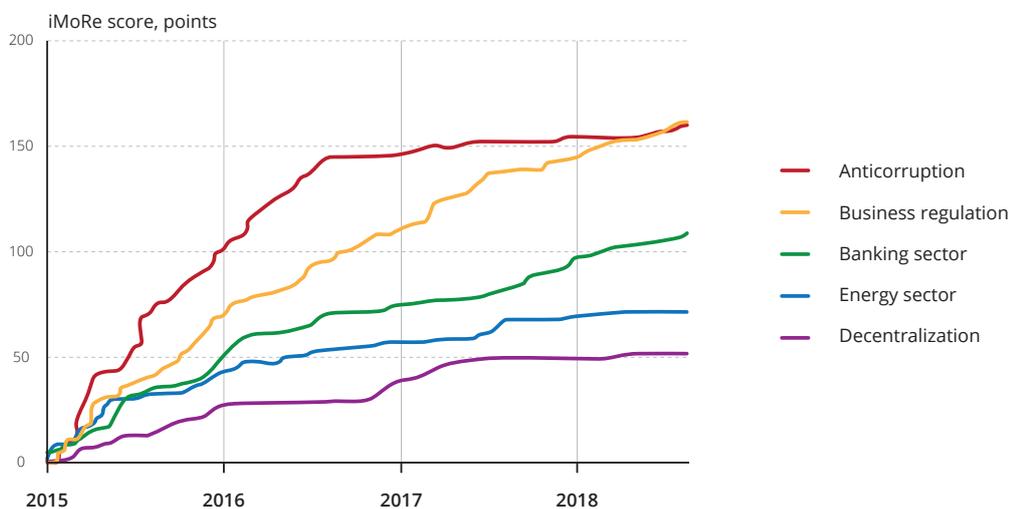


# Business Environment in Ukraine: Considerable legislative change, but stumbling implementation

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Over the past 4 years, the Ukrainian government passed many new regulations to support the reform agenda. More than 750 legislative acts were adopted to change the “rules of the game” in governance, public finance, the monetary system, the business environment and the energy sector. Despite these efforts, [opinion polls](#)<sup>1</sup> show that 76% of Ukrainians do not think reforms have considerably progressed. One reason for this public attitude is slow implementation of changes.

*The pace of the Ukrainian reform (cumulative by sector) books*



VoxUkraine studied how reforms related to the business environment were implemented. Along with the anticorruption, the reforms in the business environment experienced the most progress during the last 4 years. Naturally, cancellation of some existing rules (deregulation) was much easier than attempting to establish new rules, institutions and practices such as property rights protection, capital market rules or corporate governance procedures. The latter is impeded by legislative inconsistencies and lack of institutional capacity as well as informal practices and bureaucratic heritage.

## What Should Be Done

Ukrainian government should finalize reforms in the areas of property protection rights, energy markets, corporate governance of state-owned enterprises and harmonization of legislation to align with the EU acquis.

In the pre-election year, the government might shift focus from reform implementation to decision making that is popular with the majority of voters. If this happens, the goals of reform might not be achieved.

Since one of the key roles in supporting reform is played by Ukrainian civil society, think tanks must intensify their watchdog activities. It will facilitate focusing voters and international partners on the reforms' implementation process. EU support could also bolster the Ukrainian government's political will to finalize reforms.

Success depends on focused government determination as well as support from local and European stakeholders.

<sup>1</sup> [https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2018/09/project\\_sun\\_methodology.PDF](https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2018/09/project_sun_methodology.PDF)