - Charitable giving

*Description:* How much (i.e. what percentage of personal income) do people who give to charity on a regular basis donate, on average, per year?

|              |         |
|--------------|---------|
| Less than 1% | Score 0 |
| 1% to 2%     | Score 1 |
| 2.1% to 3%   | Score 2 |
| More than 3% | Score 3 |

### 1.2.2 - Volunteering

*Description:* How many hours per month, on average, do volunteers devote to volunteer work?

|                    |         |
|--------------------|---------|
| Less than 2 hours  | Score 0 |
| 2 to 5 hours       | Score 1 |
| 5.1 to 8 hours     | Score 2 |
| More than 8 hours. | Score 3 |

### 1.2.3 - CSO membership

*Description:* What percentage of CSO members belong to more than one CSO?

|                                  |         |
|----------------------------------|---------|
| A small minority (less than 30%) | Score 0 |
| A minority (30% to 50%)          | Score 1 |
| A majority (51% to 65%)          | Score 2 |
| A large majority (more than 65%) | Score 3 |

## 1.3 - Diversity of civil society participants

***Description:* How diverse/representative is the civil society arena? Do all social groups participate equitably in civil society? Are any groups dominant or excluded?**

### 1.3.1 - CSO membership

*Description:* To what extent do CSOs represent all significant social groups (e.g. women, rural dwellers, poor people and minorities)?

|   |         |
|---|---------|
| Significant social groups are absent / excluded from CSOs.                            | Score 0 |
| Significant social groups are largely absent from CSOs.                               | Score 1 |
| Significant social groups are under-represented in CSOs.                              | Score 2 |
| CSOs equitably represent all social groups. No group is noticeably under-represented. | Score 3 |

### 1.3.2 - CSO leadership

*Description:* To what extent is there diversity in CSO leadership? To what extent does CSO leadership represent all significant social groups (e.g. women, rural dwellers, poor people, and minorities)?

|  |         |
|--|---------|
| Significant social groups are absent / excluded from CSO leadership roles.                       | Score 0 |
| Significant social groups are largely absent from CSO leadership roles.                          | Score 1 |
| Significant social groups are under-represented in CSO leadership roles.                         | Score 2 |
| CSO leadership equitably represents all social groups. No group is noticeably under-represented. | Score 3 |

### 1.3.3 Distribution of CSOs

*Description:* How are CSOs distributed throughout the country?

|   |         |
|---|---------|
| CSOs are highly concentrated in the major urban centres.          | Score 0 |
| CSOs are largely concentrated in urban areas.                     | Score 1 |
| CSOs are present in all but the most remote areas of the country. | Score 2 |
| CSOs are present in all areas of the country.                     | Score 3 |

## 1.4. - Level of organisation

***Description:* How well-organised is civil society? What kind of infrastructure exists for civil society?**

### 1.4.1 - Existence of CSO umbrella bodies

*Description:* What percentage of CSOs belong to a federation or umbrella body of related organisations?

|   |         |
|---|---------|
| A small minority (less than 30%)        | Score 0 |
| A minority (30% to 50%)                 | Score 1 |
| A majority (51% to 70%)                 | Score 2 |
| <b>A large majority (more than 70%)</b> | Score 3 |

### 1.4.2 - Effectiveness of CSO umbrella bodies

*Description:* How effective do CSO stakeholders judge existing federations or umbrella bodies to be in achieving their defined goals?

|  |         |
|--|---------|
| Completely ineffective (or non-existent) | Score 0 |
| Largely ineffective                      | Score 1 |
| Somewhat effective                       | Score 2 |
| <b>Effective</b>                         | Score 3 |

#### 1.4.3 - Self-regulation

*Description:* Are there efforts among CSOs to self-regulate? How effective and enforceable are existing self-regulatory mechanisms? What percentage of CSOs abide by a collective code of conduct (or some other form of self-regulation)?

|  |         |
|--|---------|
| There are no efforts among CSOs to self-regulate.  | Score 0 |
| Preliminary efforts have been to self-regulate but only a small minority of CSOs are involved and impact is extremely limited.   | Score 1 |
| Some mechanisms for CSO self-regulation are in place but only some sectors of CSOs are involved and there is no effective method of enforcement. As a result, impact is limited. | Score 2 |
| <b><u>Mechanisms for CSO self-regulation are in place and function quite effectively. A discernible impact on CSO behaviour can be detected.</u></b>                             | Score 3 |

#### 1.4.4 - Support infrastructure

*Description:* What is the level of support infrastructure for civil society? How many civil society support organisations exist in the country? Are they effective?

|   |         |
|---|---------|
| There is no support infrastructure for civil society.                             | Score 0 |
| There is very limited infrastructure for civil society.                           | Score 1 |
| Support infrastructure exists for some sectors of civil society and is expanding. | Score 2 |
| <b><u>There is a well-developed support infrastructure for civil society.</u></b> | Score 3 |

#### 1.4.5 - International linkages

*Description:* What proportion of CSOs have international linkages (e.g. are members of international networks, participate in global events)?

|  |         |
|--|---------|
| Only a handful of "elite" CSOs have international linkages.  | Score 0 |
| A limited number of (mainly national-level) CSOs have international linkages.  | Score 1 |
| A moderate number of (mainly national-level) CSOs have international linkages.   | Score 2 |
| <b><u>A significant number of CSOs from different sectors and different levels (grassroots to national) have international linkages.</u></b> | Score 3 |

### 1.5 - Inter-relations

***Description:* How strong / productive are relations among civil society actors?**

#### 1.5.1 - Communication

*Description:* What is the extent of communication between civil society actors?

|                           |         |
|---------------------------|---------|
| Very little               | Score 0 |
| Limited                   | Score 1 |
| Moderate                  | Score 2 |
| <b><u>Significant</u></b> | Score 3 |

#### 1.5.2 – Cooperation

*Description:* How much do civil society actors cooperate with each other on issues of common concern? Can examples of cross-sectoral CSO alliances/coalitions (around a specific issue or common concern) be identified?

|   |         |
|---|---------|
| CS actors do not cooperate with each other on issues of common concern. No examples of cross-sectoral CSO alliances/coalitions can be identified / detected.                                  | Score 0 |
| It is very rare that civil society actors cooperate with each other on issues of common concern. Very few examples of cross-sectoral CSO alliances / coalitions can be identified / detected. | Score 1 |
| CS actors on occasion cooperate with each other on issues of common concern. Some examples of cross-sectoral CSO alliances / coalitions can be identified / detected.                         | Score 2 |
| <b><u>CS actors regularly cooperate with each other on issues of common concern. Numerous examples of cross-sectoral CSO alliances / coalitions can be identified / detected.</u></b>         | Score 3 |

### 1.6 – Resources

***Description:* To what extent do CSOs have adequate resources to achieve their goals?**

#### 1.6.1 - Financial resources

*Description:* How adequate is the level of financial resources for CSOs?

|  |         |
|--|---------|
| On average, CSOs suffer from a serious financial resource problem.                                 | Score 0 |
| On average, CSOs have inadequate financial resources to achieve their goals.                       | Score 1 |
| On average, CSOs have most of the financial resources they require to achieve their defined goals. | Score 2 |
| On average, CSOs have an adequate and secure financial resource base.                              | Score 3 |

### 1.6.2 - Human resources

*Description:* How adequate is the level of human resources for CSOs?

|  |         |
|--|---------|
| On average, CSOs suffer from a serious human resource problem.                                 | Score 0 |
| On average, CSOs have inadequate human resources to achieve their goal.                        | Score 1 |
| On average, CSOs have most of the human resources they require to achieve their defined goals. | Score 2 |
| <b>On average, CSOs have an adequate and secure human resource base.</b>                       | Score 3 |

### 1.6.3 - Technological and infrastructural resources

*Description:* How adequate is the level of technological and infrastructural resources for CSOs?

|  |         |
|--|---------|
| On average, CSOs suffer from a serious technological and infrastructural resource problem.                                 | Score 0 |
| On average, CSOs have inadequate technological and infrastructural resources to achieve their goals.                       | Score 1 |
| On average, CSOs have most of the technological and infrastructural resources they require to achieve their defined goals. | Score 2 |
| On average, CSOs have an adequate and secure technological and infrastructural resource base.                              | Score 3 |

## 2 - ENVIRONMENT<sup>22</sup>

### 2.1 - Political context

*Description:* What is the political situation in the country and its impact on civil society?

#### 2.1.1 - Political rights

*Description:* How strong are the restrictions on citizens' political rights (e.g. to participate freely in political processes, elect political leaders through free and fair elections, freely organise in political parties)?

|  |         |
|--|---------|
| There are severe restrictions on the political rights of citizens. Citizens cannot participate in political processes.   | Score 0 |
| There are some restrictions on the political rights of citizens and their participation in political processes.  | Score 1 |
| Citizens are endowed with substantial political rights and meaningful opportunities for political participation. There are minor and isolated restrictions on the full freedom of citizens' political rights and their participation in political processes. | Score 2 |
| <b>People have the full freedom and choice to exercise their political rights and meaningfully participate in political processes.</b>   | Score 3 |

#### 2.1.2 - Political competition

*Description:* What are the main characteristics of the party system in terms of number of parties, ideological spectrum, institutionalisation and party competition?

|  |         |
|--|---------|
| Single party system.   | Score 0 |
| Small number of parties based on personalism, clientelism or appealing to identity politics.           | Score 1 |
| Multiple parties, but weakly institutionalised and / or lacking ideological distinction.               | Score 2 |
| <b>Robust, multi-party competition, with well-institutionalised and ideologically diverse parties.</b> | Score 3 |

#### 2.1.3 - Rule of law

*Description:* To what extent is the rule of law entrenched in the country?

|   |         |
|---|---------|
| There is general disregard for the law by citizens and the state.   | Score 0 |
| There is low confidence in and frequent violations of the law by citizens and the state.                              | Score 1 |
| There is a moderate level of confidence in the law. Violations of the law by citizens and the state are not uncommon. | Score 2 |
| <b>Society is governed by fair and predictable rules, which are generally abided by.</b>                              | Score 3 |

#### 2.1.4 - Corruption

*Description:* What is the level of perceived corruption in the public sector?

|             |         |
|-------------|---------|
| High        | Score 0 |
| Substantial | Score 1 |
| Moderate    | Score 2 |
| <b>Low</b>  | Score 3 |

<sup>22</sup> For most of the indicators, secondary data sources are available for a broad range of countries. For each indicator, the scores indicate how to translate the original secondary data into the 4-point scale of the CSI scoring matrix.

### 2.1.5 – State effectiveness

*Description:* To what extent is the state able to fulfil its defined functions?

|  |         |
|--|---------|
| The state bureaucracy has collapsed or is entirely ineffective (e.g. due to political, economic or social crisis). | Score 0 |
| The capacity of the state bureaucracy is extremely limited.  | Score 1 |
| State bureaucracy is functional but perceived as incompetent and / or non-responsive.                              | Score 2 |
| <b>State bureaucracy is fully functional and perceived to work in the public's interests.</b>                      | Score 3 |

### 2.1.6 – Decentralisation

*Description:* To what extent is government expenditure devolved to sub-national authorities?

|   |         |
|---|---------|
| Sub-national share of government expenditure is less than 20.0%.          | Score 0 |
| Sub-national share of government expenditure is between 20.0% and 34.9%.  | Score 1 |
| Sub-national share of government expenditure is between 35.0% than 49.9%. | Score 2 |
| <b>Sub-national share of government expenditure is more than 49.9%.</b>   | Score 3 |

## 2.2 - Basic freedoms and rights

*Description:* To what extent are basic freedoms ensured by law and in practice?

### 2.2.1 - Civil liberties

*Description:* To what extent are civil liberties (e.g. freedom of expression, association, assembly) ensured by law and in practice?

|  |         |
|--|---------|
| Civil liberties are systematically violated.                     | Score 0 |
| There are frequent violations of civil liberties.                | Score 1 |
| There are isolated or occasional violations of civil liberties.  | Score 2 |
| <b>Civil liberties are fully ensured by law and in practice.</b> | Score 3 |

### 2.2.2 - Information rights

*Description:* To what extent is public access to information guaranteed by law? How accessible are government documents to the public?

|  |         |
|--|---------|
| No laws guarantee information rights. Citizen access to government documents is extremely limited.                               | Score 0 |
| Citizen access to government documents is limited but expanding.   | Score 1 |
| Legislation regarding public access to information is in place, but in practice, it is difficult to obtain government documents. | Score 2 |
| <b>Government documents are broadly and easily accessible to the public.</b>   | Score 3 |

### 2.2.3 - Press freedoms

*Description:* To what extent are press freedoms ensured by law and in practice?

|  |         |
|--|---------|
| Press freedoms are systematically violated.                          | Score 0 |
| There are frequent violations of press freedoms.                     | Score 1 |
| There are isolated violations of press freedoms.                     | Score 2 |
| <b>Freedom of the press is fully ensured by law and in practice.</b> | Score 3 |

## 2.3 - Socio-economic context<sup>23</sup>

*Description:* What is the socio-economic situation in the country and its impact on civil society?

### 2.3.1 - Socio-economic context

*Description:* How much do socio-economic conditions in the country represent a barrier to the effective functioning of civil society?

|  |         |
|--|---------|
| Social and economic conditions represent a serious barrier to the effective functioning of civil society. More than five of the following conditions are present:<br>1. Widespread poverty (e.g. more than 40% of people live on \$2 per day)<br>2. Civil war (armed conflict in last 5 years)<br>3. Severe ethnic and/or religious conflict | Score 0 |
|--|---------|

<sup>23</sup> This subdimension/indicator is not broken up into individual indicators to facilitate and simplify scoring. The sub-dimension/indicator consists of 8 socio-economic conditions which are of importance to civil society. The scores for this indicator are designed in such a way that they indicate how many socio-economic obstacles are there for civil society (max: 8; min: 0). The task for the NAG scoring meeting is to simply verify the number of obstacles (as identified by the secondary data) and assign the score accordingly.

|  |         |
|--|---------|
| 4. Severe economic crisis (e.g. external debt is more than GNP)<br>5. Severe social crisis (over last 2 years)<br>6. Severe socio-economic inequities (Gini coefficient > 0.4)<br>7. Pervasive adult illiteracy (over 40%)<br>8. Lack of IT infrastructure (i.e. less than 5 hosts per 10.000 inhabitants) |         |
| Social and economic conditions significantly limit the effective functioning of civil society. Three, four or five of the conditions indicated are present.  | Score 1 |
| Social and economic conditions somewhat limit the effective functioning of civil society. One or two of the conditions indicated are present.  | Score 2 |
| <b><u>Social and economic conditions do not represent a barrier to the effective functioning of civil society. None of the conditions indicated is present.</u></b>  | Score 3 |

## 2.4 - Socio-cultural context

**Description: To what extent are socio-cultural norms and attitudes conducive or detrimental to civil society?**

### 2.4.1 - Trust

*Description:* How much do members of society trust one another?

|  |         |
|--|---------|
| Relationships among members of society are characterised by mistrust (e.g. less than 10% of people score on the World Value Survey (WVS) trust indicator). | Score 0 |
| There is widespread mistrust among members of society (e.g. 10% to 30% of people score on the WVS trust indicator).  | Score 1 |
| There is a moderate level of trust among members of society (e.g. 31% to 50% of people score on the WVS trust indicator).                                  | Score 2 |
| <b><u>There is a high level of trust among members of society (e.g. more than 50% of people score on the WVS trust indicator).</u></b>                     | Score 3 |

### 2.4.2 - Tolerance

*Description:* How tolerant are members of society?

|  |         |
|--|---------|
| Society is characterised by widespread intolerance (e.g. average score on WVS derived tolerance indicator is 3.0 or higher). | Score 0 |
| Society is characterised by a low level of tolerance (e.g. indicator between 2.0 and 2.9).                                   | Score 1 |
| Society is characterised by a moderate level of tolerance (e.g. indicator between 1.0 and 1.9).                              | Score 2 |
| Society is characterised by a high level of tolerance (e.g. indicator less than 1.0).  | Score 3 |

### 2.4.3 - Public spiritedness<sup>24</sup>

*Description:* How strong is the sense of public spiritedness among members of society?

|  |         |
|--|---------|
| Very low level of public spiritedness in society (e.g. average score on WVS derived public spiritedness indicator is more than 3.5). | Score 0 |
| Low level of public spiritedness (e.g. indicator between 2.6 and 3.5).   | Score 1 |
| Moderate level of public spiritedness (e.g. indicator between 1.5 and 2.5).  | Score 2 |
| High level of public spiritedness (e.g. indicator less than 1.5).  | Score 3 |

## 2.5 - Legal environment

**Description: To what extent is the existing legal environment enabling or disabling to civil society?**

<sup>24</sup> The score is derived by averaging the means for the three variables (1. claiming government benefits, 2. avoiding a fare on public transport and 3. cheating on taxes).



### 2.5.1 - CSO registration<sup>25</sup>

*Description:* How supportive is the CSO registration process? Is the process (1) simple, (2) quick, (3) inexpensive, (4) following legal provisions and (5) consistently applied?

|  |         |
|--|---------|
| The CSO registration process is not supportive at all. Four or five of the quality characteristics are absent. | Score 0 |
| The CSO registration is not very supportive. Two or three quality characteristics are absent.                  | Score 1 |
| The CSO registration process can be judged as relatively supportive. One quality characteristic is absent.     | Score 2 |
| The CSO registration process is supportive. None of the quality characteristics is absent.                     | Score 3 |

### 2.5.2 - Allowable advocacy activities

*Description:* To what extent are CSOs free to engage in advocacy / criticize government?

|  |         |
|--|---------|
| CSOs are not allowed to engage in advocacy or criticise the government.  | Score 0 |
| There are excessive and / or vaguely defined constraints on advocacy activities.   | Score 1 |
| Constraints on CSOs' advocacy activities are minimal and clearly defined, such as prohibitions on political campaigning. | Score 2 |
| CSOs are permitted to freely engage in advocacy and criticism of government.   | Score 3 |

### 2.5.3 - Tax laws favourable to CSOs

*Description:* How favourable is the tax system to CSOs? How narrow/broad is the range of CSOs that are eligible for tax exemptions, if any? How significant are these exemptions?

|   |         |
|---|---------|
| The tax system impedes CSOs. No tax exemption or preference of any kind is available for CSOs.  | Score 0 |
| The tax system is burdensome to CSOs. Tax exemptions or preferences are available only for a narrow range of CSOs (e.g. humanitarian organisations) or for limited sources of income (e.g. grants or donations).      | Score 1 |
| The tax system contains some incentives favouring CSOs. Only a narrow range of CSOs is excluded from tax exemptions, preferences and/or exemptions, or preferences are available from some taxes and some activities. | Score 2 |
| The tax system provides favourable treatment for CSOs. Exemptions or preferences are available from a range of taxes and for a range of activities, limited only in appropriate circumstances.                        | Score 3 |

### 2.5.4 - Tax benefits for philanthropy

*Description:* How broadly available are tax deductions or credits, or other tax benefits, to encourage individual and corporate giving?

|   |         |
|---|---------|
| No tax benefits are available (to individuals or corporations) for charitable giving.         | Score 0 |
| Tax benefits are available for a very limited set of purposes or types of organisations.      | Score 1 |
| Tax benefits are available for a fairly broad set of purposes or types of organisations.      | Score 2 |
| Significant tax benefits are available for a broad set of purposes or types of organisations. | Score 3 |

## 2.6 - State-civil society relations

***Description:* What is the nature and quality of relations between civil society and the state?**

### 2.6.1 – Autonomy

*Description:* To what extent can civil society exist and function independently of the state? To what extent are CSOs free to operate without excessive government interference? Is government oversight reasonably designed and limited to protect legitimate public interests?

|   |         |
|---|---------|
| The state controls civil society.   | Score 0 |
| CSOs are subject to frequent unwarranted interference in their operations.  | Score 1 |
| The state accepts the existence of an independent civil society but CSOs are subject to occasional unwarranted government interference. | Score 2 |
| CSOs operate freely. They are subject only to reasonable oversight linked to clear and legitimate public interests.                     | Score 3 |

<sup>25</sup> This indicator combines a number of individual quality characteristics of the registration, namely whether the registration is (1) simple, (2) quick, (3) inexpensive, (4) fairly applied and (5) consistently applied. The process of using these five 'Yes/No' variables for the scoring of the CSO registration indicator by the NAG follows the process outlined for sub-dimension 3. The indicator scores are defined by how many of these five quality characteristics are existent/absent.

### 2.6.2 - Dialogue

*Description:* To what extent does the state dialogue with civil society? How inclusive and institutionalized are the terms and rules of engagement, if they exist?

|  |         |
|--|---------|
| There is no meaningful dialogue between civil society and the state.   | Score 0 |
| The state only seeks to dialogue with a small sub-set of CSOs on an ad hoc basis.                                  | Score 1 |
| The state dialogues with a relatively broad range of CSOs but on a largely ad hoc basis.                           | Score 2 |
| Mechanisms are in place to facilitate systematic dialogue between the state and a broad and diverse range of CSOs. | Score 3 |

### 2.6.3 - Cooperation / support

*Description:* How narrow/broad is the range of CSOs that receive state resources (in the form of grants, contracts, etc.)?

|  |         |
|--|---------|
| The level of state resources channelled through CSOs is insignificant. | Score 0 |
| Only a very limited range of CSOs receives state resources.            | Score 1 |
| A moderate range of CSOs receives state resources.                     | Score 2 |
| The state channels significant resources to a large range of CSOs.     | Score 3 |

## 2.7 - Private sector-civil society relations

***Description:* What is the nature and quality of relations between civil society and the private sector?**

### 2.7.1 - Private sector attitude

*Description:* What is the general attitude of the private sector towards civil society actors?

|                       |         |
|-----------------------|---------|
| Generally hostile     | Score 0 |
| Generally indifferent | Score 1 |
| Generally positive    | Score 2 |
| Generally supportive  | Score 3 |

### 2.7.2 - Corporate social responsibility

*Description:* How developed are notions and actions of corporate social responsibility?

|  |         |
|--|---------|
| Major companies show no concern about the social and environmental impacts of their operations.  | Score 0 |
| Major companies pay lip service to notions of corporate social responsibility. However, in their operations they frequently disregard negative social and environmental impacts. | Score 1 |
| Major companies are beginning to take the potential negative social and environmental impacts of their operations into account.  | Score 2 |
| Major companies take effective measures to protect against negative social and environmental impacts.  | Score 3 |

### 2.7.3 - Corporate philanthropy<sup>26</sup>

*Description:* How narrow/broad is the range of CSOs that receive support from the private sector?

|   |         |
|---|---------|
| Corporate philanthropy is insignificant.                                    | Score 0 |
| Only a very limited range of CSOs receives funding from the private sector. | Score 1 |
| A moderate range of CSOs receives funding from the private sector.          | Score 2 |
| The private sector channels resources to a large range of CSOs.             | Score 3 |

## 3 - VALUES

### 3.1 – Democracy

***Description:* To what extent do civil society actors practice and promote democracy?**

<sup>26</sup> The NAG's task in scoring the indicator is to assess the significance of corporate support to civil society. Here, the score descriptions focus on two elements: (1) the overall size of corporate support to civil society and (2) the range of CSOs supported by the corporate sector. Both elements are combined in the indicator score descriptions.

### 3.1.1 - Democratic practices within CSOs

*Description:* To what extent do CSOs practice internal democracy? How much control do members have over decision-making? Are leaders selected through democratic elections?

|   |         |
|---|---------|
| A large majority (i.e. more than 75%) of CSOs do not practice internal democracy (e.g. members have little / no control over decision-making, CSOs are characterised by patronage, nepotism). | Score 0 |
| A majority of CSOs (i.e. more than 50%) do not practice internal democracy (e.g. members have little/no control over decision-making, CSOs are characterised by patronage, nepotism).         | Score 1 |
| A majority of CSOs (i.e. more than 50%) practice internal democracy (e.g. members have significant control over decision-making; leaders are selected through democratic elections).          | Score 2 |
| A large majority of CSOs (i.e. more than 75%) practice internal democracy (e.g. members have significant control over decision-making; leaders are selected through democratic elections).    | Score 3 |

### 3.1.2 – Civil society actions to promote democracy

*Description:* How much does civil society actively promote democracy at a societal level?

|  |         |
|--|---------|
| No active role. No CS activity of any consequence in this area can be detected.  | Score 0 |
| Only a few CS activities in this area can be detected. Their visibility is low and these issues are not attributed much importance by CS as a whole. | Score 1 |
| A number of CS activities can be detected. Broad-based support and / or public visibility of such initiatives, however, are lacking                  | Score 2 |
| CS is a driving force in promoting a democratic society. CS activities in this area enjoy broad-based support and / or strong public visibility.     | Score 3 |

## 3.2 – Transparency

***Description:* To what extent do civil society actors practice and promote transparency?**

### 3.2.1 - Corruption within civil society

*Description:* How widespread is corruption within CS?

|  |         |
|--|---------|
| Instances of corrupt behaviour within CS are very frequent.    | Score 0 |
| Instances of corrupt behaviour within CS are frequent.         | Score 1 |
| There are occasional instances of corrupt behaviour within CS. | Score 2 |
| Instances of corrupt behaviour within CS are very rare.        | Score 3 |

### 3.2.2 - Financial transparency of CSOs

*Description:* How many CSOs are financially transparent? What percentage of CSOs make their financial accounts publicly available?

|  |         |
|--|---------|
| A small minority of CSOs (less than 30%) make their financial accounts publicly available. | Score 0 |
| A minority of CSOs (30% -50%) make their financial accounts publicly available.            | Score 1 |
| A small majority of CSOs (51% -65%) make their financial accounts publicly available.      | Score 2 |
| A large majority of CSOs (more than 65%) make their financial accounts publicly available. | Score 3 |

### 3.2.3 – Civil society actions to promote transparency

*Description:* How much does civil society actively promote government and corporate transparency?

|   |         |
|---|---------|
| No active role. No CS activity of any consequence in this area can be detected.   | Score 0 |
| Only a few CS activities in this area can be detected. Their visibility is low and these issues are not attributed much importance by CS as a whole.              | Score 1 |
| A number of CS activities in this area can be detected. Broad-based support and/or public visibility of such initiatives, however, are lacking.                   | Score 2 |
| CS is a driving force in demanding government and corporate transparency. CS activities in this area enjoy broad-based support and / or strong public visibility. | Score 3 |

## 3.3 – Tolerance

***Description:* To what extent do civil society actors and organisations practice and promote tolerance?**

### 3.3.1 Tolerance within the civil society arena

*Description:* To what extent is civil society a tolerant arena?

|  |         |
|--|---------|
| CS is dominated by intolerant forces. The expression of only a narrow sub-set of views is tolerated.   | Score 0 |
| Significant forces within civil society do not tolerate others' views without encountering protest from civil society at large.  | Score 1 |
| There are some intolerant forces within civil society, but they are isolated from civil society at large.  | Score 2 |
| Civil society is an open arena where the expression of <i>all</i> viewpoints is actively encouraged. Intolerant behaviour is strongly denounced by civil society at large. | Score 3 |

### 3.3.2 – Civil society actions to promote tolerance

*Description:* How much does civil society actively promote tolerance at a societal level?

|  |         |
|--|---------|
| No active role. No CS activity of any consequence in this area can be detected.  | Score 0 |
| Only a few CS activities in this area can be detected. Their visibility is low and these issues are not attributed much importance by CS as a whole. | Score 1 |
| A number of CS activities in this area can be detected. Broad-based support and/or public visibility of such initiatives, however, are lacking.      | Score 2 |
| CS is a driving force in promoting a tolerant society. CS activities in this area enjoy broad-based support and / or strong public visibility.       | Score 3 |

## 3.4 - Non-violence

***Description:* To what extent do civil society actors practice and promote non-violence?**

### 3.4.1 - Non-violence within the civil society arena

*Description:* How widespread is the use of violent means (such as damage to property or personal violence) among civil society actors to express their interests in the public sphere?

|  |         |
|--|---------|
| Significant mass-based groups within CS use violence as the primary means of expressing their interests.   | Score 0 |
| Some isolated groups within CS regularly use violence to express their interests without encountering protest from civil society at large.                     | Score 1 |
| Some isolated groups within CS occasionally resort to violent actions, but are broadly denounced by CS at large.   | Score 2 |
| There is a high level of consensus within CS regarding the principle of non-violence. Acts of violence by CS actors are extremely rare and strongly denounced. | Score 3 |

### 3.4.2 – Civil society actions to promote non-violence and peace

*Description:* How much does civil society actively promote a non-violent society? For example, how much does civil society support the non-violent resolution of social conflicts and peace? Address issues of violence against women, child abuse, violence among youths etc.?

|  |         |
|--|---------|
| No active role. No CS activity of any consequence in this area can be detected.<br>Some CS actions actually contribute to societal violence.         | Score 0 |
| Only a few CS activities in this area can be detected. Their visibility is low and these issues are not attributed much importance by CS as a whole. | Score 1 |
| A number of CS activities in this area can be detected. Broad-based support and / or public visibility of such initiatives, however, are lacking.    | Score 2 |
| CS is a driving force in promoting a non-violent society. CS actions in this area enjoy broad-based support and / or strong public visibility        | Score 3 |

## 3.5 - Gender equity

***Description:* To what extent do civil society actors practice and promote gender equity?**

### 3.5.1 - Gender equity within the civil society arena

*Description:* To what extent is civil society a gender equitable arena?

|  |         |
|--|---------|
| Women are excluded from civil society leadership roles.            | Score 0 |
| Women are largely absent from civil society leadership roles.      | Score 1 |
| Women are under-represented in civil society leadership positions. | Score 2 |
| Women are equitably represented as leaders and members of CS.      | Score 3 |

### 3.5.2 - Gender equitable practices within CSOs

*Description:* How much do CSOs practice gender equity? What percentage of CSOs with paid employees have policies in place to ensure gender equity?

|                                  |         |
|----------------------------------|---------|
| A small minority (less than 20%) | Score 0 |
| A minority (20%-50%)             | Score 1 |
| A small majority (51%-65%)       | Score 2 |
| A large majority (more than 65%) | Score 3 |

### 3.5.3 – Civil society actions to promote gender equity

*Description:* How much does civil society actively promote gender equity at the societal level?

|  |         |
|--|---------|
| No active role. No CS activity of any consequence in this area can be detected. Some CS actions actually contribute to gender inequity.                | Score 0 |
| Only a few CS activities in this area can be detected. Their visibility is low and these issues are not attributed much importance by CS as a whole.   | Score 1 |
| A number of CS activities in this area can be detected. Broad-based support and / or public visibility of such initiatives, however, are lacking.      | Score 2 |
| CS is a driving force in promoting a gender equitable society. CS activities in this area enjoy broad-based support and / or strong public visibility. | Score 3 |

## 3.6 - Poverty eradication

**Description: To what extent do civil society actors promote poverty eradication?**

### 3.6.1 – Civil society actions to eradicate poverty

*Description:* To what extent does civil society actively seek to eradicate poverty?

|  |         |
|--|---------|
| No active role. No CS activity of any consequence in this area can be detected. Some CS actions serve to sustain existing economic inequities.       | Score 0 |
| Only a few CS activities in this area can be detected. Their visibility is low and these issues are not attributed much importance by CS as a whole. | Score 1 |
| A number of CS activities in this area can be detected. Broad-based support and / or public visibility of such initiatives, however, are lacking.    | Score 2 |
| CS is a driving force in the struggle to eradicate poverty. CS activities in this area enjoy broad-based support and / or strong public visibility.  | Score 3 |

## 3.7 - Environmental sustainability

**Description: To what extent do civil society actors practice and promote environmental sustainability?**

### 3.7.1 – Civil society actions to sustain the environment

*Description:* How much does civil society actively seek to sustain the environment?

|  |         |
|--|---------|
| No active role. No CS activity of any consequence in this area can be detected. Some CS actions serve to reinforce unsustainable practices.          | Score 0 |
| Only a few CS activities in this area can be detected. Their visibility is low and these issues are not attributed much importance by CS as a whole. | Score 1 |
| A number of CS activities in this area can be detected. Broad-based support and / or public visibility of such initiatives, however, are lacking.    | Score 2 |
| CS is a driving force in protecting the environment. CS activities in this area enjoy broad-based support and / or strong public visibility.         | Score 3 |

## 4 - IMPACT

### 4.1 - Influencing public policy

**Description: How active and successful is civil society in influencing public policy?**

#### 4.1.1 – 4.1.2 - Human Rights and Social Policy Impact Case Studies

*Description:* How active and successful is civil society in influencing public policy?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area, but impact is limited.                                     | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

#### 4.1.3 - Civil Society's Impact on National Budgeting process Case Study

*Description:* How active and successful is civil society in influencing the overall national budgeting process?

|   |         |
|---|---------|
| No CS activity of any consequence in this area can be detected.   | Score 0 |
| CS activity in this area is very limited and focused only on specific budget components. <sup>27</sup>                            | Score 1 |
| Civil society is active in the overall budgeting process, but impact is limited.  | Score 2 |
| Civil society plays an important role in the overall budgeting process. Examples of significant success / impact can be detected. | Score 3 |

#### 4.2 - Holding state and private corporations accountable

***Description:* How active and successful is civil society in holding the state and private corporations accountable?**

##### 4.2.1 - Holding state accountable

*Description:* How active and successful is civil society in monitoring state performance and holding the state accountable?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area, but impact is limited.                                     | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

##### 4.2.2 - Holding private corporations accountable

*Description:* How active and successful is civil society in holding private corporations accountable?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area, but impact is limited.                                     | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

#### 4.3 - Responding to social interests

***Description:* How much are civil society actors responding to social interests?**

##### 4.3.1 - Responsiveness

*Description:* How effectively do civil society actors respond to priority social concerns?

|   |         |
|---|---------|
| Civil society actors are out of touch with the crucial concerns of the population.                                    | Score 0 |
| There are frequent examples of crucial social concerns that did not find a voice among existing civil society actors. | Score 1 |
| There are isolated examples of crucial social concerns that did not find a voice among existing civil society actors. | Score 2 |
| Civil society actors are very effective in taking up the crucial concerns of the population.                          | Score 3 |

##### 4.3.2 - Public Trust

*Description:* What percentage of the population has trust in civil society actors?

|                            |         |
|----------------------------|---------|
| A small minority (< 25%)   | Score 0 |
| A large minority (25%-50%) | Score 1 |
| A small majority (51%-75%) | Score 2 |
| A large majority (> 75%)   | Score 3 |

#### 4.4 - Empowering citizens

***Description:* How active and successful is civil society in empowering citizens, especially traditionally marginalised groups, to shape decisions that affect their lives?**

<sup>27</sup> The term "specific budget component" refers to a single issue or sub-section of the budget, such as the defence budget or welfare grants. Higher scores are assigned for those civil society activities, which provide an analysis, input and advocacy work on the *overall* budget.

#### 4.4.1 - Informing/ educating citizens

*Description:* How active and successful is civil society in informing and educating citizens on public issues?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area but impact is limited.                                      | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

#### 4.4.2 - Building capacity for collective action

*Description:* How active and successful is civil society in building the capacity of people to organise themselves, mobilise resources and work together to solve common problems?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area but impact is limited.                                      | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

#### 4.4.3 - Empowering marginalised people

*Description:* How active and successful is civil society in empowering marginalised people?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area but impact is limited.                                      | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

#### 4.4.4 - Empowering women

*Description:* How active and successful is civil society in empowering women, i.e. to give them real choice and control over their lives?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area, but impact is limited.                                     | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

#### 4.4.5 - Building social capital<sup>28</sup>

*Description:* To what extent does civil society build social capital among its members? How do levels of trust, tolerance and public spiritedness of members of civil society compare to those of non-members?

|   |         |
|---|---------|
| Civil society diminishes the stock of social capital in society.                | Score 0 |
| Civil society does not contribute to building social capital in society.        | Score 1 |
| Civil society does contribute moderately to building social capital in society. | Score 2 |
| Civil Society does contribute strongly to building social capital in society.   | Score 3 |

#### 4.4.6 - Supporting livelihoods

*Description:* How active and successful is civil society in creating / supporting employment and/or income-generating opportunities (especially for poor people and women)?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area, but impact is limited.                                     | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

### 4.5 - Meeting societal needs

***Description:* How active and successful is civil society in meeting societal needs, especially those of poor people and other marginalised groups?**

<sup>28</sup> To score this indicator, we make use of the measure of trust (see sub-dimension socio-cultural norms in Environment dimension): 1) Compute the three measures for two sub-groups of the population: (1) CSO members and (2) non-CSO members and 2) Compare each measure's score for the two sub-groups and establish which sub-group has the better score (i.e. indicating higher trust).

#### 4.5.1 - Lobbying for state service provision

*Description:* How active and successful is civil society in lobbying the government to meet pressing societal needs?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area, but impact is limited.                                     | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

#### 4.5.2 - Meeting pressing societal needs directly

*Description:* How active and successful is civil society in directly meeting pressing societal needs (through service delivery or the promotion of self-help initiatives)?

|  |         |
|--|---------|
| No CS activity of any consequence in this area can be detected.                                  | Score 0 |
| CS activity in this area is very limited and there is no discernible impact.                     | Score 1 |
| Civil society is active in this area, but impact is limited.                                     | Score 2 |
| Civil society plays an important role. Examples of significant success / impact can be detected. | Score 3 |

#### 4.5.3 - Meeting needs of marginalised groups

*Description:* To what extent are CSOs more or less effective than the state in delivering services to marginalised groups?

|   |         |
|---|---------|
| CSOs are less effective than the state.               | Score 0 |
| CSOs are as effective as the state.                   | Score 1 |
| CSOs are slightly more effective than the state.      | Score 2 |
| CSOs are significantly more effective than the state. | Score 3 |



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