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Corruption in Ukraine

Comparative Analysis of National Surveys: 2007-2009

for the MCC Threshold Country Program

May 20, 2009

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Corruption in Ukraine

Comparative Analysis of National Surveys: 2007-2009

for the MCC Threshold Country Program

Written for:

**Promoting Active Citizen Engagement in Combating
Corruption in Ukraine (ACTION) Project**



A Subsidiary of Coffey International, Ltd.

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SUMMARY

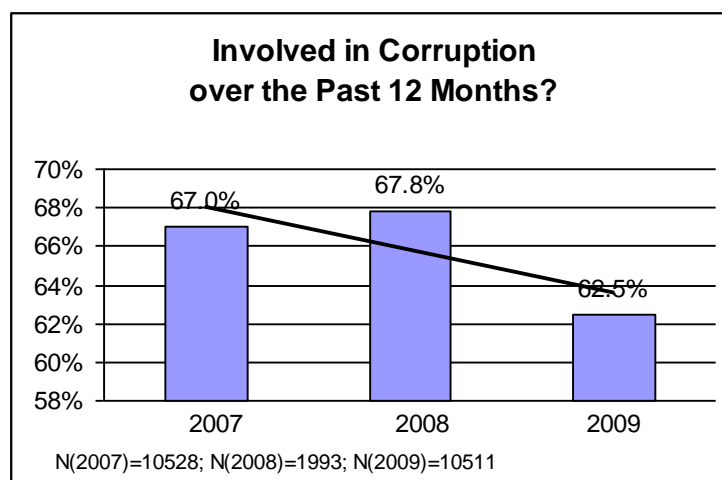
Three large national household surveys were conducted in Ukraine to measure citizen attitudes toward and experience with corruption between 2007 and 2009. Their purpose was to monitor trends in corruption during the period in which the Millennium Challenge Corporation (MCC) Threshold Country Program was being implemented in Ukraine (December 2006-September 2009). The first survey, conducted in early 2007, created a baseline for comparing interim results obtained during the early 2008 survey and the final data collected in early 2009. All three surveys were conducted by the Kyiv International Institute of Sociology (KIIS) under the leadership of Management Systems International (MSI) and financed by the United States Agency for International Development (USAID).

Over this period of time, there have been many reforms and activities conducted under the MCC Threshold program by the Government of Ukraine, US Government agencies, and implementing partners aimed at reducing corruption. As well, many significant political and economic events have occurred in Ukraine during this period that are likely to have had an impact on citizen perceptions of corruption and trends in corrupt behaviors.

Key findings

Overall, comparative analysis of the survey data between 2007 and 2009 indicates a *decrease in actual corruption experiences, but an increase in the perception that corruption is widespread.*

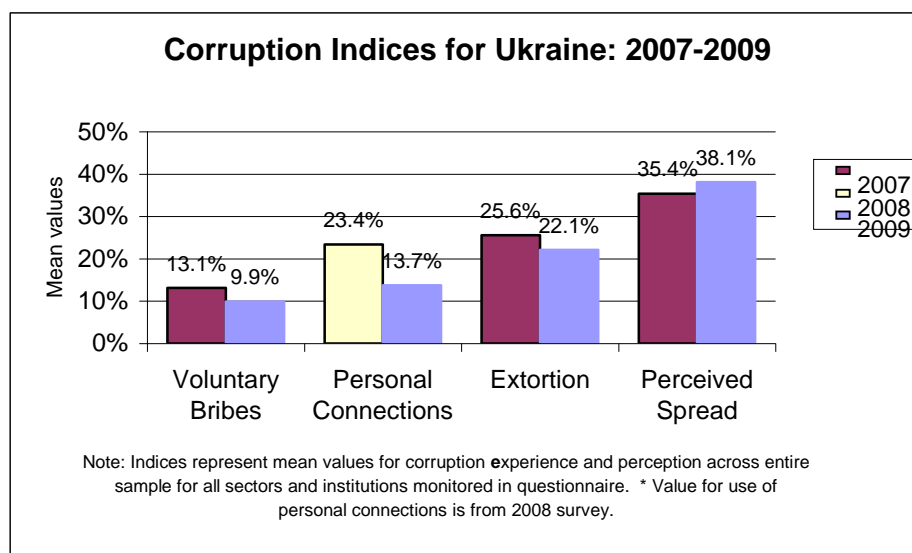
Those who indicated that they were involved in corrupt transactions with government officials over the past 12 months declined from 67% in 2007 to 62.5% in 2009.



Moreover, the public's experiences with particular types of corruption has decreased across many key sectors and government functions – several where the MCC Threshold program has targeted its activities. Extortion has declined from 25.6% in 2007 to 22.1% in 2009. The use of personal connections has declined from 23.4% in 2008 to 13.7% in 2009. And voluntary bribe-giving has declined from 13.1% in 2007 to 9.9% in 2009.

At the same time, the perceived spread of corruption within various government sectors and functions has increased. This is a typical reaction – found in many countries worldwide -- when

government, nongovernmental organizations and donors focus significant public attention on the problem of corruption. It does not necessarily portend an increasing trend in the incidence corruption; in fact, the findings on corrupt behaviors suggest just the opposite results.



Those victimized the most by corruption remain the same as in previous years: young people, persons with a higher education, and individuals with a higher income. Citizens from these groups usually are the most active in fighting against corruption; this is a segment of society that is slowly growing.

These basic corruption trends extend to the areas where the MCC Threshold program initiated its major activities (see table below). *Citizens perceive that corruption in most MCC component areas has spread (except in Customs). However, actual citizen experiences with corruption are quite different: in the majority of component areas, incidences of corruption have decreased.*

MCC THRESHOLD AREAS	CORRUPTION INDICES			
	Perceptions of Widespread Corruption	Extortion Experience	Experience using Personal Connections	Voluntary Bribe-Giving Experience
Business regulation and inspection	27.6% -> 29.3% ↑	41.1% -> 35.4% ↓	23.6% -> 25.2% ↑	21.8% -> 19.9% ↓
Courts	49.0% -> 59.3% ↑	31.8% -> 30.2% ↓	22.8% -> 17.7% ↓	13.7% -> 8.6% ↓
Customs	42.8% -> 38.6% ↓	36.5% -> 29.5% ↓	16.4% -> 14.0% ↓	18.1% -> 16.6% ↓
Government permits	35.0% -> 42.2% ↑	36.0% -> 40.1% ↑	25.5% -> 25.9%	18.5% -> 14.8% ↓
Land privatization and ownership	37.6% -> 47.1% ↑	24.9% -> 25.3%	16.7% -> 18.7% ↑	7.0% -> 7.1%
Register and privatize real estate	29.1 -> 35.4% ↑	24.4% -> 22.6% ↓	21.6% -> 17.1% ↓	11.9% -> 8.8% ↓
State notaries	22.8% -> 26.2% ↑	12.4% -> 12.7%	6.0% -> 11.5% ↑	11.3% -> 5.1% ↓
Universities	46.3% -> 49.0% ↑	47.3% -> 43.8% ↓	21.9% -> 26.9% ↑	29.0% -> 27.3% ↓

Note: Red denotes a negative trend; green a positive trend; and white no change.

Additional findings about corruption trends follow:

1. Attitudes toward the government

- 1.1. After the 2008 parliamentary elections, there was a slight increase in public trust in government, but in 2009, Ukrainian citizens demonstrated a decline in trust for representatives of practically all branches and levels of government. As earlier, the highest level of public trust is placed in local authorities at the city/village level (19.4%).
- 1.2. Ukrainian citizens believe that government authorities at all levels have little desire to fight corruption. Over the last year, Ukrainians have lost hope that the Cabinet of Ministers will be able to effectively resist corruption, after that hope was raised temporarily in the last parliamentary elections. The share of citizens who felt that the government truly wants to lead the fight against corruption increased from 13.7% in 2007 to 21.1% in 2008, but decreased to 7.8% in 2009. In the years after the Orange Revolution, Ukrainians were similarly disillusioned with the President, the judicial system, and local authorities.
- 1.3. Citizens continue to depend on the President to take on the leadership role in the fight against corruption (69% of respondents), despite a loss of trust (in February 2009, only 4.7% of respondents trust in him) and the absence of a political role in curbing this phenomenon (7.3% of respondents).
- 1.4. The public's skeptical attitude toward the political leadership is reinforced by the fact that over the last two years, society's perception of the seriousness of various social, economic, and political problems has not decreased and in some cases has even increased. As found in earlier surveys, the key problems for Ukraine are the high cost of living (96%), high cost and low quality of health care (94%), corruption within government (94%), and crime (93%). In comparison to 2007, the largest perceived changes in Ukraine's problems are unemployment, unregulated government activities, and lack of fairness within the justice system.

2. Changes in the perception of corruption

- 2.1. The mass media remains the main source for information on corruption. Thirty-one percent (31%) of respondents receive this information via television and radio. Printed media has somewhat slipped in position, while there is an increase in the share of internet users. According to citizens, the mass media's level of objectivity in regard to corruption remains relatively strong – 32%. Informal communication also remains a significant source of information on corruption (26%).
- 2.2. Ukrainian views on the leading causes for corruption have also not changed over the last two years. As earlier, the most significant reasons are deemed to be abuse by officials, absence of proper government controls, absence of the political will to curb corruption, confusing legislation, as well as the population's customary approach of settling problems through corruption.
- 2.3. Over the past two years, there were no significant changes in the number of people who believe that corruption is justified to get important matters settled. Presently, more than half of Ukraine's adult population feels that corruption can be justified as a means to quickly resolve any necessary issues. The correlation between age and inclination toward justifying corruption remains unchanged: young people are more inclined to situationally justify corruption.

- 2.4. According to 61% of respondents, the level of corruption in Ukraine has increased in comparison to 2004, whereas in the 2007 and 2008 surveys there were no more than 38% who supported this view. Twenty-three percent (23%) feel that it has remained at the 2004 level.
- 2.5. Ukrainians feel that the most corrupt bodies of government are the Verkhovna Rada (65%), the President and his Secretariat (59%), and the Cabinet of Ministers (57%). In regard to particular institutions and sectors, citizens are convinced that the most corrupt officials are found within the State Auto Inspection (SAI) (63%), the judicial system (59%), the militsiya (58%), and the medical/health care system (54%).
- 2.6. *Ukrainians perceive that corruption has spread considerably within various bodies of government and within particular sectors and institutions in comparison to 2007.* The cumulative Corruption Perception Index increased from 35.4% in 2007 to 38.1% in 2009.

3. Changes in experiences of corruption

- 3.1. The share of respondents who had personal experience with various forms of corruption over the past year decreased from 67% to 62.5% between 2007 and 2009.
- 3.2. In 2009, bribes were being demanded (extorted) more frequently in the following sectors: healthcare (63%), institutions of secondary education (60%), the militsiya (46%), institutions of higher education (44%), in obtaining various government permits (40%), the SAI (40%), in obtaining state housing (39%), and agencies that regulate enterprise activities (35%). *Over the last two years, the largest decrease in extortion has been seen in transactions with agencies responsible for the military draft (from 32% to 20%), installing or repairing communal services (from 37% to 26%), applying for and obtaining social aid (from 7% to 3%), and state healthcare (from 65% to 63%).*
- 3.3. A significant share of respondents initiates bribery to expedite the resolution of a personal matter or cause an official to “turn a blind eye.” Citizens do not often deem such behavior as corrupt. Such cases of voluntary bribery are most often experienced in secondary education (64%), state healthcare (39%), the SAI (31%), and institutions of higher education (37%). *Over the last two years, the greatest decrease in voluntary bribery has been witnessed in transactions with state notaries (from 11% to 5%), with representatives of the judicial system (from 14% to 9%), the SAI (from 35% to 31%), installing and repairing communal services (from 15% to 11%), applying for and obtaining social aid (from 7% to 3%), and registering or privatizing real estate (from 12% to 9%).*
- 3.4. As identified in 2007, extortion is twice as frequent an occurrence as voluntary bribes. Citizens typically experience extortion in one of every five transactions with officials, but engage in voluntary bribes only 10% of the time. Ukrainians use personal connections more often than proposing voluntary bribes – about 14% of the time.
- 3.5. Young people and citizens with a higher education and higher income suffer the most from extortion and participate the most in voluntary bribery.

4. Changes in experiences of corruption in three sectors

4.1. Corruption within the healthcare system:

- Healthcare institutions are most in demand: almost two-thirds of the population visit medical establishments over a one year period.

- Over the last two years, bribery within the healthcare system has gone practically unchanged: almost half of ailing citizens must secure their own medications and instruments when admitted by a doctor, but 19% feel that they are not forced to do so. Almost half (47%) were forced to make monetary donations to hospital funds, while a third of patients did so voluntarily. Twenty-eight percent (28%) were immediately requested to make unofficial payments for the acquired services, while half of patients voluntarily offered such payments to medical personnel.
- Ukrainian citizens are more inclined to blame the state for corruption within the medical system as opposed to medical workers, assuming that apportioning additional budgetary funds on medicine would help to curb bribery and fraud. In addition, citizens are clearly more convinced in recent years that firing corrupt staff and enforcing administrative regulations is the best way of fighting corruption in the state medical system.

4.2. Corruption in schools:

- Of the 23% of respondents who have school-aged children, a significant share is drawn into various forms of corrupt activities.
- Over the last two years, the spread of corrupt practices within this sphere has not changed. The main forms of corruption are monetary donations to school or class funds (55%), paying for classroom repairs (55%), and donating money for flowers and gifts for teachers (30%). The last type of donation is more often voluntarily provided at the parents' initiative (53%). Very rarely (up to 3%) do parents admit to taking dishonest steps in securing better grades or medals of education for their children.
- As with the medical sphere, the respondents believe that curbing corruption in the schools should be accomplished through the apportioning greater funds for education from the state budget.

4.3. Corruption at the SAI:

- The share of consumers at the SAI has increased somewhat over the past 2 years; every year there are more and more drivers.
- The situation with bribery at the SAI remains complicated but relatively unchanged over this last period. The most widespread form of corruption during transactions with SAI workers is still unofficial payments for violating traffic rules – 35% of drivers are extorted by inspectors, while 23% initiate bribes themselves. One-third of drivers attempt to evade technical exams for their cars: 19% by extortion, 15% voluntarily. This also pertains to obtaining a driver's license: 16% are extorted, while 12% provide voluntary bribes.
- In contrast to healthcare and schools, Ukrainians do not often sympathize with SAI workers: they recommend harsher punishment for corruption and abuses as the best way to fight against bribery.

5. Responses to corruption

- 5.1. Victims of corruption generally do not stand up for their rights. The main reason for not filing complaints against an official remains the belief that such actions will be futile.

- 5.2. On the other hand, 36% of respondents indicate that they are ready to stand up for their rights if they were to come up against corruption – a significant increase over the results of the 2007 survey (33%). As earlier, the most active group is usually made up of men, young people, citizens with higher education and higher incomes. This is the group that also suffers the most from the pressures of corruption.
- 5.3. The most active agent in exposing corruption to the public continues to be the mass media: 27% of citizens are aware of media's investigative and reporting activities related to corruption cases. Smaller numbers (from 18.9% in 2007 to 21.7% in 2009) are aware of the anticorruption activities of the Cabinet of Ministers, with a temporary increase in 2008 (to 31.3%). As in earlier surveys, the measures used by local authorities seem most effective to the public, while the effectiveness of all other anticorruption programs decreased slightly over the past year.
- 5.4. Ukrainian beliefs as to the types of actions that might be effective in curbing corruption have shifted over the past two years toward harsher methods. In particular, there was an increase in support for strengthening criminal sanctions for corrupt officials, as well as firing officials and prohibiting them from working in government postings in the future. Besides this, the public believes that the main obstacle in curbing corruption is the existence of immunity for deputies of the Verkhovna Rada.

1. INTRODUCTION

This series of public opinion surveys, entitled “**Corruption in Ukraine,**” is an integral component of the *Promoting Active Citizen Engagement in Combating Corruption in Ukraine (ACTION)* project, which seeks to build capacity and strengthen public involvement in fighting corruption in Ukraine. This report presents the comparative results of identical corruption surveys conducted in 2007, 2008 and 2009 to monitor trends in corruption perceptions and experience by Ukrainian citizens during the period in which the Millennium Challenge Corporation’s (MCC) Country Threshold Program – which focused on anticorruption reforms – was being implemented.

The MCC Country Threshold Program for Ukraine, which began in December 2006 and concludes in September 2009, involves the introduction of reforms in many government institutions and sectors with the objective of reducing and preventing corruption. In particular, the Program has active components dealing with the judicial sector, admissions into institutions of higher education, state regulation of enterprise activities in connection with ownership of land and construction, and ethical and administrative standards for state employees.

Three national surveys were conducted by the Kyiv International Institute of Sociology (KIIS), under the leadership of Management Systems International (MSI), and sponsored by the United States Agency for International Development (USAID). The baseline survey was conducted in February-March 2007 (N=10580).¹ A mid-term survey was conducted in March-April 2008 (N=2013), and the final survey was conducted in February-March 2009 (N=10577). In most cases, the analysis in this report focuses on the comparison of the 2007 and 2009 surveys, as the sample size of both surveys offers a more sound analysis of the individual oblasts (districts) of Ukraine. However, the 2008 mid-term survey results are included when they offer additional insight or interesting trends.

Survey methodology

All three surveys collected quantitative information on the following issues:

- Attitudes of the adult population in Ukraine towards the problem of corruption;
- Citizen experiences with corruption;
- Citizen assessments of the effectiveness of anticorruption measures taken by authorities and other anticorruption actors;
- The public’s willingness to engage in anticorruption activities.

The sample developed for each of the three surveys is representative of the adult population (18 years and older) of Ukraine as a whole. Data from the 2007 and 2009 surveys are also representative of each oblast (district) of Ukraine, including the Autonomous Republic of Crimea and the city of Kyiv. The methodology developed a multistage probability sample with quota selection at the final stage. During the first stage of sampling, random settlements were selected within every oblast and the AR of Crimea in proportion to their population size. The second

¹ Management Systems International (2007) *Corruption in Ukraine: 2007 Baseline National Survey for the MCC Threshold Country Program*. Kyiv: MSI (May 10)

stage used random selection of postal districts within the selected settlements. In these postal districts random streets, buildings, and apartments were selected. The final stage consisted of respondent selection within a household. The data obtained was compared to that of the 2001 All-Ukrainian Population Census. Table 1 presents the basic characteristics of all three surveys.

Table 1. Basic Survey Characteristics

	Baseline survey (2007)	Mid-term survey (2008)	Final survey (2009)
Field interviews	21 February – 21 March, 2007	26 March – 9 April, 2008	19 February – 24 March, 2009
Sample size	10580	2013	10577
Margin of error (for Ukraine as a whole)	1.0%	2.2%	1.0%

Each survey was conducted using individual face-to-face interviews and identical instruments. A total of 44 questions were asked including public trust in various levels of government, serious problems facing Ukraine, the spread of corruption across levels of government and key sectors and institutions, actual first-hand experience with corruption, sources of information about corruption, the effectiveness of various government responses to corruption, and personal readiness to oppose corruption.

General characteristics of the 2009 survey sample

Overall, the distribution of respondents according to key demographic characteristics corresponds to the population's make-up in official statistics. Among those surveyed, 54.9% were female, 45.1% were male. Almost 32% of respondents were of pensionable age (55 years and older for females, and 60 years and older for males). Respondents from all educational categories were represented. The average household size was 3.1 people. Charts 1-4 present the respondents' distribution by major demographic characteristics.

Chart 1

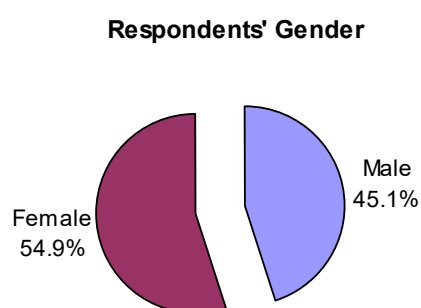


Chart 2

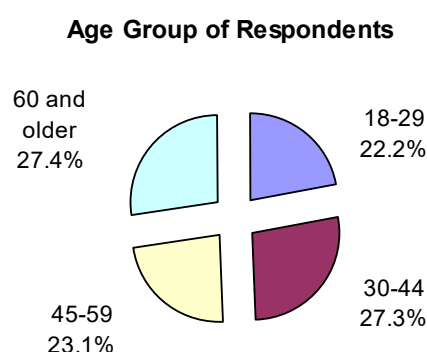


Chart 3

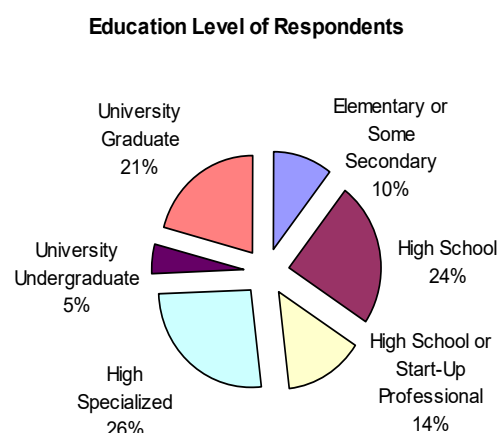
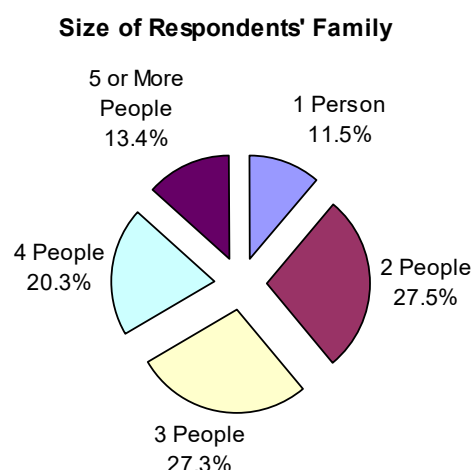


Chart 4



Working people constituted 43% of all those surveyed, including 2.4% identified as self-employed and 2.1% as working pensioners. In terms of type of enterprise worked for 16.2% were employed by state enterprises, 29.7% employed by other state institutions, 45.1% employed by private businesses, and 7.6% by mixed enterprises. The remaining 57% of respondents who do not work include pensioners (30.9%), the unemployed (12.2%), housewives (8.3%), students (3.8%), and the disabled (1.7%).

Households fall into the following categories based on their total income (Table 2).

Table 2. Distribution of respondents by total household income

Less than 500 UAH	3.0%
500 – 800 UAH	13.3%
800 – 1000 UAH	8.9%
1000 – 1500 UAH	19.2%
1500 – 2000 UAH	15.6%
2000 – 2500 UAH	11.8%
2500 – 3000 UAH	8.5%
3000 – 4000 UAH	7.5%
More than 4000 UAH	4.2%
Don't know	8.0%

Charts 5-6 present the distribution of respondents by regions and types of settlements in which they reside.

Chart 5

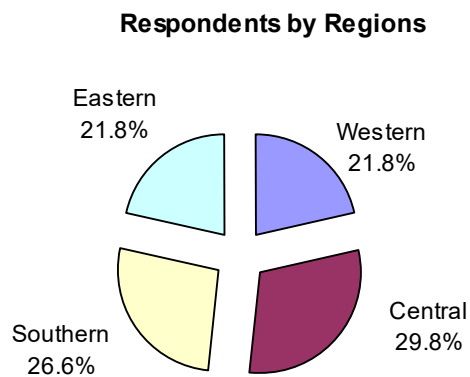
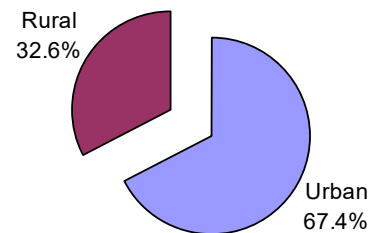


Chart 6

Respondents by the Type of Settlement



The oblasts are distributed among the regions as follows:

Western Region – Volynska, Zakarpatska, Ivano-Frankivska, Lvivska, Rivnenska, Ternopilska, Khmelnytska, and Chernivetska oblasts (districts).

Central Region – The city of Kyiv, Vinnytska, Zhytomyrska, Kyivska, Kirovohradska, Poltavska, Sumska, Cherkaska, and Chernihivska oblasts (districts).

Southern Region – The Autonomous Republic of Crimea, Dnipropetrovska, Zaporizka, Mykolayivska, Odeska, and Khersonska oblasts (districts).

Eastern Region – Donetsk, Luhanska, and Kharkivska oblasts (districts).

2. ATTITUDES TOWARD GOVERNMENT

To put attitudes and experiences with corruption into context, respondents were asked a series of questions at the outset regarding their opinions of government work at various levels, their trust in government, and government's responsibilities in fighting corruption and the political will to overcome it.

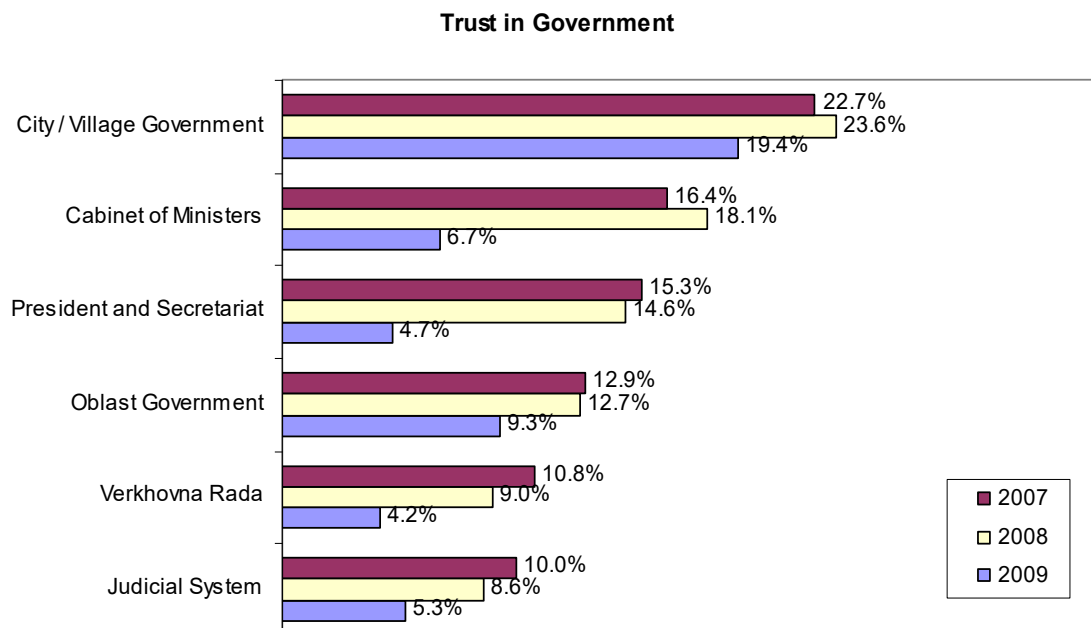
Trust in government

Trust in government is influenced by many factors: the perceived effectiveness of government work, economic growth, administrative efficiency, openness and transparency of officials' activities, perceptions of corruption and actual experiences with corruption.

Between 2007 and 2008 there were no tangible changes in trust in government, but 2009 saw a significant decline in the level of public trust in government at all levels (see Chart 7). The most trusted level of government is at the local/municipal level where about one-fifth of respondents indicate trust.

The greatest decline is witnessed in attitudes toward the President and his Secretariat, as well as the Cabinet of Ministers, who are trusted by only 5-7% of the population in 2009, in comparison to 15-16% in 2007. Oblast State Administrations have more support than the President and Cabinet, while the judicial system, which held last place in the 2007 rating, is now more popular than the former. The Verkhovna Rada is trusted even less than the President and his Secretariat, with only a 4.2% rating.

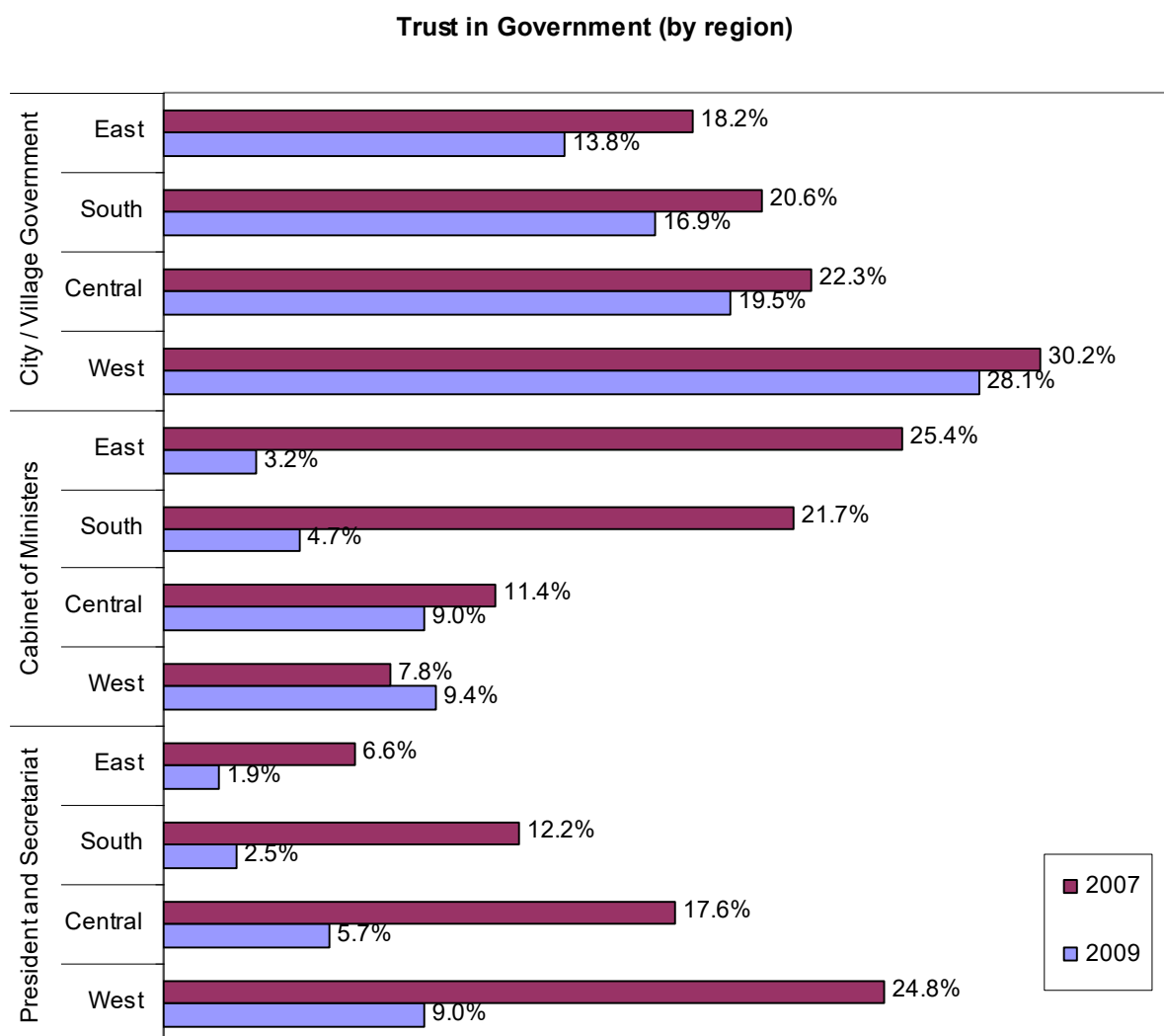
Chart 7



Q: To what extent do you trust the following government bodies and branches?

Regional differences in trust toward the Cabinet of Ministers generally correspond to the structure of electoral preferences over the period of 2005-2008. Over the last two years, since the first survey, there have been changes within Ukraine's political structure, which could potentially influence a change in the population's level of trust toward government. As a result of the pre-term parliamentary elections in September 2007, the composition of the governing parliamentary coalition essentially changed, as did the leader of government (instead of Viktor Yanukovich as Prime Minister, the government was now led by Yulia Tymoshenko as Prime Minister). According to the 2007 data, citizens of eastern oblasts trusted the Cabinet of Ministers, and citizens of western oblasts trusted the President. Then in 2009, both of these executive structures have relatively greater support in the western part of the country, even if it is not as strong as it was before. Traditionally, residents of western Ukraine have more trust in the local authorities. Chart 8 reflects major regional differences with regard to trust in government.

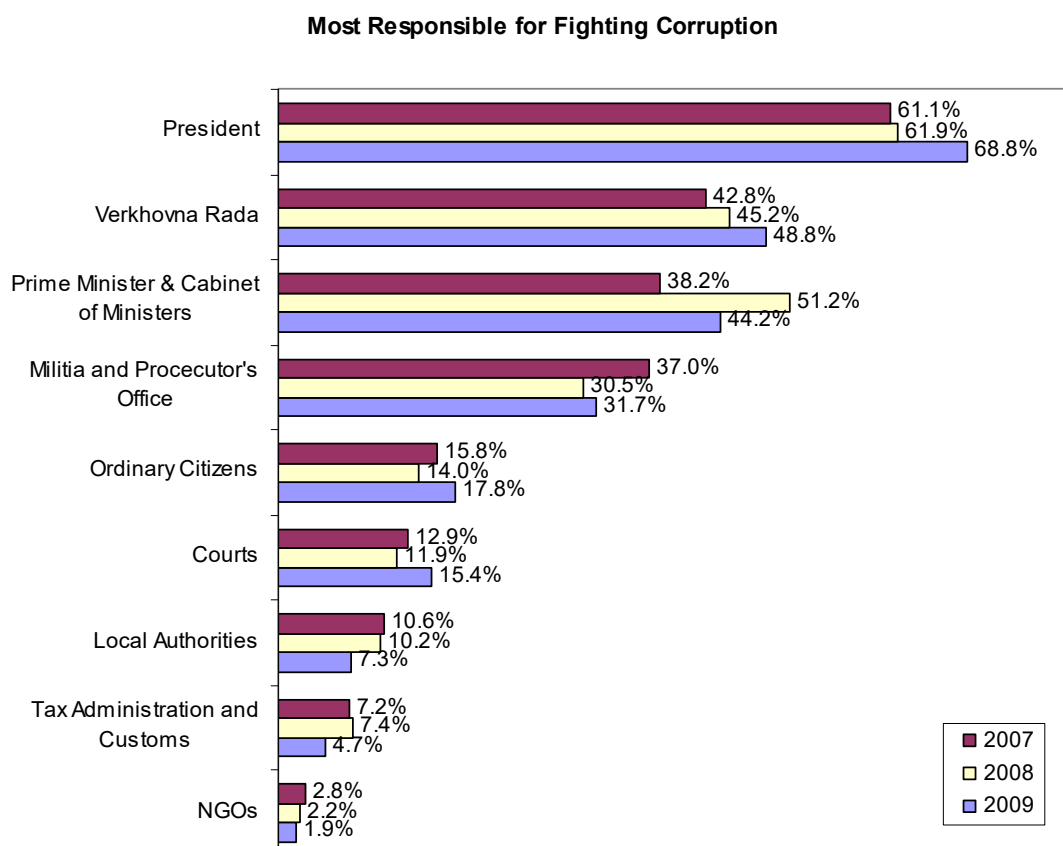
Chart 8



Responsibility for the fight against corruption

Despite the low level of trust in government institutions, the majority of Ukrainians continue to view high government bodies as being most responsible for the fight against corruption. As earlier, a majority (68.8%) believes that the fight against corruption is the responsibility of the President – a share of respondents that has increased since 2007. In comparison to prior years, there has been an increase in the share of those who feel that responsibility for fighting corruption should fall with the Verkhovna Rada (from 42% in 2007 to 48.8% in 2009). As such, more expectations fall upon the Rada to be responsible for anticorruption activities as opposed to the Cabinet of Ministers. At the same time, it can be assumed that the Prime Minister and the Cabinet of Ministers did not meet public expectations with regard to the fight against corruption, which is confirmed by the change in the share of those who placed responsibility with this agency, over the period: an increase from 38.2% in 2007 to 51.2% in 2008, and then a decrease to 44.2% in 2009. In this respect, the government finds itself in third place in the hierarchy of responsible agents. Over the last period, the share of those who feel that the fight against corruption is above all the responsibility of the militsiya and the Prosecutor's Office decreased from 37% to 31%. No more than 18% of respondents feel that ordinary citizens should be responsible for the fight against corruption, while only 2% lay responsibility on non-governmental organizations.

Chart 9

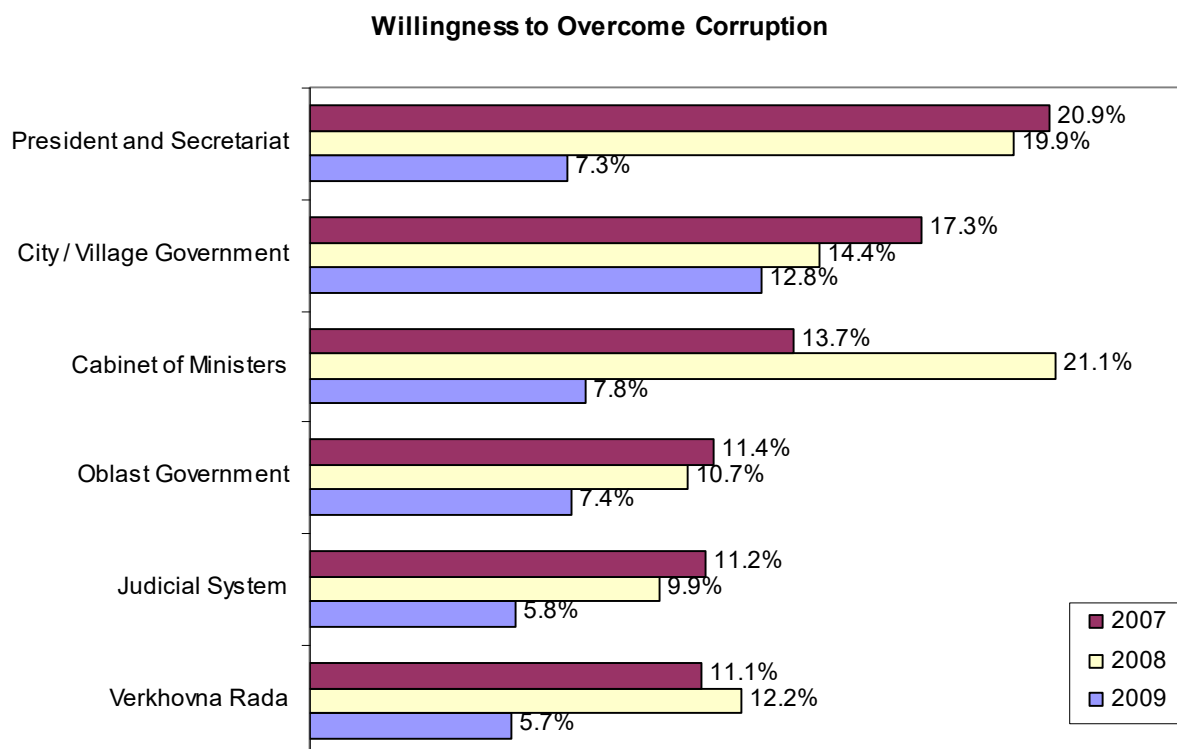


Q: In your opinion, who is responsible for overcoming corruption in Ukraine ?

Willingness to overcome corruption

After an increase in 2008, there was a sharp decrease (from 21.2% to 7.8%) in certainty that the Cabinet of Ministers has the will to overcome corruption. Belief that other bodies of government have the will to overcome corruption, although it was small, decreased even more: almost 13% of respondents feel that local authorities have this desire, while no more than 7.5% believe that the remainder of government authorities have the willingness to fight corruption.

Chart 10

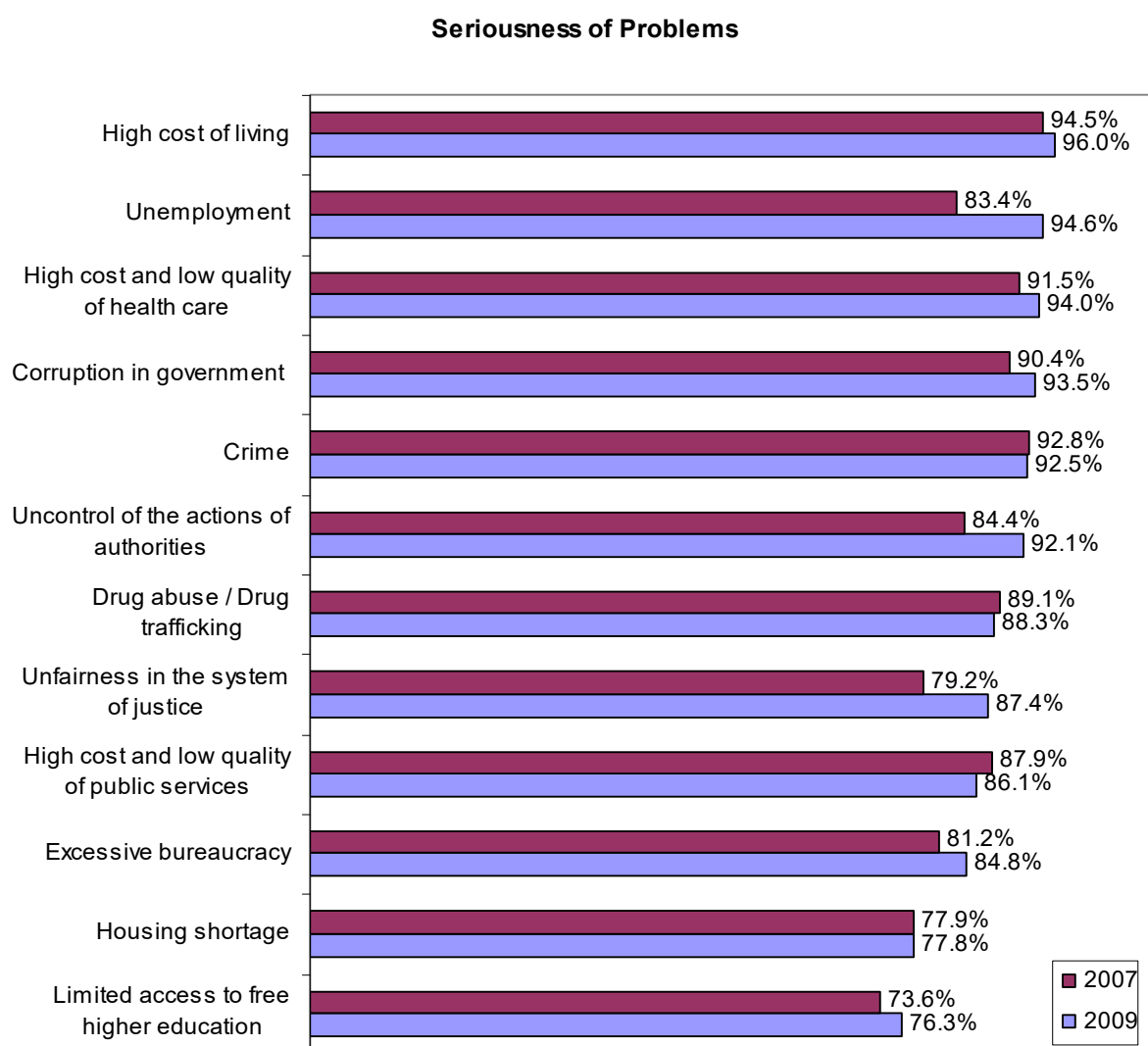


Q: Do you think [THE BODY OR BRANCH OF GOVERNMENT] is willing to overcome corruption in Ukraine?

3. PERCEPTIONS OF KEY PROBLEMS

Before analyzing the state of corruption in detail, how does it rank among many other problems facing Ukraine today? In 2009, a wide majority of respondents (from 76% to 96%) evaluated all of the problems in the list as being of an extremely serious in nature. Over the past two years, Ukrainians believe that the seriousness of most social, political, and economic problems in the country has increased. As earlier, most anxiety relates to the high cost of living (96%), the high cost and low quality of healthcare (94%), corruption in government (94%), and crime (93%). With the current global economic crisis and its impact on the Ukrainian economic situation, unemployment problems have escalated to become one of the top three problems. In comparison to 2007, there has also been a sharp increase in problems of unregulated government activities (from 85% to 92%) and inequity of the justice system (from 79% to 87%).

Chart 11



Q: How serious are the following problems in Ukraine today?

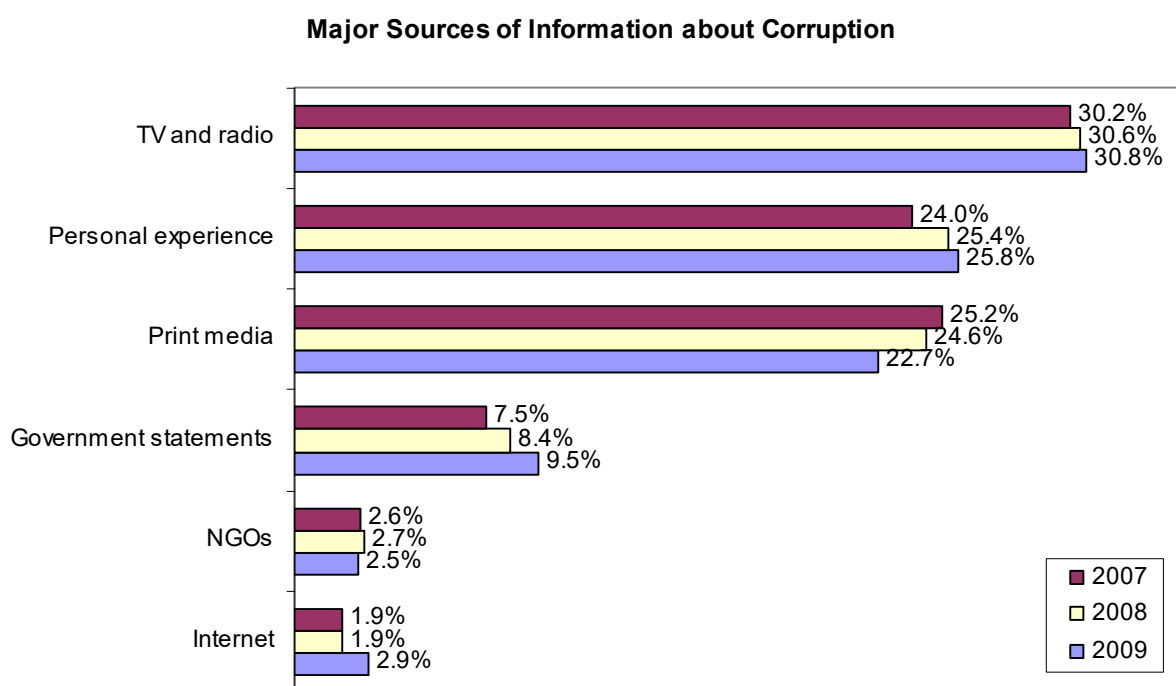
4. PERCEPTIONS OF CORRUPTION

Public perceptions of the spread of corruption in society is formed by personal experience, as well as by information acquired from the mass media, family members and acquaintances. In this way, even information which is not corroborated by facts can significantly influence people's ideas about the seriousness of corruption and the government's effectiveness in combating it.

Sources of information on instances of corruption

There is little change in the sources of information that Ukrainians use to keep informed about corruption issues. As in prior years, the best source of information on corruption is the mass media. Almost one-third (31%) of respondents obtain information on corruption via television and radio; almost one-quarter from print media. The latter slightly decreased in its standing over the last two years (from 25.2% to 22.7%). People are paying more attention to government statements on corruption (from 7.5% to 9.5%), and informal discussions on bribery have become a more significant source of information (from 24% to 25.8%), while the share of internet users is slowly growing.

Chart 12



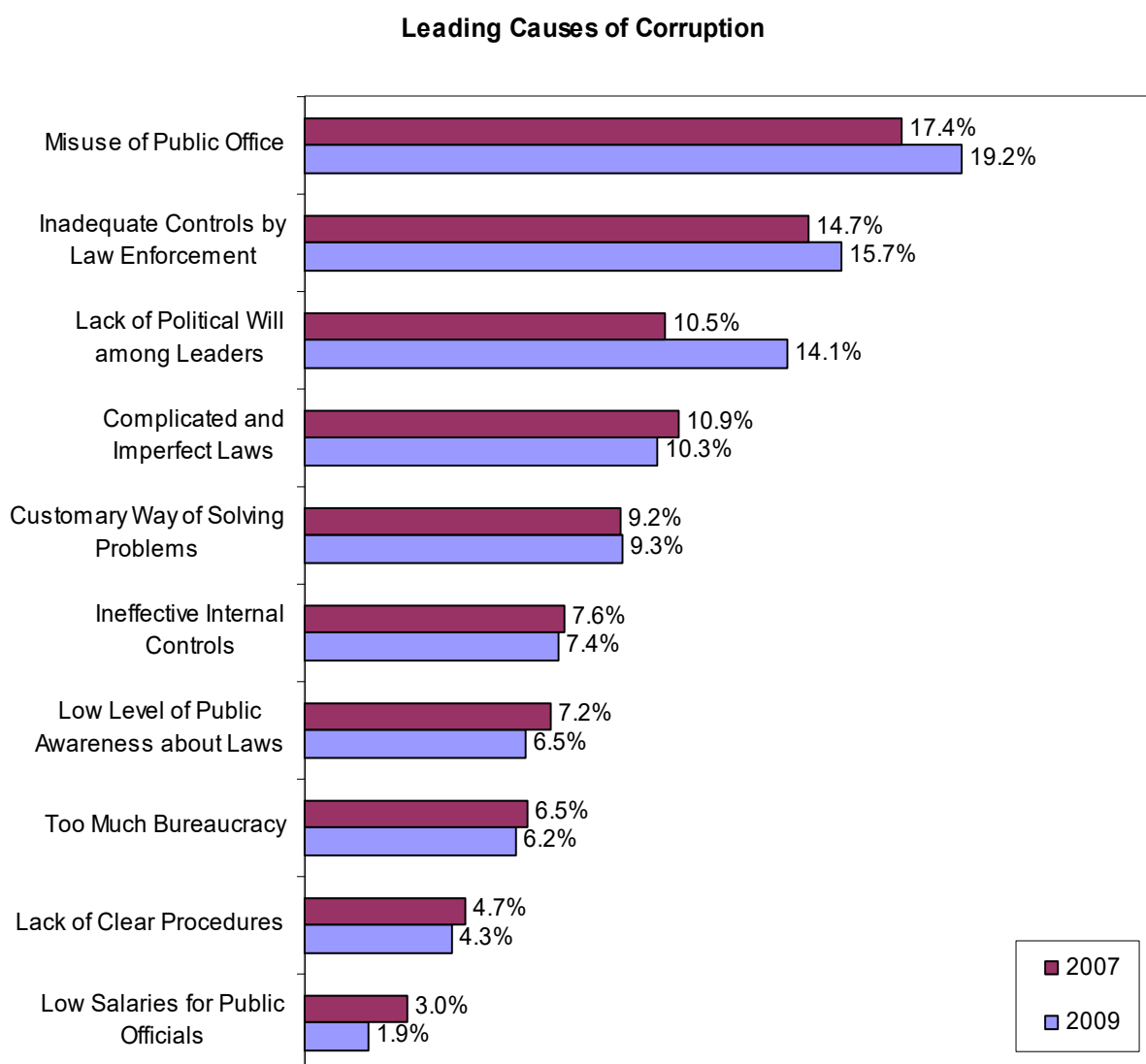
Q: From what sources do you mostly receive information about cases of corruption?

Taking into consideration that the mass media is the major source of information on corruption, it is critical that they believe in the objectivity of these sources. As in earlier years, almost one-third of respondents (32%) believe the media is objective, and 41% believe it is partially objective.

Leading causes of corruption

The public's views on the leading causes of corruption have also remained fairly steady over the past years. As earlier, Ukrainian citizens believe that corruption exists for many reasons. The two most often referred to causes for corruption have strengthened their positions – the misuse of public office for personal gains (19%) and inadequate enforcement of the law by law enforcement agencies (16%). The public's certainty that the lack of political will to fight corruption by Ukraine's leadership is a reason for corruption itself increased from 11% to 14% over the last two years. As earlier, 10% of respondents are convinced that Ukraine's legislation is too confusing and flawed, allowing for corrupt officials to take advantage of its loopholes. According to 9% of respondents, the traditional occurrence of corruption in Ukrainian society is another important cause of the country's troubles.

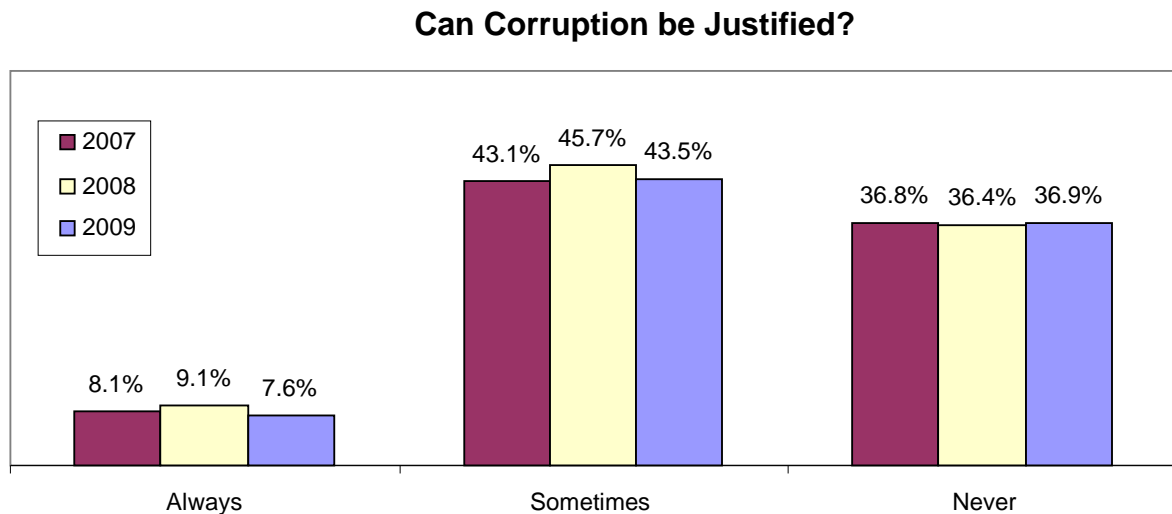
Chart 13



Q: What are the three main causes of corruption? Name them starting with the most important one.

Over the last two years, there have been no significant changes in the public's views of whether corruption is justified as a means of resolving important matters. Almost half of respondents (not a statistically significant difference from prior years) feel that corruption can sometimes or always be justified if it enables a personal problem to be resolved quickly. This reconfirms the belief that the positive results of corrupt behaviors are quite strongly fixed within Ukrainian convictions. However, a tangible, but smaller share of respondents (37%) feels that corruption is never justified.

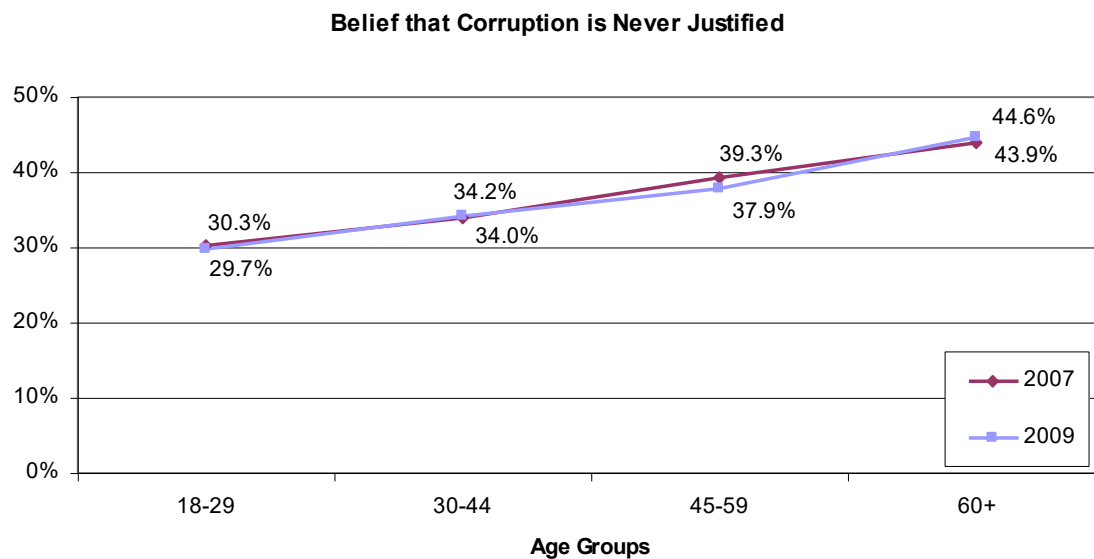
Chart 14



Q: Do you believe that giving bribery, unofficial services, or gifts can be justified if it is necessary for solving the problem which is important for you?

As in earlier surveys, there is still a clear correlation between age and the inclination toward justifying corruption. The older the person, the stronger their conviction that corruption can never be justified. Younger people more often perceive corruption as a relatively useful behavior.

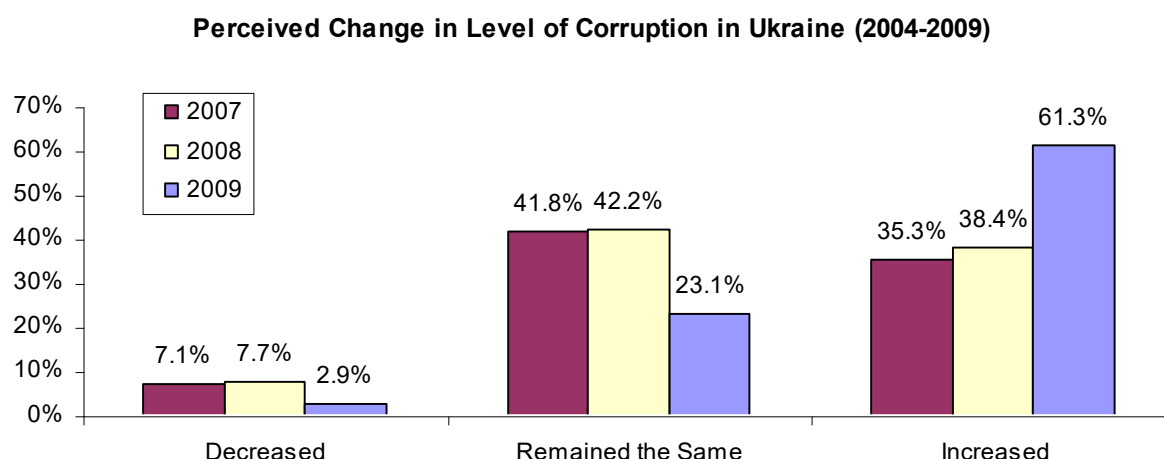
Chart 15



Changes in the level of corruption since 2004

As noted earlier, there is a reverse correlation between trust in government and the population's perception of corruption. As we have noted a sharp fall in the level of trust in government structures over this last year, we also observe that the perception of corruption levels has increased. According to the 2007 and 2008 survey results, the expectations for curbing corruption after the Orange Revolution were not met and a significant share of respondents noted the lack of change in perceived corruption levels since 2004 (around 42%). The situation has become significantly more complex over this past year. Corresponding disappointments and lack of public trust have caused the share of the population convinced that the problem with corruption has increased since the Orange Revolution to escalate significantly – from 35% in 2007 to 61% in 2009.

Chart 16

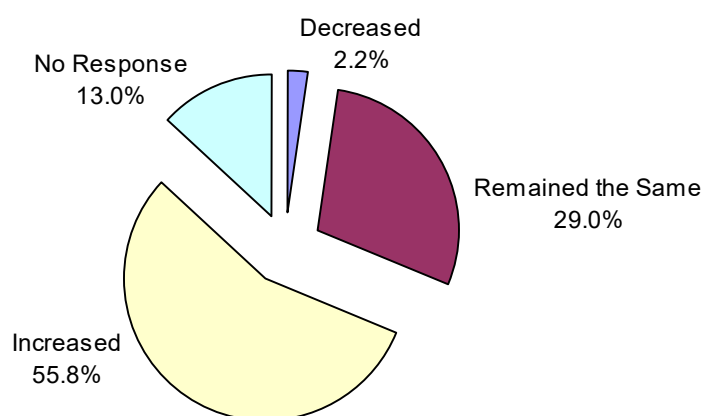


Q: Do you think the level of corruption has changed in Ukraine between 2004 and now?

For a more precise evaluation of the effectiveness of the MCC Threshold anticorruption programs, we asked respondents in the 2009 survey about their perceptions about changes in corruption since the beginning of 2007, when the programs commenced. The results are not particularly heartening: 29% of respondents believe that the level of corruption has not changed, while more than half (56%) are convinced that it has increased. At the same time, it should be remembered that this information is based on subjective evaluations not necessarily on known facts about corruption.

Chart 17

Perceived Change in Level of Corruption since the start of 2007



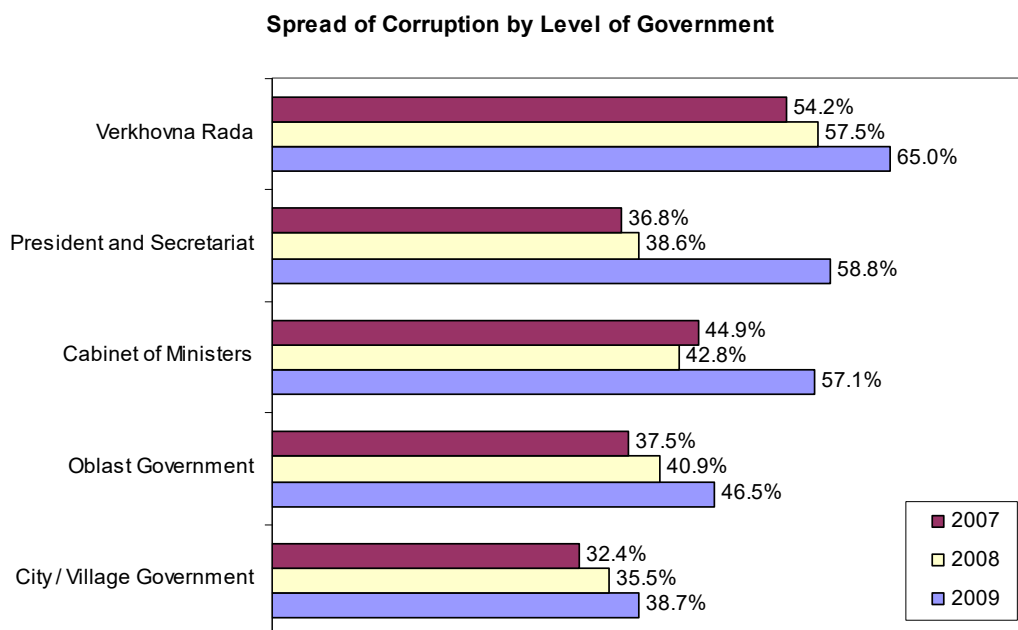
Q: Do you think the level of corruption has changed in Ukraine between the start of 2007 and now?

Spread of corruption and the effectiveness of preventive measures

The survey data reveal that perceptions of corruption in government – relating to all branches and agencies at all levels – have significantly increased over this past year. Sixty-five percent

(65%) of respondents believe corruption is strongest within the Verkhovna Rada of Ukraine. More than half of respondents perceive the President and his Secretariat, as well as the Cabinet of Ministers of Ukraine, as highly corrupt structures. With regard to the Cabinet of Ministers, the slight improvement shown in 2008 – with expectations for the new government – were quickly dashed and perceived corruption levels have increased significantly for this branch of power. As earlier, respondents believe that the lowest level of corruption is found within local authorities (39%).

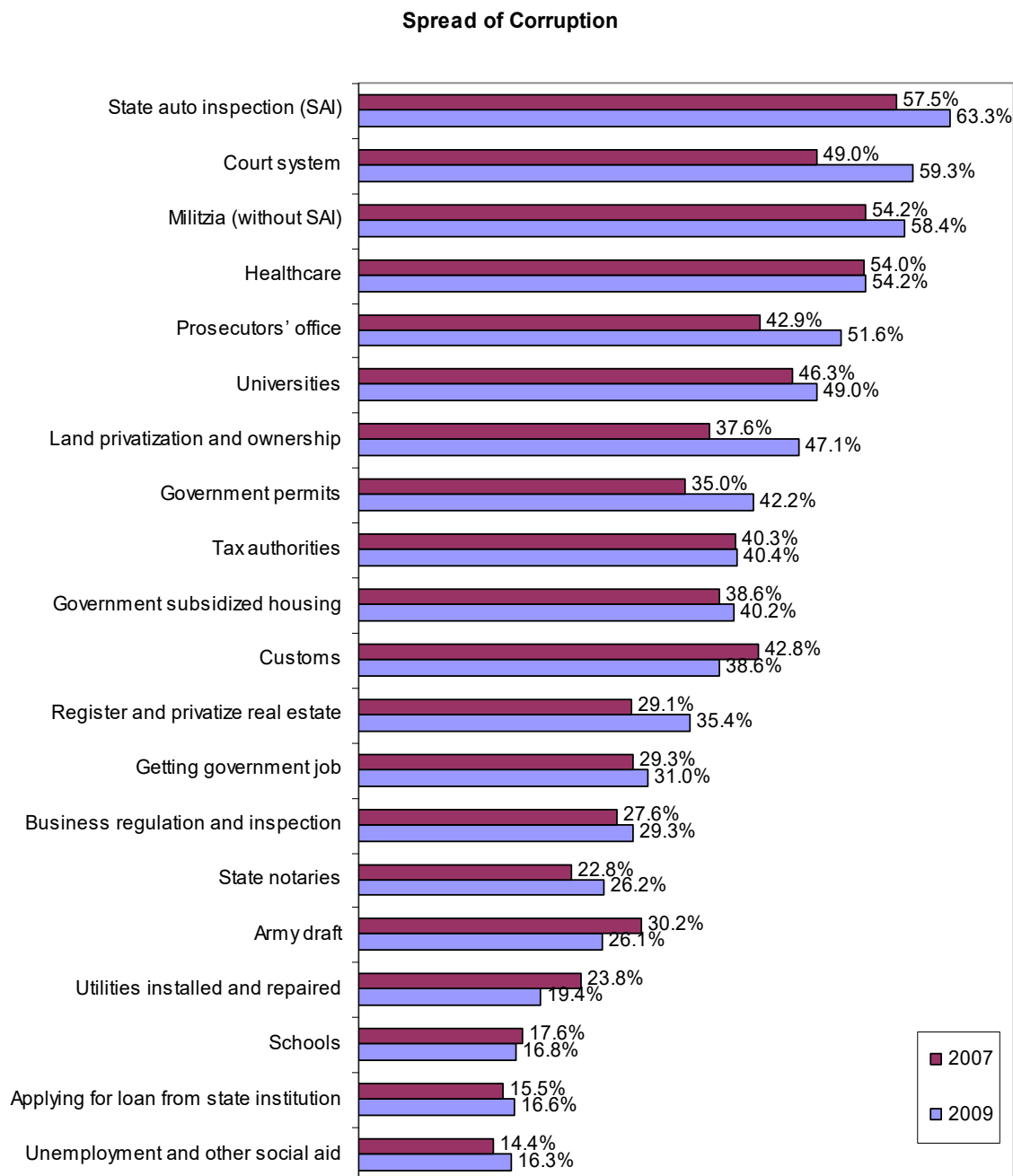
Chart 18



Q: How widespread is corruption in the following levels of government?

Changes in corruption perceptions across government sectors and state institutions have also tended to increase. According to the 2009 survey, in comparison to 2007, there was an increase in the share of those convinced that corruption spreading more widely in 14 out of 20 sectors and institutions. For example, there are increased perceptions of corruption in the State Auto Inspection agency (63%), the judicial system (59%), the militsiya without the SAI (58%), and state healthcare (54%). Several well-publicized corruption scandals over the past few months are probably elevated the judicial system's corruption standing vis-à-vis the militsiya and medical institutions, from past years. There was an insignificant decrease in the share of respondents perceiving a spread of corruption in the customs service (from 43% in 2007 to 39% in 2009), the army draft (from 30% to 26%), and communal service maintenance (from 24% to 19%).

Chart 19



Q: In your opinion, how widespread is corruption in the [FIELD]?

Is there a correlation between growth in the perceived spread of corruption across sectors and a decrease in government anticorruption measures or their ineffectiveness? A comparative analysis of the 2007 and 2009 data demonstrates that there is a positive connection between these factors. First of all, as in prior years, a fairly small share of respondents has information about anticorruption reforms which the government has implemented: according to the 2009 survey, this share (depending on the sector) ranged from 7.4% to 29.1%, while in 2007 – from 8.8% to

27.3%. The share of respondents who are well informed about anticorruption programs within the above mentioned sectors has not grown. The majority of respondents, who have heard about these reforms (from 49.4% to 85.8% in 2009; and about the same 51.6% to 80.6% in 2007) feel that they are effective to a certain degree.

Table 3. The spread of corruption and countermeasure effectiveness *

	Spread of corruption	Government uses anticorruption measures	Countermeasures are effective**
State Auto Inspection agency (SAI)	↑ (+5,8 p.p.***)		
Judicial System	↑ (+10,3 p.p.)		
Militsiya (not including the SAI)	↑ (+4,2 p.p.)		
Healthcare		↓ (-3,7 p.p.)	
Prosecutor's Office	↑ (+8,7 p.p.)		
Universities			
Land privatization and ownership	↑ (+9,5 p.p.)	↓ (-3,0 p.p.)	
Obtaining government permits	↑ (+7,2 p.p.)		
State Tax Administration		↓ (-3,7 p.p.)	
Obtaining government subsidized housing		↓ (-3,3 p.p.)	
Customs inspection and obtaining customs documents	↓ (-4,2 p.p.)	↓ (-4,7 p.p.)	↑ (+3,9 p.p.)
Real estate registration or privatization	↑ (+6,3 p.p.)	↓ (-3,2 p.p.)	
Getting a government job		↓ (-3,1 p.p.)	
Business regulation and inspection		↓ (-4,3 p.p.)	
State notaries	↑ (+3,4 p.p.)		↑ (+18,8 p.p.)
Army draft	↓ (-4,1 p.p.)	↓ (-3,4 p.p.)	↑ (+5,0 p.p.)
Installation or repair of communal services	↓ (-4,4 p.p.)		↑ (+9,7 p.p.)
Schools			↑ (+3,2 p.p.)
Applying for a loan from a state institution			↑ (+4,6 p.p.)
Unemployment and other social aid			↑ (+5,2 p.p.)

* The table shows changes ("+" – increase, "-" – decrease) in corresponding indices for 2009 in comparison to 2007 (only changes over 3 percentage points (p.p.) *** are shown). All of these changes are statistically significant at a level of p=0.05. The list of sectors is sorted according to decreases in the perceptions of the level of corruption.

** Percentage of those who feel that the government uses measures within the corresponding sector.

*** Percentage points (p.p.) indicate the difference between the percentage of one and the same index, measured over different periods of time.

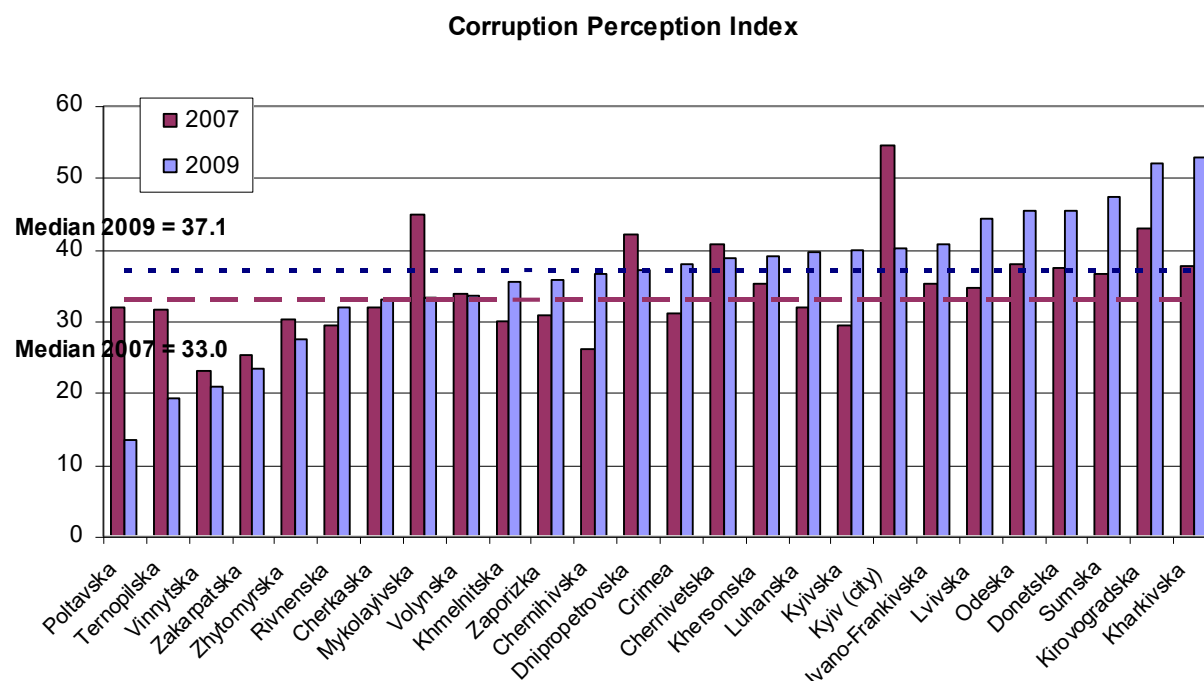
The respondents believe that the government has curtailed its anticorruption activities in practically all public sectors in comparison to 2007. Perceptions that the spread of corruption within land privatization/ownership and the registration and privatization of real estate are increasing coincides with a decrease in the perception that government reforms are being implemented. However, on the other hand, anticorruption measures at the SAI or in the judicial system have not decreased, but at the same time, the level of perceived corruption has increased. So, it cannot be said that the spread of corruption is definitely perceived as a result of

government's inactivity, but the lack of active government reforms in curbing corruption within various spheres does influence notions about the spread of corruption.

Overall Corruption Perceptions Index by region

The Corruption Perceptions Index (CPI) is calculated based on respondent answers to the question of how widespread they believe corruption to be within Ukrainian governing bodies and among public officials. The more respondents believe that corruption is widespread across the 20 different functions and sectors, the higher the CPI value (which ranges from 100 – the highest perceived corruption to 0 – least perceived corruption). The median value for the CPI in Ukraine increased from 33 in 2007 to 37 in 2008, and has remained at this level into 2009. Therefore, respondents perceive that the spread of corruption within the country has significantly worsened over the last two years. Currently, on average, Ukrainians perceive that more than one-third of all of the country's major sectors and institutions are very corrupted. In terms of regional distributions, the worst situations have appeared in the Kharkivska and Kirovohradska oblasts, where the population deems more than half of the sectors to be corrupt and believes that their corruption situation has significantly worsened over the last two years.

Chart 20



Overall, in half of Ukraine's oblasts (districts), the CPI has grown more than five points. However, the 2007 leader – the city of Kyiv – has somewhat improved its image. Other than in Kyiv, a significant decline in the corresponding index (by more than 5 points) has been witnessed in the Poltavska, Ternopilska, and Mykolajivska obtasts.

Overall, correlations analyzed in the 2007-2009 surveys demonstrate that the perception of corruption (as measured by the CPI) is strongly related to a number of factors:

- The perception of the spread of corruption is strongly related to the lack of trust in government at all levels.
- The greater the Corruption Perception Index, the less one believes that authorities are doing as much as they can to reduce corruption.
- Society seems more corrupt to citizens who are able to profit from corruption for personal gains, as opposed to those who are less inclined to justify corruption.
- The greater the CPI, the more citizens feel that the level of corruption has grown in comparison to 2004.
- The more respondents see the state sector as being corrupt, the more they express their readiness to defend their rights against dishonest officials.
- Perceptions of the level of corruption are strongly related to past corruption experience. Those who have personal experience with corrupt transactions are more convinced of its spread within government.
- Men, young people, educated citizens, higher income groups, and those who live in cities tend to perceive that there is a wider spread of corruption than the average respondent. This may be explained, in part, by the fact that these socio-demographic groups experience corruption more often than the average respondent.

5. CITIZEN EXPERIENCES WITH CORRUPTION

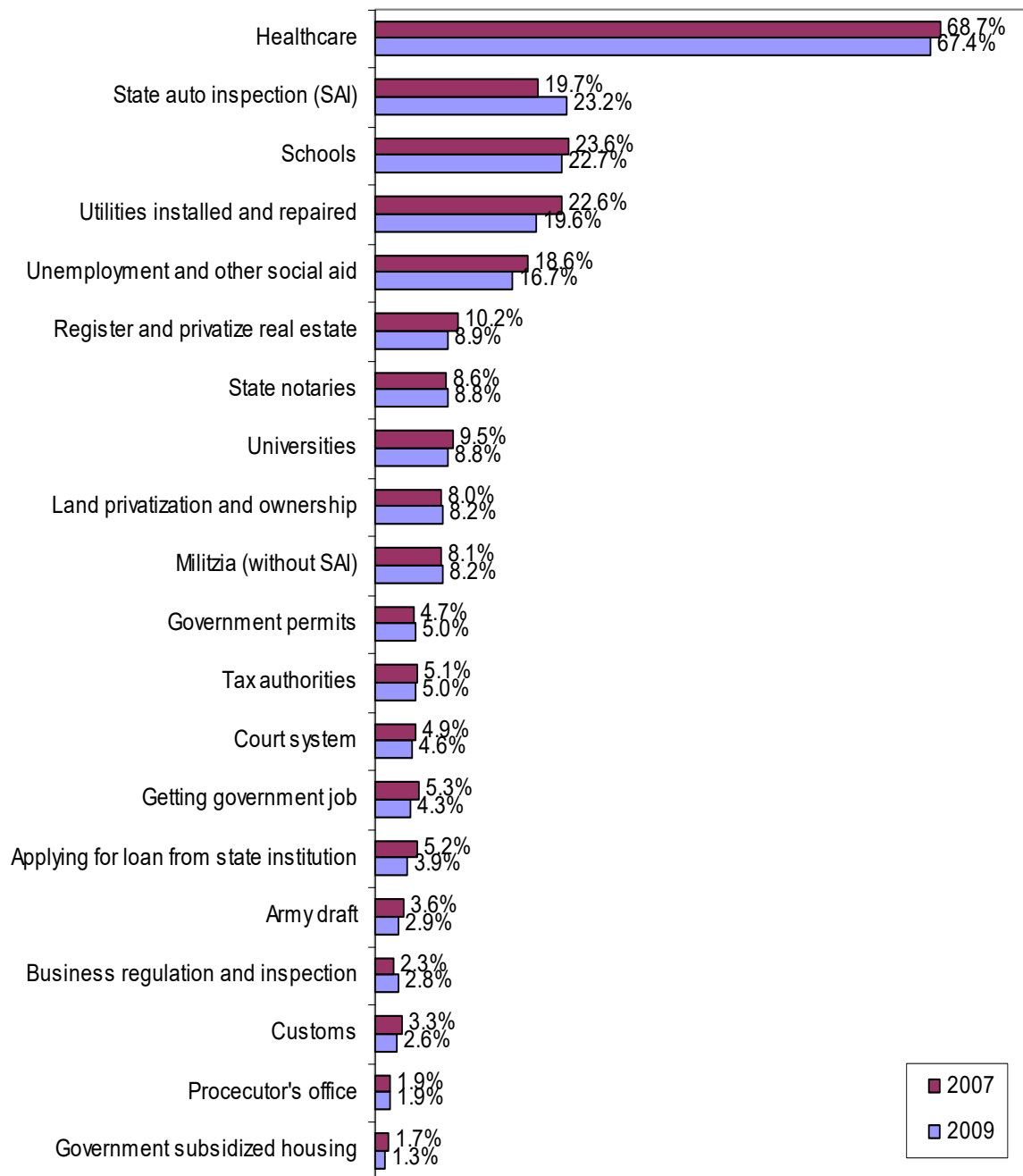
Reports of actual first-hand citizen experiences with corruption are revealing of the nature, level and trends in this phenomenon and are more reliable than perceptions.

Citizen Transactions with Government Agencies and Functions

Over the last two years, there have been no significant changes in citizen transactions with government agencies or state institutions. As in earlier surveys, the largest share of respondents have dealings with state medical institutions (67%), the SAI (23%), schools (23%), installation or repair of communal services (20%), and applying for or obtaining state social aid (17%). Out of the entire 2009 survey sample, only 15% of respondents indicated that they and their family members did not have any transactions with state institutions over the 12 months prior to the interview.

Chart 21

Citizen Interaction with Government Agencies and Functions



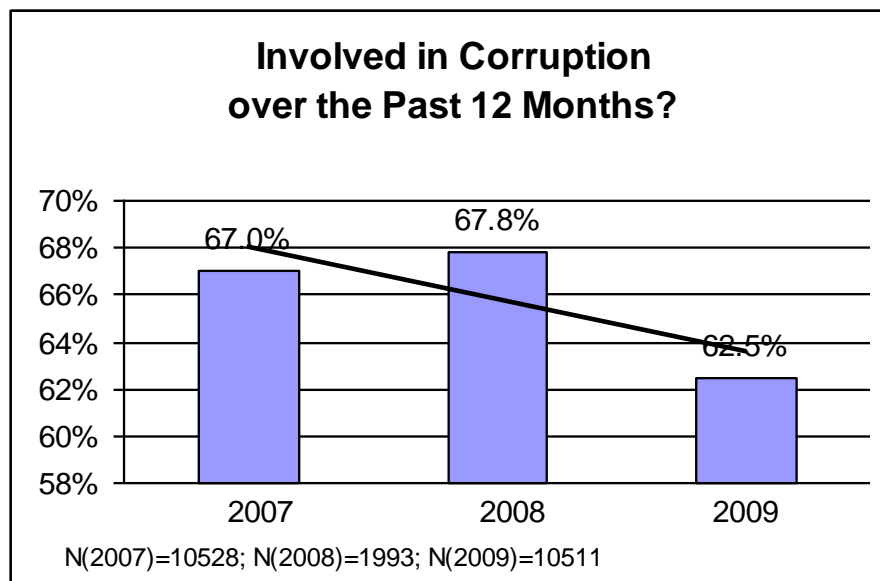
Q: Over the past 12 months, have you or your family member dealt with government authorities or with any of the following state institutions, to get the following services?

There was a noticeable growth in the share of SAI service consumers, which is probably related to the continual increase in the number of drivers in Ukraine.

Extortion, voluntary bribes and use of personal connections (by sector)

Despite an increase in Ukrainian perceptions of the spread of corruption within various sectors and institutions, the level of real corruption experiences *is decreasing*. Overall, the share of those who encountered any form of corruption over the last year decreased by more than 4%. Over the last 12 months, 62.5% of respondents or their family members were involved in some form of corrupt transaction when dealing with state officials (in comparison to 67% in 2007).

Chart 22

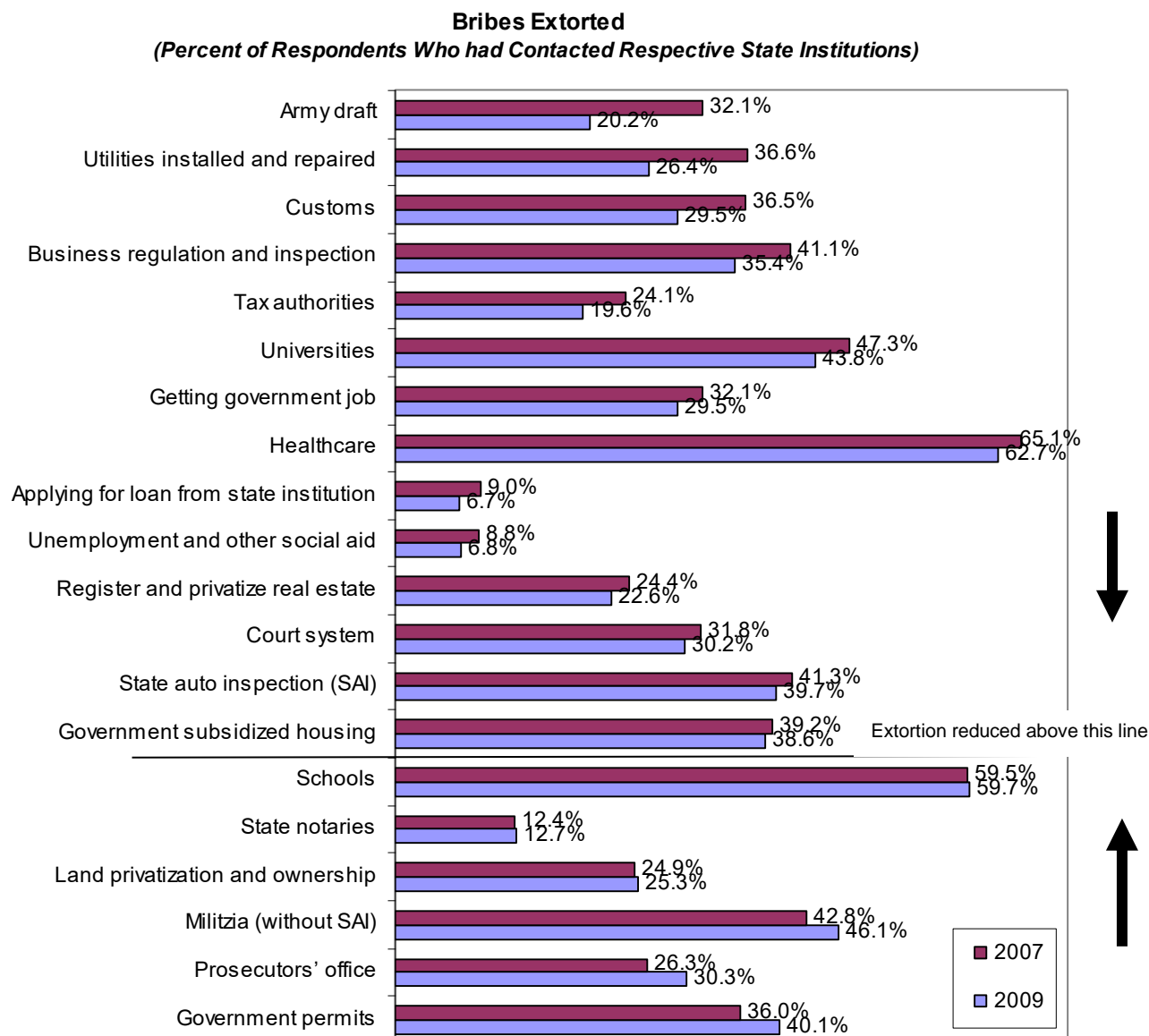


Q: In the past 12 months, have you or your family been involved in any form of corruption with any governmental officials including educational, medical or other organizations?

A more detailed review of corruption experience by sector shows some variation. Some sectors show decreases in extortion and others indicate increases. In Chart 23, the sectors are sorted by changes in extortion experiences (from the greatest decrease to the greatest increase).

The share of those who encountered extortion decreased by an average of 2 percentage points since 2007. Statistically significant differences were recorded in only the following sectors: army draft (decrease from 32.1% in 2007 to 20.2% in 2009), installation or repair of communal services (from 36.6% to 26.4%), applying for and obtaining social aid (from 8.8% to 6.8%), and state medical institutions (from 65.1% to 62.7%).

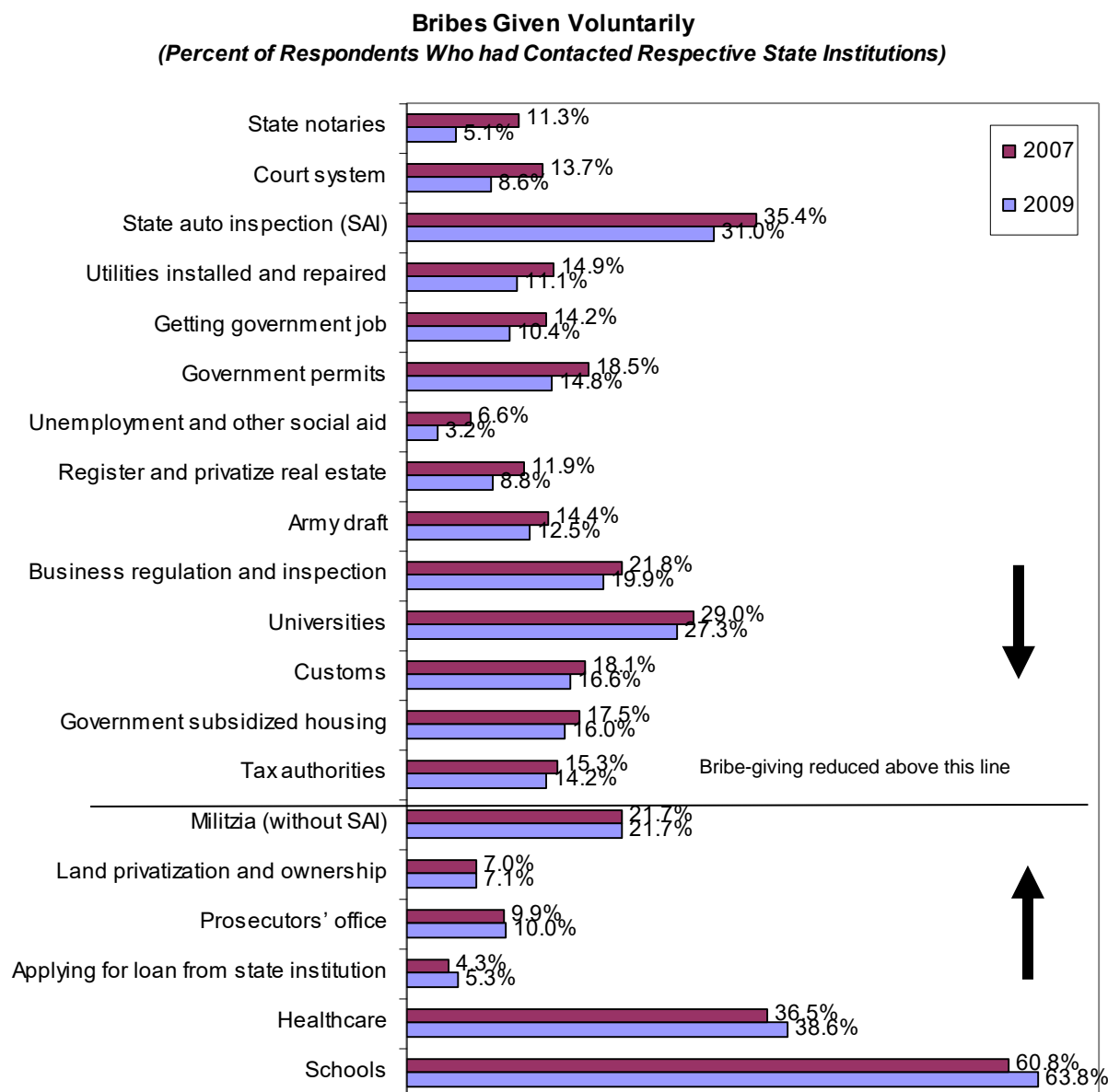
Chart 23



Q: Was a bribe (in the form of a gift, favor, service, or money) requested of you or your family member?

Citizens may also voluntarily offer a bribe, even if not asked. Citizens use these tactics in order to expedite a process or to conceal certain violations. Sometimes, these actions are deemed as appropriate, and as such the official does not make any demands. The share of those who offered voluntary bribes decreased by an average of 2 percentage points since 2007. In Chart 24, the sectors are also sorted by changes in experiences with voluntary bribery (from the greatest decrease to the greatest increase).

Chart 24



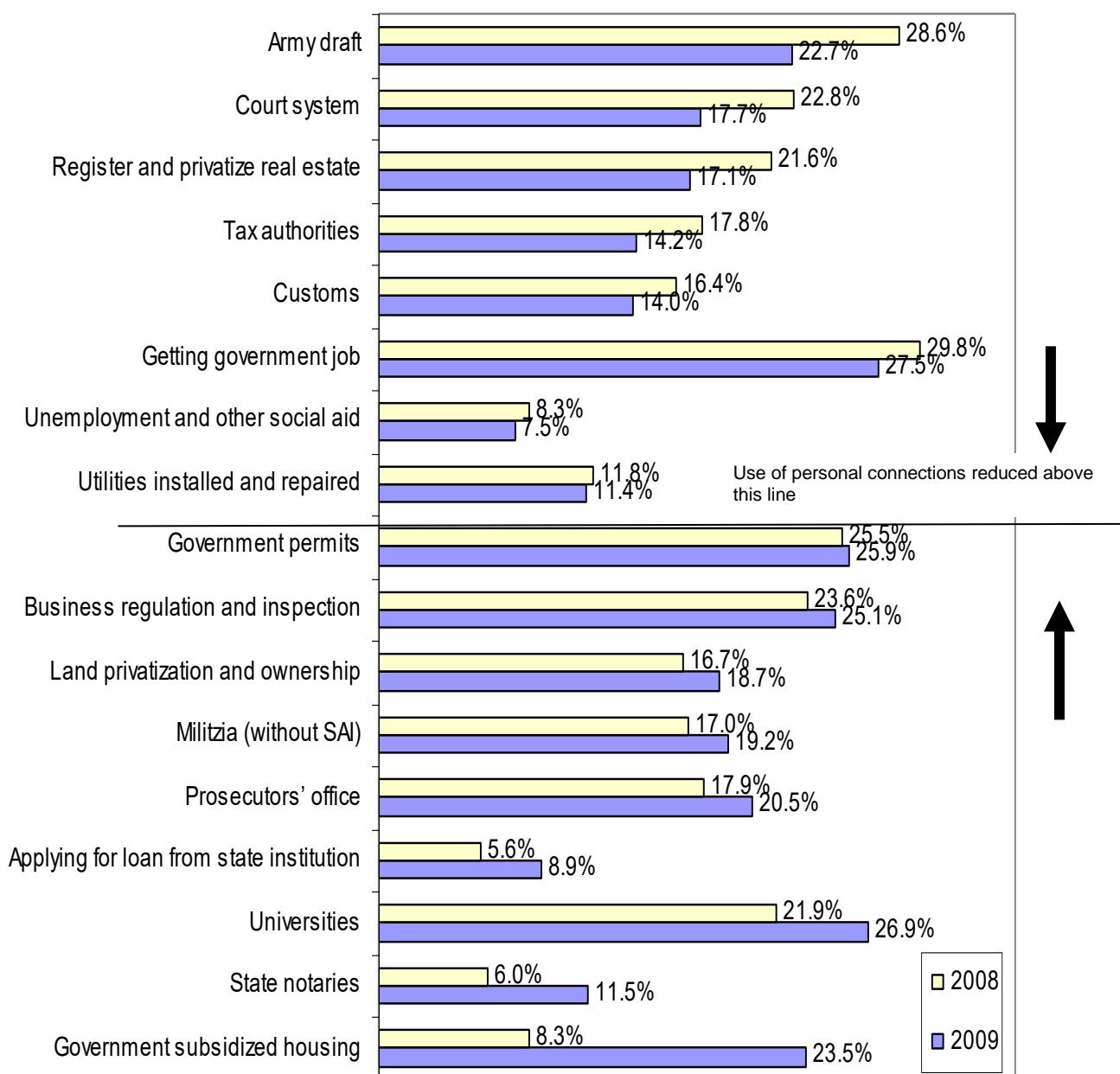
Q: Did you or your family member offer a bribe (gift, favor, service or money) to obtain the services?

As in earlier years, voluntary bribe-giving occurs more frequently on average (an average of 2 times more often) than incidences of extortion. For voluntary bribery, there were positive changes in the spheres of state notaries (a decrease from 11.3% in 2007 to 5.1% in 2009), the judicial system (from 13.7% to 8.6%), the SAI (from 35.4% to 31.0%), installation or repair of communal services (from 14.9% to 11.1%), applying for and obtaining social aid (from 6.6% to 3.2%), and registration or privatization of real estate (from 11.9% to 8.8%). The differences in the remaining sectors are not statistically significant.

We began measuring an additional type of corrupt behavior – the use of personal connections, nepotism and/or favoritism to obtain services – in the 2008 survey². The surveys indicate that this type of corrupt experience happens less often than incidences of extortion.

Chart 25

Use of Personal Connections
(Percent of Respondents Who had Contacted Respective State Institutions)



Q: Did you, your family member or the government authority use personal connections or favoritism to obtain the service?

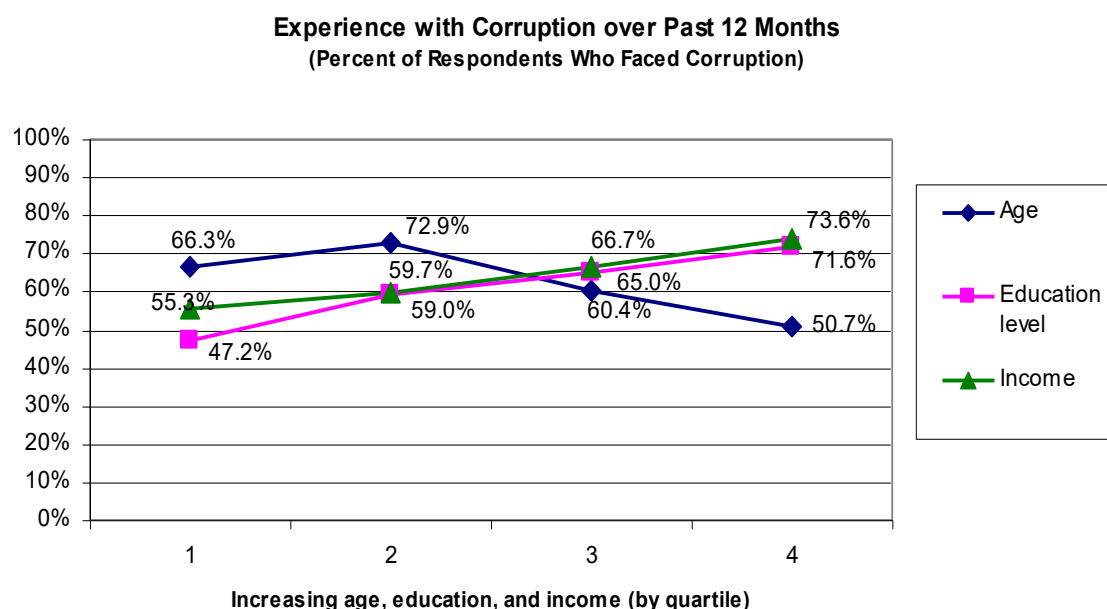
² The use of personal connections was not measured for the following sectors– healthcare, schools, and the SAI.

Over the last year, there were no statistically significant changes in the use of personal connections in resolving problems. However, the overall share of respondents who used personal connections at least once when dealing with state officials in various sectors decreased from 24.2% to 21.8%. Personal connections are most often used when applying for state employment, when dealing with university administrators, when obtaining various government permits, and within the sphere of business regulation and inspection.

Citizen victimization by corruption

According to the 2007 survey results, the socio-demographic profile of those who are most vulnerable to corruption dispelled certain stereotypes that corruption persecutes the most vulnerable groups, leading to their even greater marginalization. On the contrary, those who are drawn in by corruption are young citizens, those with higher levels of education, and those with higher incomes. Has this situation remained the same over the past two years? The answer is yes: as earlier, the younger, more educated, and more prosperous citizens have the most experience with corruption. Young people continue to demonstrate the highest level of corrupt transactions among various demographic groups.

Chart 26³



The following charts (Charts 27-29) track corruption perception and experience trends for these socio-demographic groupings, comparing 2007 and 2009 survey results. Across the board, there

³ Quartiles by age are: I. 18-29 years old; II. 30-44 years old; III. 45-59 years old; IV. 60 years old and older
 Quartiles by education are: I. Elementary or some secondary; II. High school or trade school; III. High specialized; IV. University undergraduate or graduate
 Quartiles by income are: I. Less than 1000 UAH; II. From 1000 to 1500 UAH; III. From 1500 to 2500 UAH; IV. More than 2500 UAH

was a decrease in corruption experience (both voluntary bribes and extortion), at the same time as an increase in corruption perceptions. Corruption perceptions often lag behind changes in corruption experience. The increased government and donor activity to implement the MCC Threshold Program and the associated coverage in the media has put corruption issues high on the public agenda, influencing public perceptions of corruption. On the other hand, the fact that respondents' experiences with corruption has declined is a positive indication of early successes from the MCC Threshold Program and other initiatives.

Chart 27

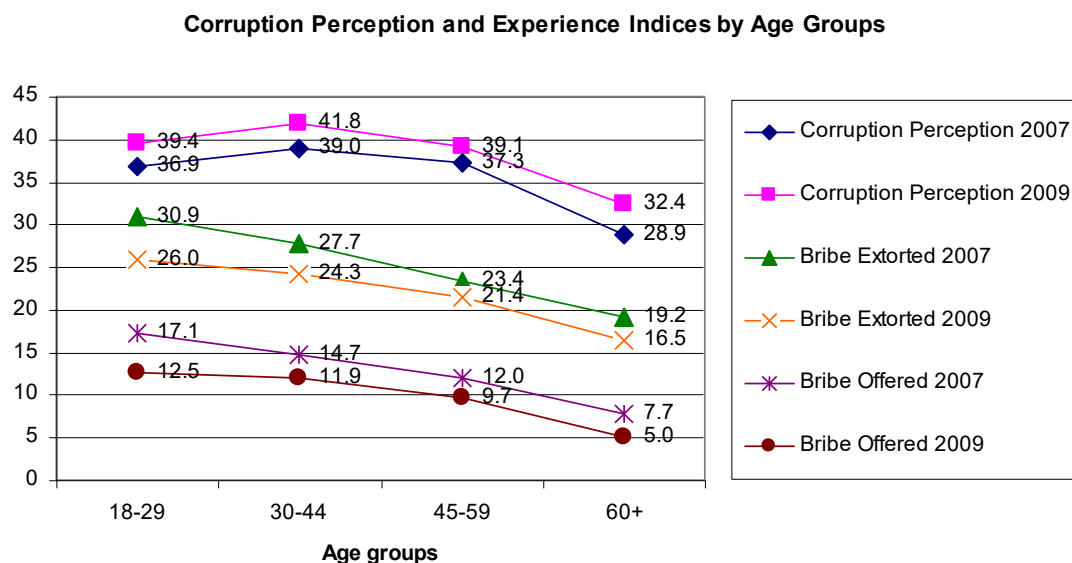


Chart 28

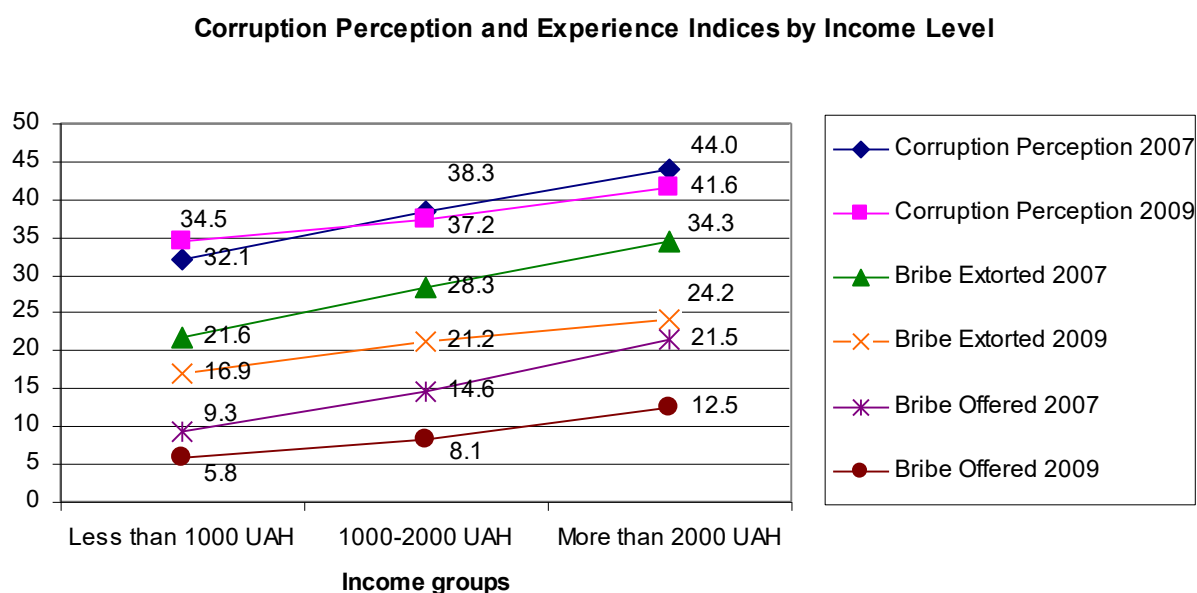
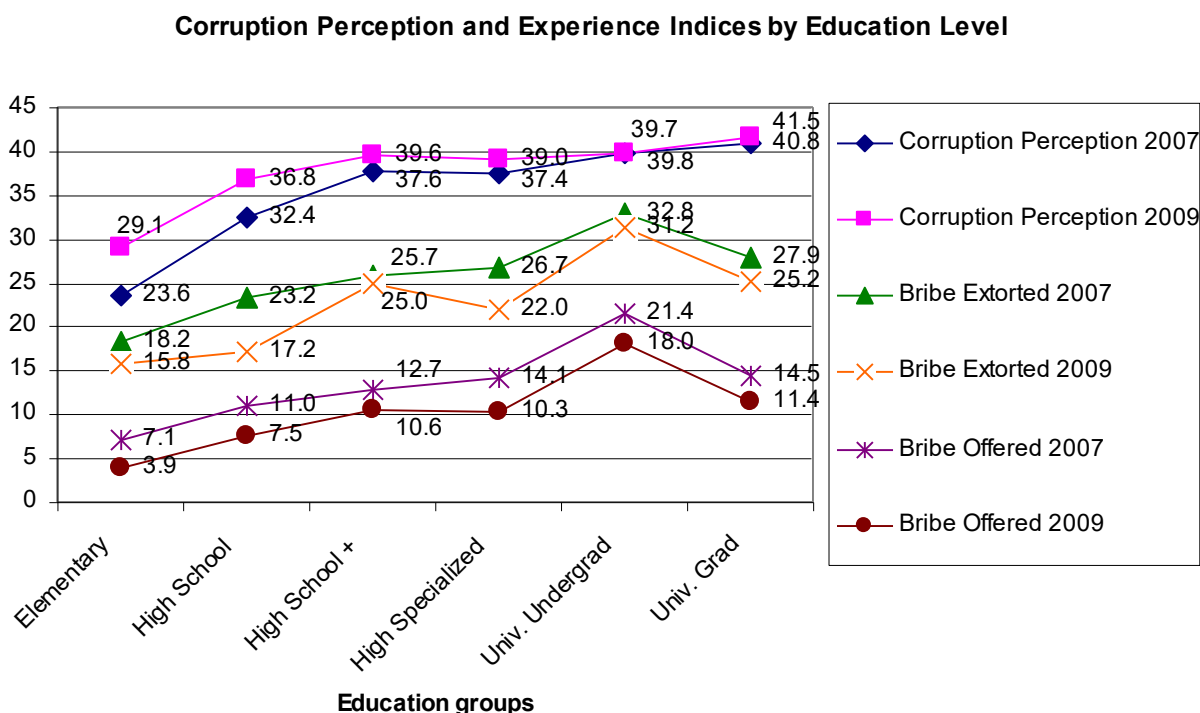


Chart 29



Overall Corruption Experience Indices by region

As in our analysis of the 2007 survey, two indices were calculated that aggregate Ukrainians' corruption experience across 17 institutional/sectoral settings. These indices were based on responses regarding actual instances of corruption within 17 different sectors. The first index – the *Corruption Experience Index–Extortion (CEI-E)* measures the extent of bribery initiated by state officials. The second – the *Corruption Experience Index–Voluntary Bribes (CEI-V)* measures the extent of bribery offered by citizens to state officials. Both indices range in value from 0 to 100: the greater the number of sectors in which a respondent was a victim of extortion or proposed a voluntary bribe, the higher the value of the corresponding index.

As noted in 2007, extortion occurs two times more frequently than voluntary bribe-giving. This correlation is replicated in the 2009 data. The median value for the CEI-E decreased from 22.1 to 20.1 (the difference is statistically significant at a level of 1%). However, it is still the case that practically every fifth contact with an official results in extortion. When we divide Ukraine into 4 macro-regions, the highest CEI-E value is found in the east (27.2), gradually decreasing to 22.5 in the southern oblasts (districts), 20 – in central Ukraine, and 19.6 in the west.

The median value for the CEI-V is one-half that of the CEI-E. In 2009, it decreased from 11.1 to 9.6 (a statistically significant difference at a level of 1%), which means that in almost every tenth contact with a state official, the average Ukrainian initiates a bribe, feels that a bribe is expected of him, or that it is customary as a means of expediting the outcome of a matter or concealing violations. There is an opposite trend within the regions: the CEI-V value decreases while

moving from the west (12.4) to the central region (10), and further to the south (8.9) and to the east (8.5). It seems that inhabitants of the eastern and western oblasts (districts) of Ukraine are inclined to opposing forms of corrupt behavior.

Chart 30

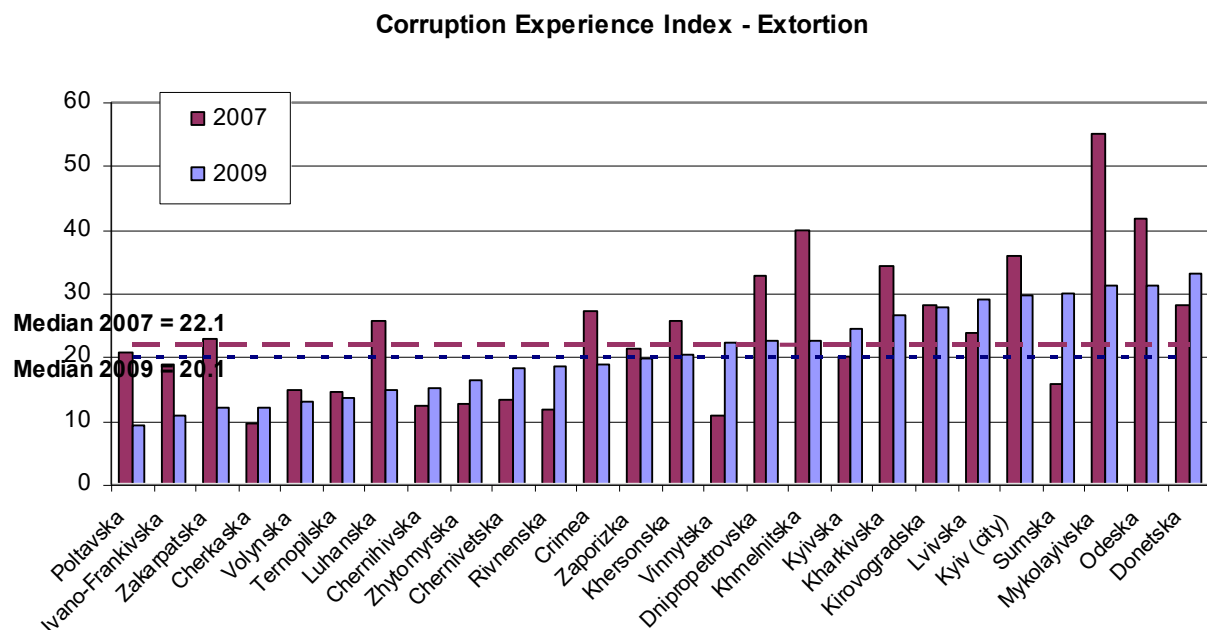
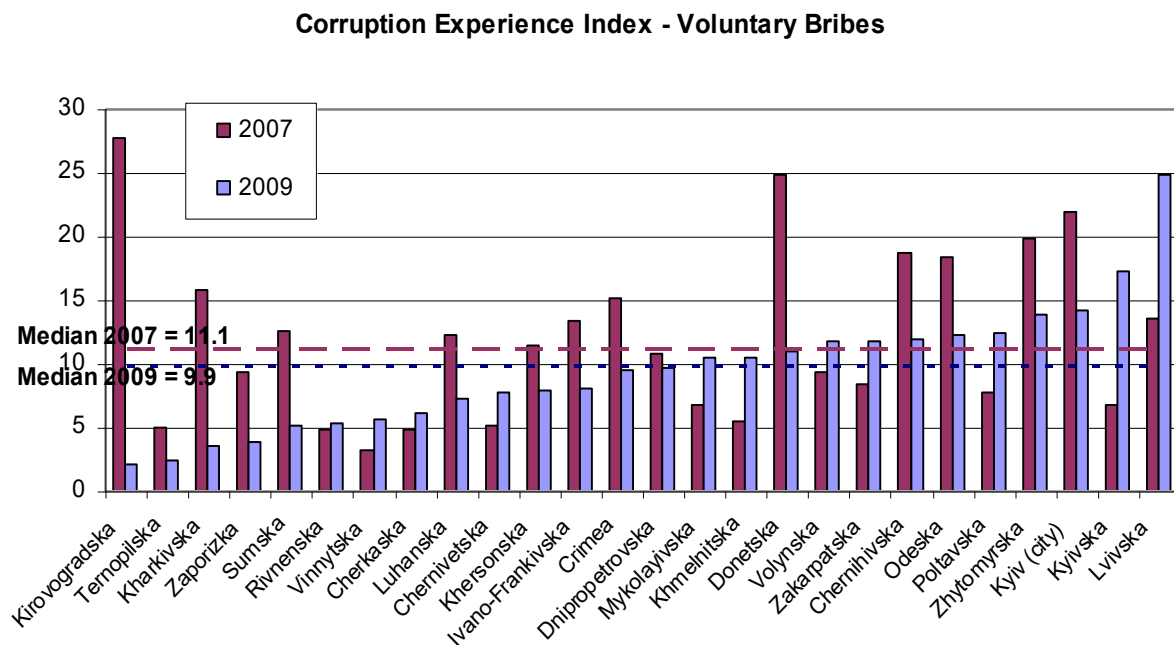


Chart 31

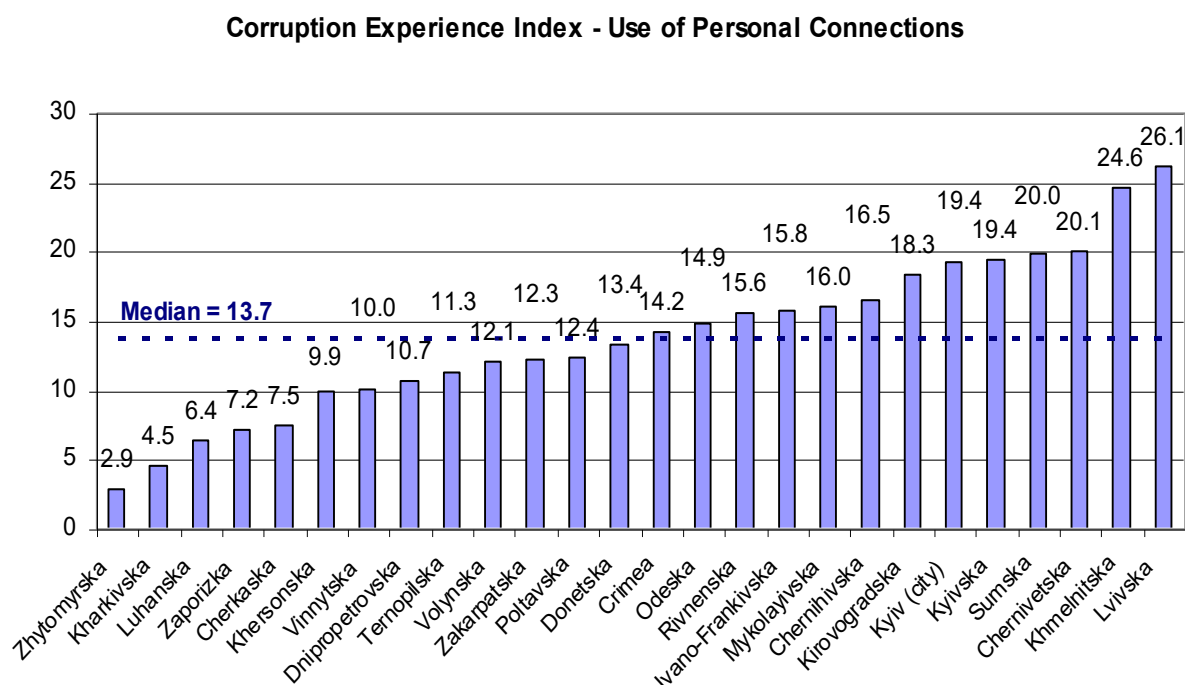


Overall, the 2009 survey results confirm the enduring characteristics of corrupt behavior within the regional divisions: more than 60% of oblasts (districts) with high levels of extortion also have high levels of voluntary bribes. It is evident once again that corruption develops in two ways.

The third index, developed based on 2009 data only – is the *Corruption Experience Index–Use of Personal Connections, Nepotism and Favoritism* when dealing with state officials (*CEI-P*). This index has the same characteristics as the other two. The median value for the given index is 13.8, which means that it finds itself between the CEI-E and CEI-V values. Thus, the use of personal connections in Ukraine occurs less often than extortion, but more often than voluntary bribery.

In the regional division, the chart for this index is similar to that of the CEI-V: the highest usage of personal connections is found in western Ukraine (18.8) and in the central oblasts (14.4). This practice is less widespread in the south (11.8) and in the east (9.9). Voluntary bribes are often supplemented with the use of personal connections. In regard to individual oblasts, the Lvivska (26.1) and Khmelnytska (24.6) oblasts lead the rating, while Zhytomyrska (2.9) and Kharkivska (4.5) demonstrate the lowest scores.

Chart 32

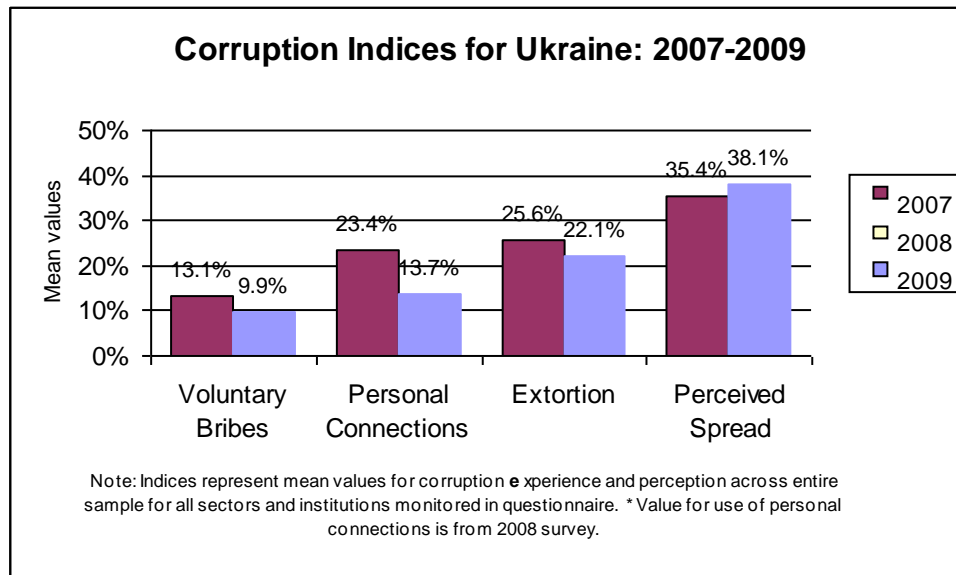


The correlation between the CEI-E, CEI-V, CEI-P and several other exponents revealed in the 2007 results, has been maintained in the results of the follow-up survey:

- Looking at the average values across the entire samples, the decrease in the CEI-E (from 25.6 to 22.1) and the CEI-V (from 13.1 to 9.9) is complemented by an increase in the Corruption Perception Index (from 35.4 to 38.1). This means that, just like two years ago,

citizens today perceive that the level of corruption within state structures is higher than what they actually encounter in their everyday lives. In addition, citizens perceive that the situation of corruption in the country has actually become worse over the past two years, although their experience attests to the contrary.

Chart 33



- Urban dwellers have more experience coming into contact with all three forms of corruption in comparison to rural dwellers.
- The higher the CEI-E, CEI-V, and CEI-P, the greater the likelihood that citizens feel that the government-led fight against corruption is inadequate. This pertains especially to extortion.
- Citizens who demonstrate higher CEI-E, CEI-V, and CEI-P scores are less inclined to trust government.
- Citizens with the highest CEI-V and CEI-P values tend to be the ones who justify the use of corruption when it is convenient for them.

Corruption within the healthcare system

Over the last two years, the share of those who dealt with representatives of state medical institutions over the 12 month period prior to the interview has not changed: almost 67% of respondents or members of their family turned to state medical institutions for services (in 2007 – 69%). Across three scenarios, more than half of the respondents indicated that they participated in corrupt transactions with government officials in order to obtain medical services, but this is not much of a change in comparison to 2007 results.

- 50% of respondents who visited clinics or hospitals were extorted to buy medicines or instruments to get service; 29% of respondents did so on their own initiative (in 2007 – 53% and 27%, respectively).
- 46% of respondents were extorted to give “charitable” donations to healthcare facilities, while 16% contributed voluntarily (compared to 46% and 15% in 2007, respectively).

- 28% of respondents were extorted for free services or were asked to make unofficial payments (that is, payments were not given directly to the official cashier) in exchange for medical services, while 15% did this voluntarily (compared to 27% and 12% in 2007, respectively).

Charts 34-37 refer to the respondents who had contacted state medical institutions within 12 months prior to the interview (n (2007) = 7270; n (2009) = 7122).

Chart 34

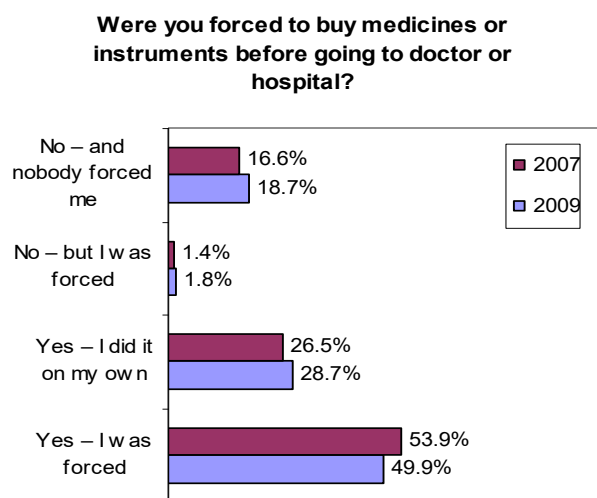


Chart 35

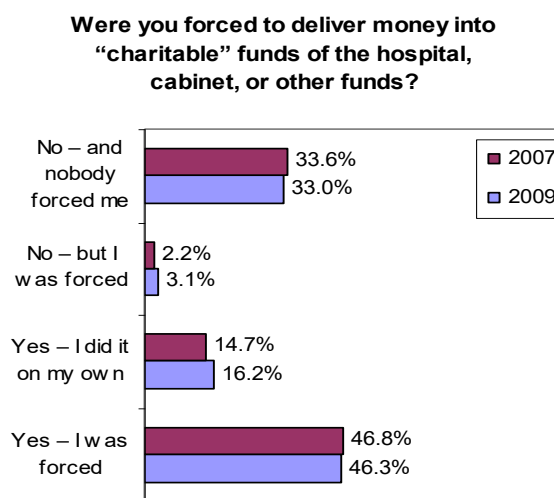
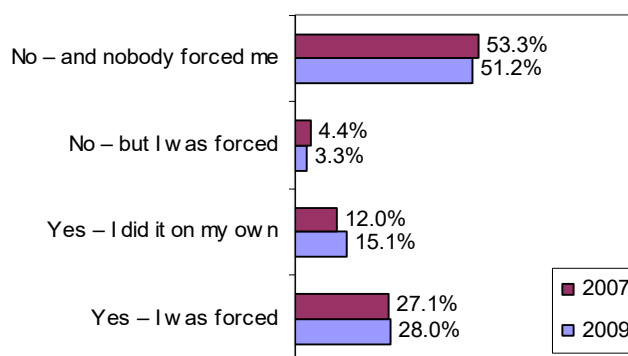


Chart 36

Were you forced to provide free services or pay unofficially (outside of the cash desk) in hospitals or polyclinics in exchange of medical service?

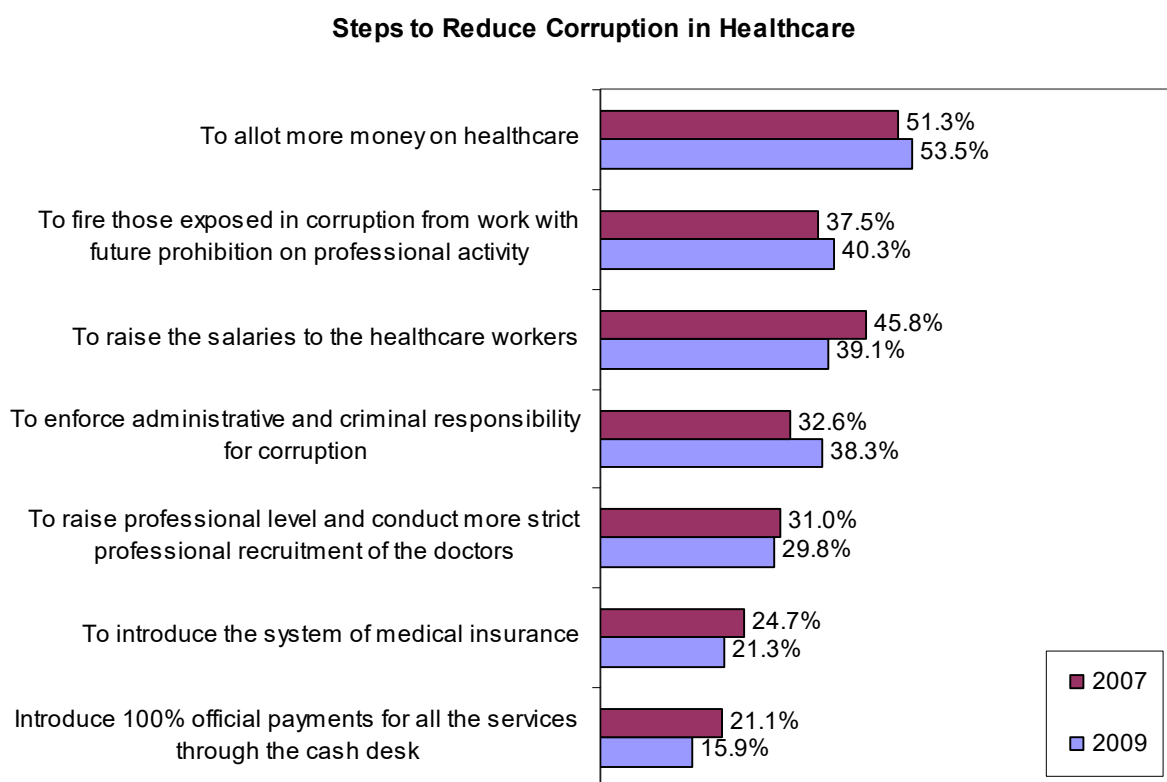


These results suggest that the level of extortion within the healthcare system has remained about the same over the past two years, but voluntary “donations” or bribes have grown, albeit insignificantly statistically. As earlier, very small percentages resisted being extorted for bribes. Overall, the results of the follow-up survey attest to the fact that corruption within the healthcare

system is a widespread and deeply-rooted practice. It appears to be customary to pay extra for services that are supposed to be provided by the state for free.

Over the last two years, have consumers of healthcare services changed their views on which government anticorruption measures are most likely to reduce the level of corruption in the future? Overall, citizens now believe that stricter methods should be used to curb corruption within the healthcare system. In 2009, half (51%) of respondents felt that to curb corruption, more money needs to be allotted from the budget for the healthcare system. The share of those who believe that medical professionals involved in corruption should be fired and prohibited from professional operations increased from 38% to 40% over the last two years, while those who are inclined toward stronger criminal sanctions for corruption increased from 33% to 38%. At the same time, a significant share of respondents (40%) felt that corruption can be curbed by increasing the salaries of healthcare professionals – a decrease from 46% in 2007. There appears to be a trend among Ukrainians who support stricter methods in the fight against corruption.

Chart 37



Q: In your opinion, which steps should be taken in order to overcome corruption in the system of state healthcare?

Corruption in schools

As in 2007, almost 23% of respondents in the 2009 survey had school-aged children in their families. Corruption experiences linked with school services have remained generally the same as in the earlier survey. The most typical corrupt practices linked to education in schools are:

- Payments for classroom repairs (separate from the school fund) (in 2009, extorted from 55% of respondents, while 33% gave voluntarily);
- Donations to the school or class fund (extorted from 55%, 31% paid voluntarily);
- Donations for flowers or gifts for teachers (extorted from 30%, 53% gave voluntarily).

Charts 38-46 refer to the respondents who have children of school age (n (2007) = 2497; n (2009) = 2403).

Chart 38

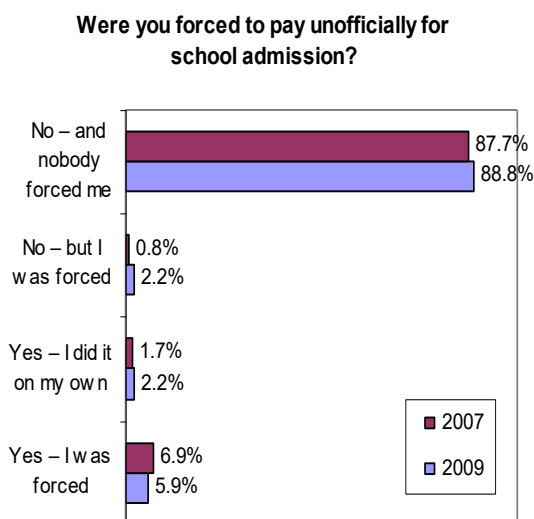


Chart 39

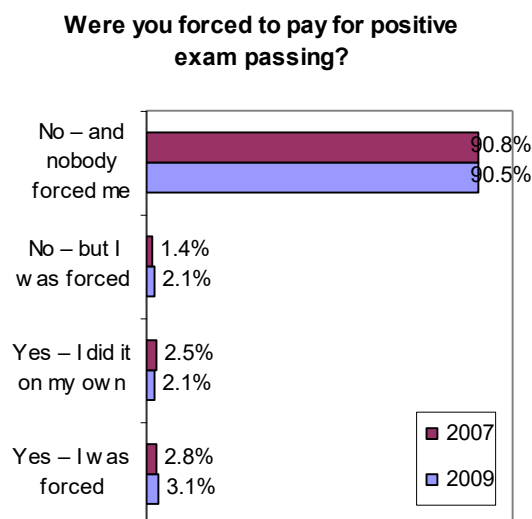


Chart 40

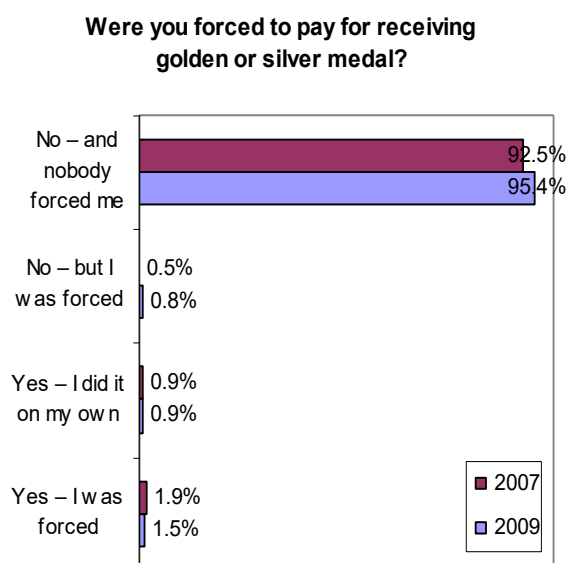


Chart 41

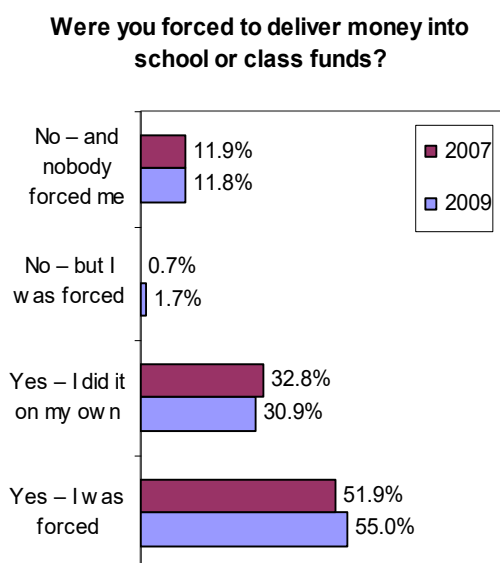


Chart 42

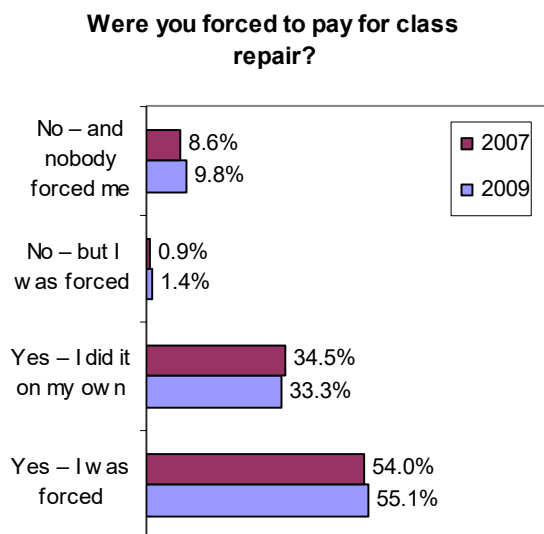


Chart 43

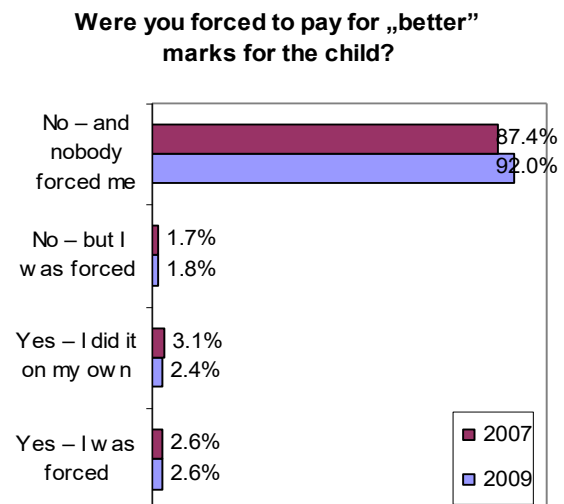


Chart 44

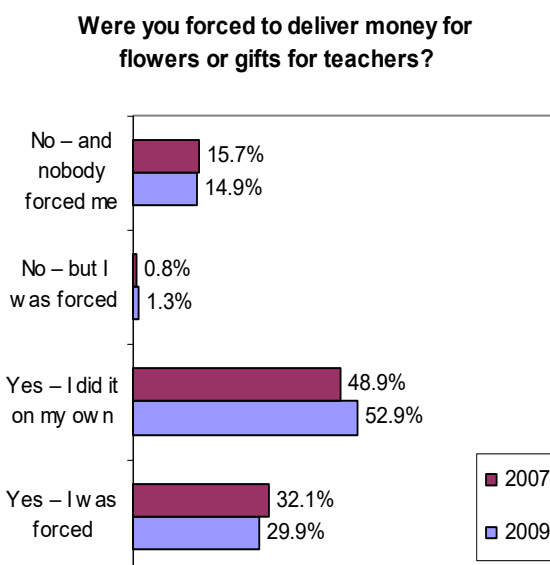
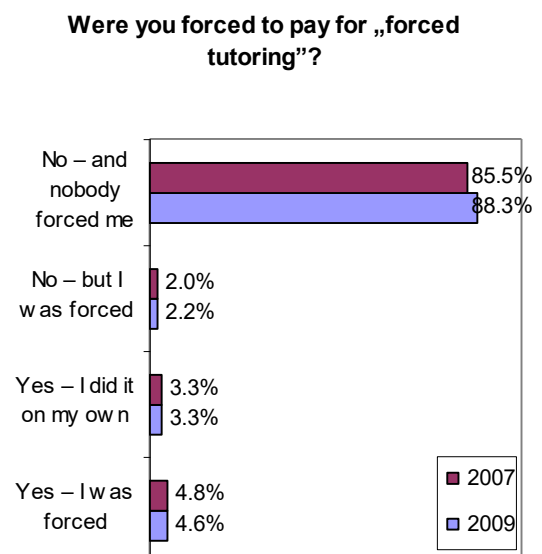


Chart 45



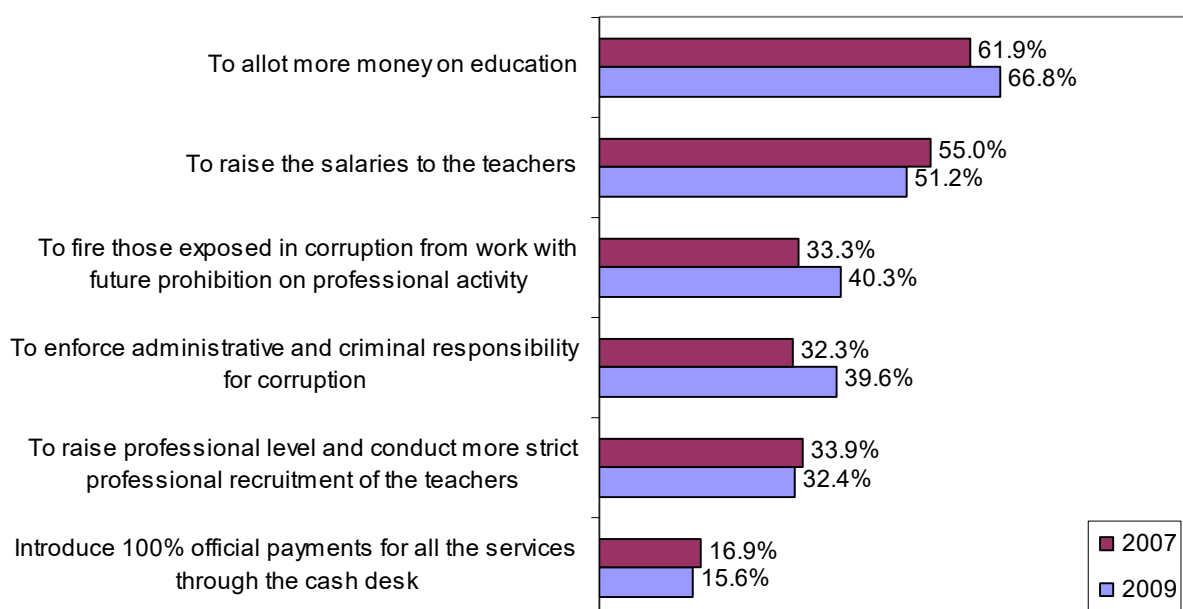
The survey results demonstrate that, in general, parents did not make unofficial payments to ensure higher grades (during exams or general education course) or awards for their children. A small number of respondents (5-6%) admitted that they engaged in dishonest practices to have their child admitted to a specific school or for “compulsory tutoring.” 80% of all parents gave money toward repairs or for the overall benefit of the school (the so-called school or class funds). With regard to voluntary donations, these are targeted primarily on collecting money for flowers or gifts for teachers. It should be noted that respondents usually do not define these

“donations” as acts of corruption, but rather as a widespread and customary phenomenon of Ukrainian society – providing assistance to schools (the financing of which, for the most part, is inadequate) or as a token of appreciation toward teachers.

What do parents think are the most effective means of reducing corruption in schools and has this changed over the past two years? As in years prior, more than half of parents continue to support an increase in funding for the education sector and an increase in teachers’ salaries as a means of curbing corruption in schools. However, as in the healthcare sphere, there is a trend toward supporting stricter reforms, in particular, firing persons found to be involved in corruption and further prohibiting their professional careers (the share of supporters increased from 33% to 40%), and strengthening administrative and criminal sanctions (from 32% to 40%).

Chart 46

Steps to Reduce Corruption at Schools



Q: In your opinion, which steps should be taken in order to overcome corruption in the system of state general education?

Corruption within institutions of higher education

The majority (62%) of respondents who had transactions with representatives of institutions of higher education within the last 12 months experienced some sort of corruption within the higher education sector. 43.8% were extorted, 27.3% gave bribes voluntarily to settle an issue or problem, and 26.9% used personal connections. Of those respondents who encountered corruption within the sphere of higher education, 39% stated that their experience was in connection with admissions. This percentage has not changed substantially since 2007 (37.6% - a

statistically insignificant difference). (The figures refer to the respondents who had contacts with state universities within 12 months prior to the interview (n (2007) = 1007; n (2009) = 932).)

Corruption within the State Auto Inspection (SAI) agency

The share of respondents who came into contact with SAI representatives over the last 12 months increased from 19.7% (in 2007) to 23.2% in 2009. There remains a significant share of respondents who encountered corruption within this sphere. As earlier, the most typical form of corruption practiced by the SAI is unofficial payments made to SAI employees for violating traffic rules: approximately 35% of those who committed violations were extorted for bribes (39% in 2007), while 23% initiated bribes (25% in 2007).

Charts 47-52 refer to the respondents who had contacted workers of the state auto inspection agency within 12 months prior to the interview (n (2007) = 2087; n (2009) = 2451).

Chart 47

Were you forced to pay unofficially for receiving /re-registering driving license?

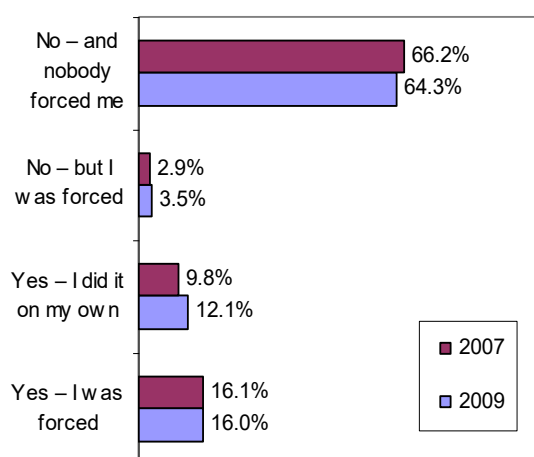


Chart 48

Were you forced to pay unofficially for passing technical examination of the car?

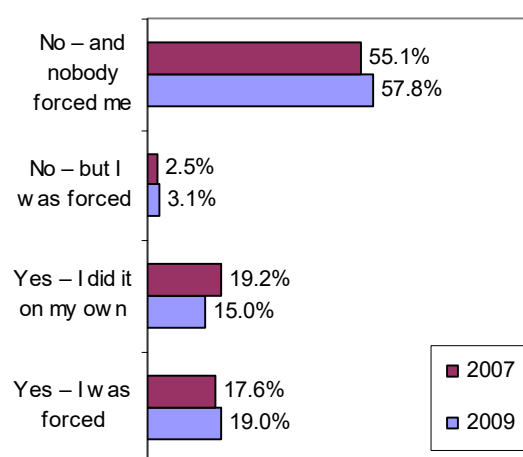


Chart 49

Were you forced to pay unofficially for registering (re-registering) car permission?

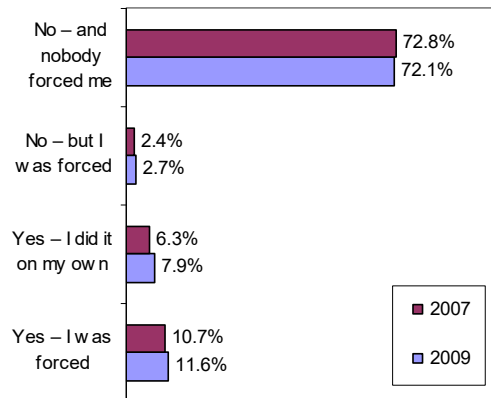


Chart 50

Were you forced to pay unofficially for conducting „correct” examination at the accident?

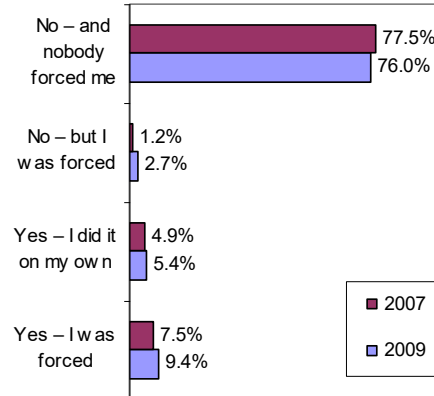
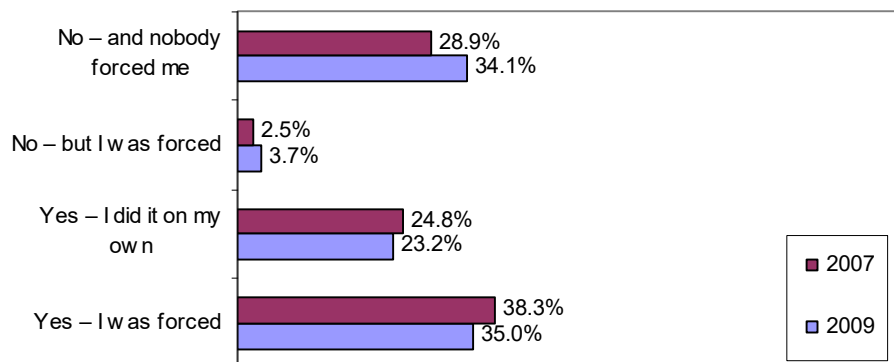


Chart 51

Were you forced to pay unofficially to SAI worker when you violated traffic rules?

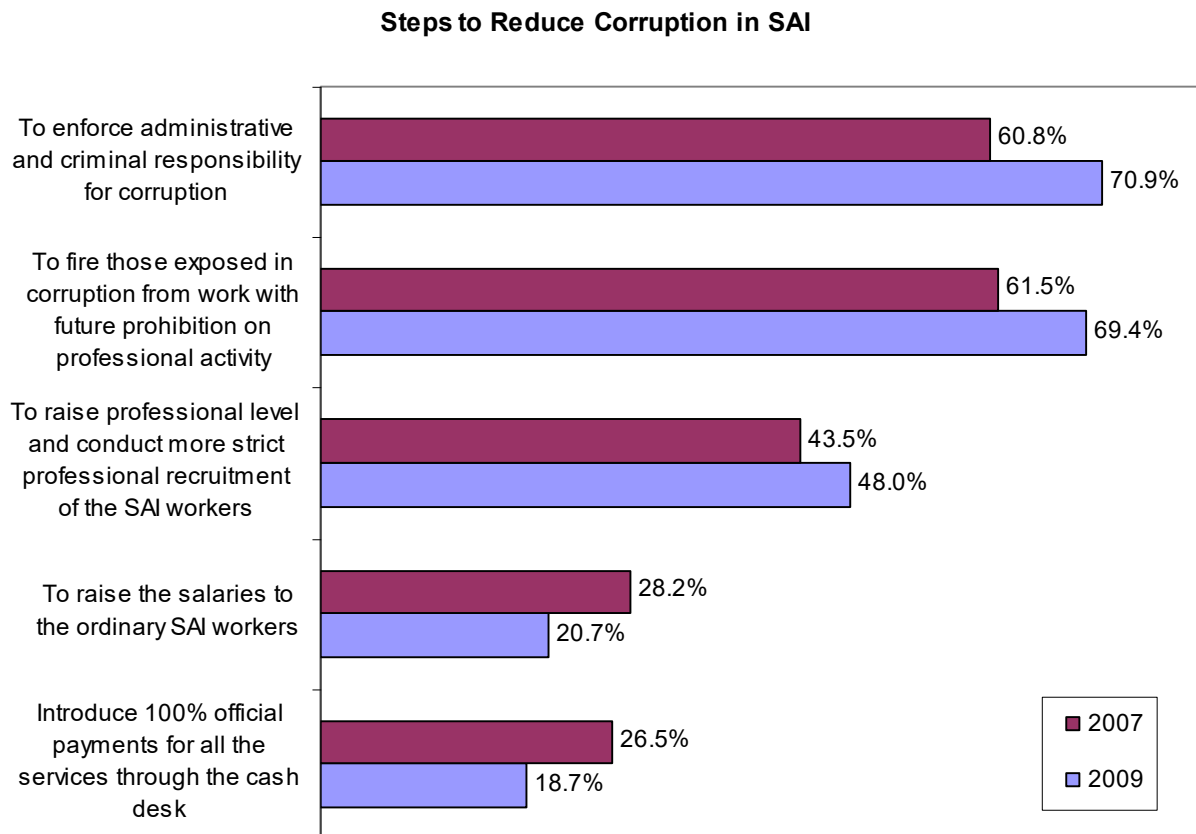


The practice of obtaining driver’s licenses or taking technical exams outside of the established procedures has also remained widespread – 16-19% of drivers were forced to pay, while 12-15% initiated the payments themselves. Overall, corruption within the SAI sphere remains widespread and typical, and obviously, its existence is reinforced by SAI employees as much as it is by drivers.

Those that transacted with the SAI over the past year see stricter sanctions as the best way to reduce corruption. These beliefs have remained unchanged since last year and have become even more acute. As in earlier years, the majority of respondents supported strengthening administrative and criminal responsibility for corruption (71%), and firing those involved in corruption with further prohibition of professional activity (69%). In addition, drivers have become more skeptical toward the effectiveness of such methods as raising salaries for SAI workers (decrease from 28% in 2007 to 21% in 2009), and making all official payments for all

services through the cash desk (from 27% to 19%). Meanwhile, respondents believe there is more benefit in raising the professionalism of SAI workers (from 44% to 48%).

Chart 52



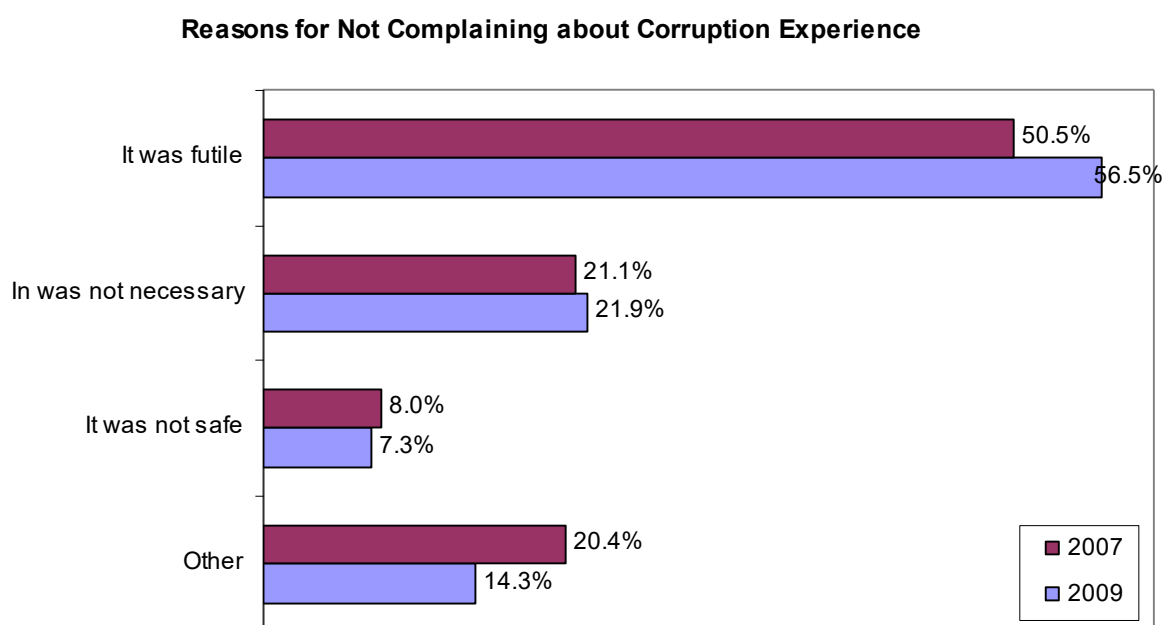
Q: In your opinion, which steps should be taken in order to overcome corruption in the system of state auto inspection?

6. CITIZEN RESPONSES TO CORRUPTION

Filing complaints and standing up for one's rights

The practice of filing complaints with government authorities or law enforcement agencies related to corruption problems continues to be uncommon. In 2009, a very small share of corruption victims who were extorted (2.7%) officially filed complaints against officials – a smaller share than in 2007 (4.3%). The reasons for not filing complaints remain the same as before: a majority feels that filing a complaint is futile (57%), while about one-quarter (22%) feel that it was not necessary to do so.

Chart 53

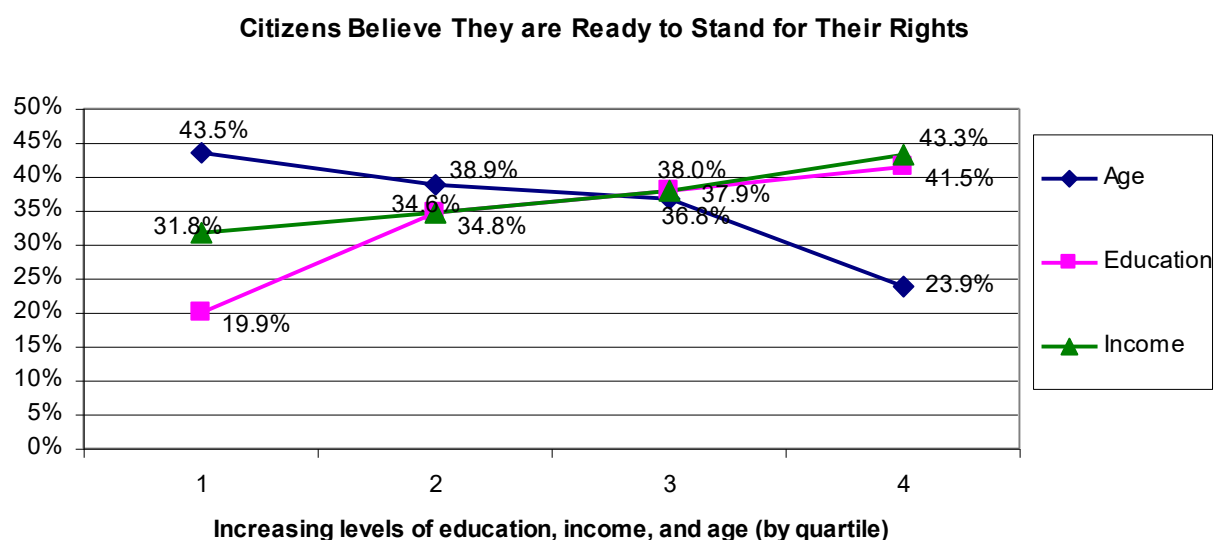


Q: What is the main reason why you did not complain?

Are Ukrainians becoming more ready to stand up for their rights? The 2009 survey demonstrates that the share of those who are ready to actively counter corruption is slowly growing with an increase from 33.2% in 2007 to 35.9% in 2009 (a statistically significant difference at a level of 1%). On the other hand almost as many respondents as earlier (33% in 2007 and 34.2% in 2009) stated that they are not ready to stand up for their rights.

The socio-demographic groups that indicate that they are ready to fight against corruption remain unchanged. The majority of these groups is made up of men, young people, as well as well-educated and wealthy citizens. These are the same groups that demonstrated the highest scores in the perception and experience indices. This tends to confirm the conclusion from the 2007 survey that the more a person suffers from corruption, the more he or she demonstrates a readiness to fight against it.

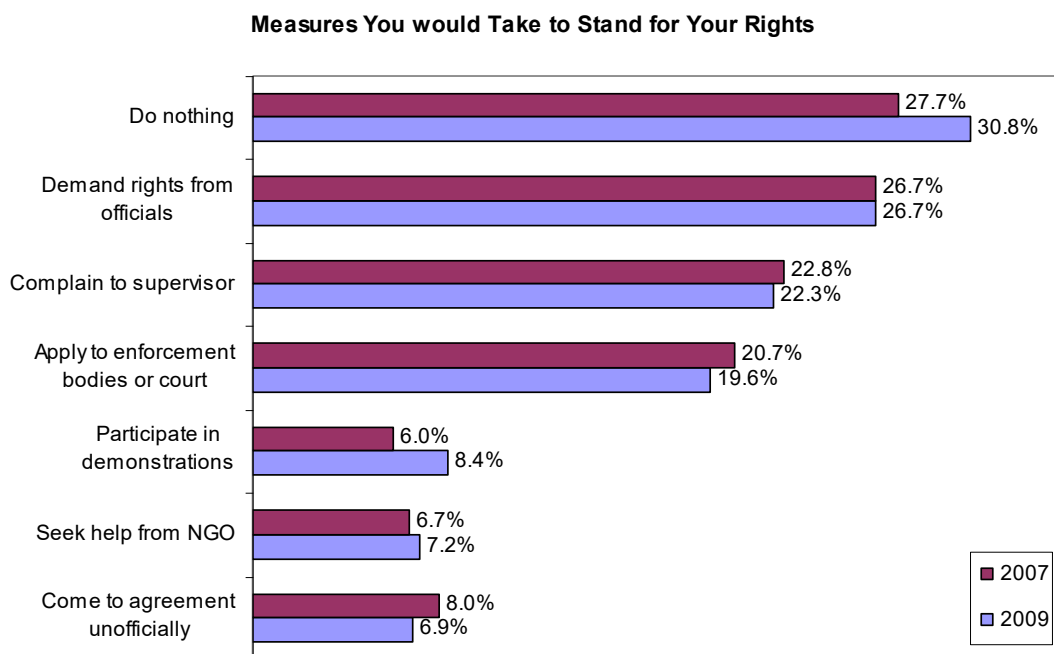
Chart 54⁴



There were no noticeable changes in what citizens indicate they would actually do to protect their rights. Of those who responded to the question, “What measures are you ready to take if an official violates your rights?” almost 31% stated that they would not do anything (in comparison to 28% in 2007). As earlier, almost 27% stated their readiness in such situations to demand that the official execute his duties. Quite a few citizens (22%) stated that they would file a complaint with the official’s supervisor, while 20% affirmed that they would turn to law-enforcement agencies or court. There is very little change in these opinions since the 2007 survey. At the same time, there is somewhat of a growth in the readiness to participate in demonstrations/protests in order to defend one’s rights (from 6% in 2007 to 8% in 2009), while there was a decrease in the share of those who would try to come to an informal agreement with the official (from 8% to 7%).

⁴ Quartiles by age are: I. 18-29 years old; II. 30-44 years old; III. 45-59 years old; IV. 60 years old and older
 Quartiles by education are: I. Elementary or some secondary; II. High school or trade school; III. High specialized; IV. University undergraduate or graduate
 Quartiles by income are: I. Less than 1000 UAH; II. From 1000 to 1500 UAH; III. From 1500 to 2500 UAH; IV. More than 2500 UAH

Chart 55



Q: In what way are you ready to act when state official coarsely violates your rights?

The main reason for inactivity in cases of corruption remains the lack of certainty that such actions will indeed be successful. This notion is maintained by 69.4% of respondents who are not ready to commit to any kind of action to stand up for their rights.

Effectiveness of anticorruption programs

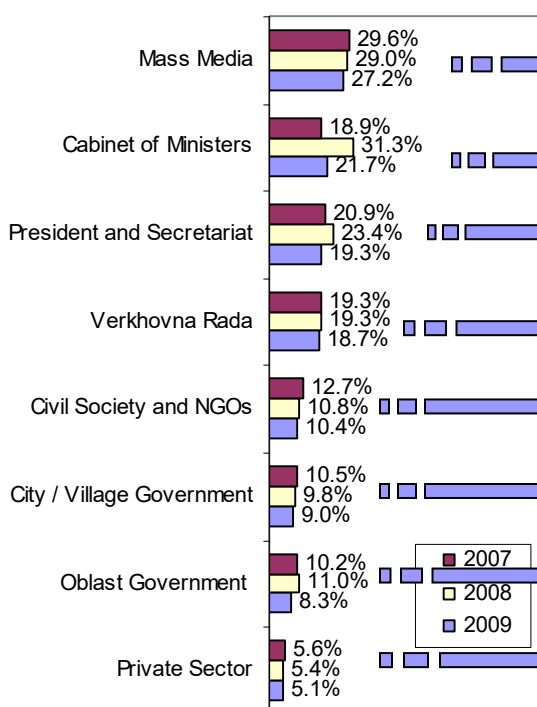
Since 2007, has public awareness of organized anticorruption programs increased and have citizens begun to evaluate the effectiveness of these programs differently? A comparison of the 2007 and 2009 surveys suggests that awareness of most organizations' anticorruption programs has decreased slightly or has remained at previous levels.

As earlier, public awareness is greatest concerning the activities of the mass media in uncovering corruption (27%). The only agent whose share of public awareness about anticorruption reforms has somewhat increased over the last two years is the Cabinet of Ministers (from 18.9% to 21.7%, with a temporary increase to 31.3% in 2008). The President and his Secretariat's anticorruption programs achieved early increased awareness (from 20.9% in 2007 to 23.4% in 2008) but then declined to 19.3% in 2009. Other than this, in comparison to 2007, Ukrainians indicate reduced awareness over time of anticorruption measures taken by oblast and local governments, civil society organizations and the mass media.

Citizens generally believe that the effectiveness of these anticorruption activities has been declining. This is true for every anticorruption agent. Local governments are seen as the most effective of them all.

Chart 56

Awareness about Anticorruption Programs

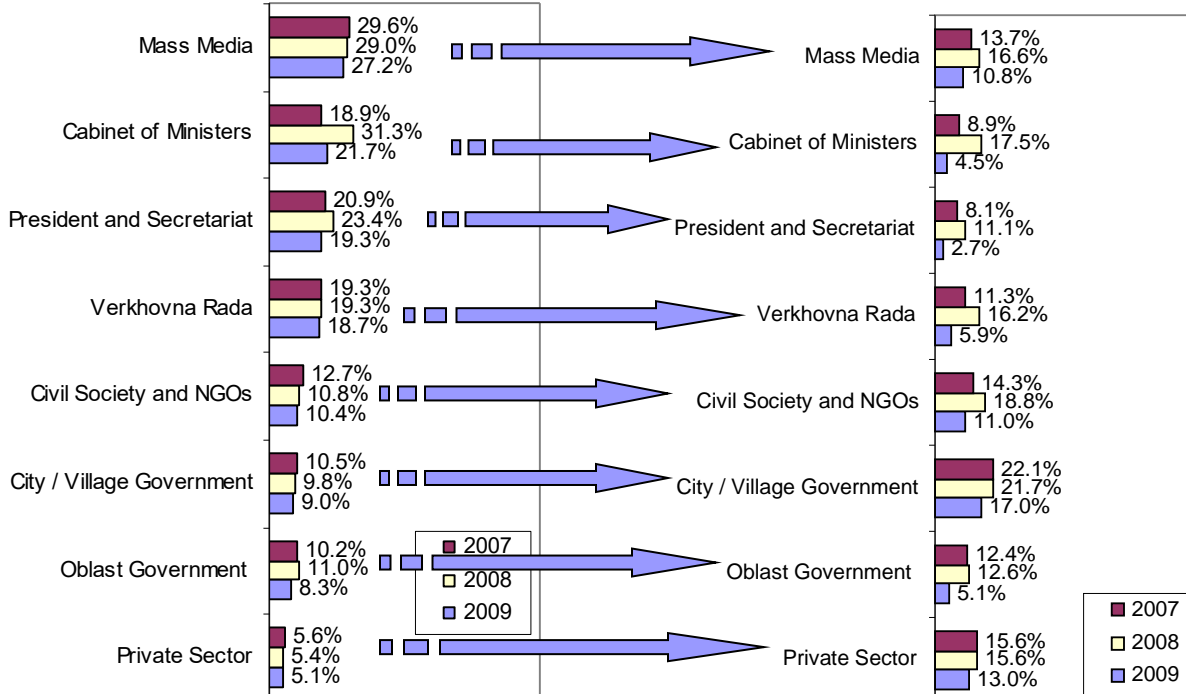


Q: Are you aware of any anticorruption activities, reforms, or campaigns that have been implemented (organized) over the past 12 months by any of the following entities?

Chart 57

Effectiveness of Anticorruption Programs

(Percent of the Respondents Who are Aware of Anticorruption Programs Implemented by Respective Entity)



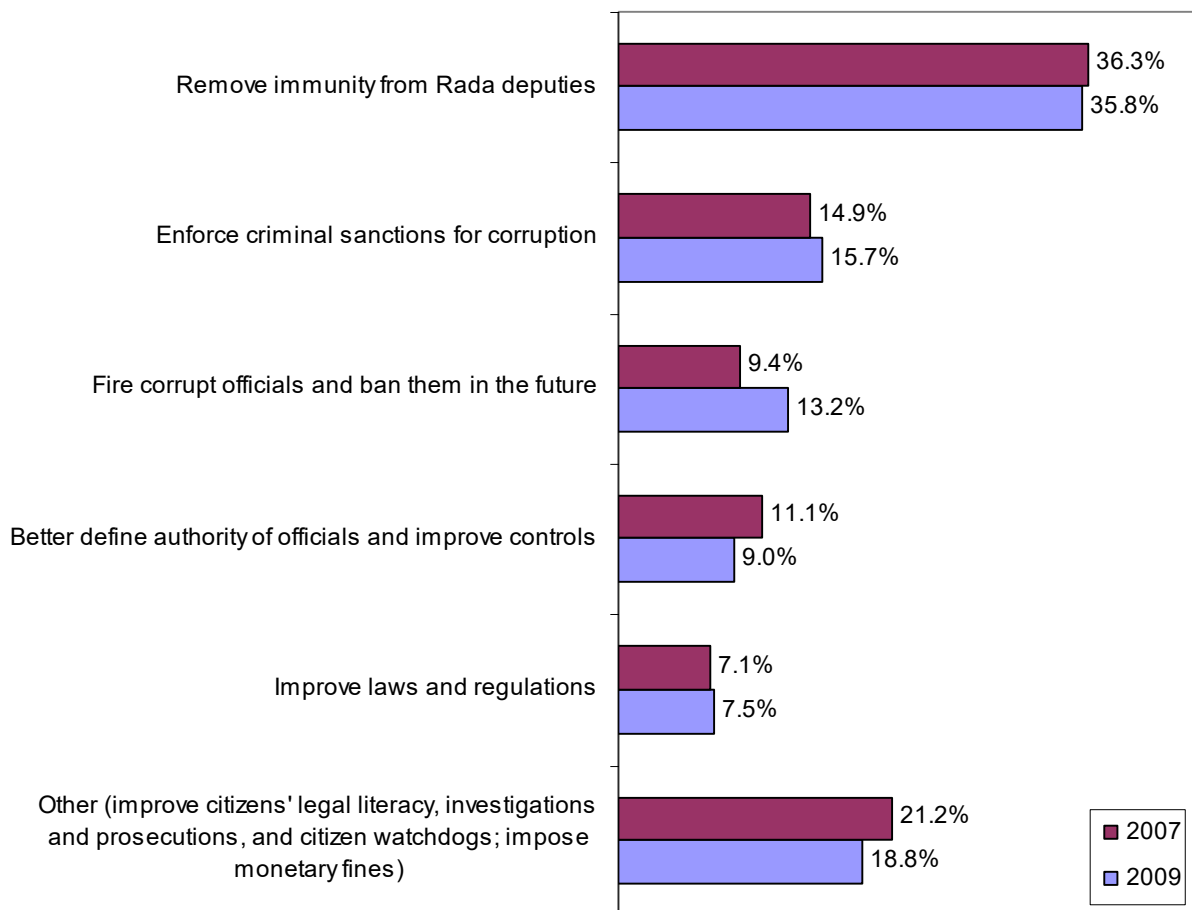
Q: How effective are they?

An interesting observation: for most of these institutions, the public only began viewing their anticorruption programs as losing effectiveness in 2009. Before that it remained relatively unchanged.

As in earlier years, Ukrainians continue to feel that the greatest obstacle in curbing corruption is the existence of deputy immunity. Its abolition is deemed to be the most effective measure in fighting corruption. As earlier, almost 36% of respondents see a direct connection between the existence of deputy immunity and the spread of corruption. Overall, the palette of proposed measures remains unchanged, although it seems that there is a growing trend toward using more radical measures such as firing corrupt officials and prohibiting them from working in other government jobs (the share of supporters increased from 9.4% in 2007 to 13.2% in 2009), or strengthening criminal responsibility for corruption (14.9% and 15.7% respectively).

Chart 58

Measures That are Most Likely to Be Effective in Fighting Corruption



Q: In your opinion, which of the following measures are likely to be most effective in fighting and preventing corruption?

As in earlier sections concerning corruption in particular sectors, the trend in Ukrainian attitudes is to favor stricter punishments for corrupt officials as an effective means of curbing the problem.