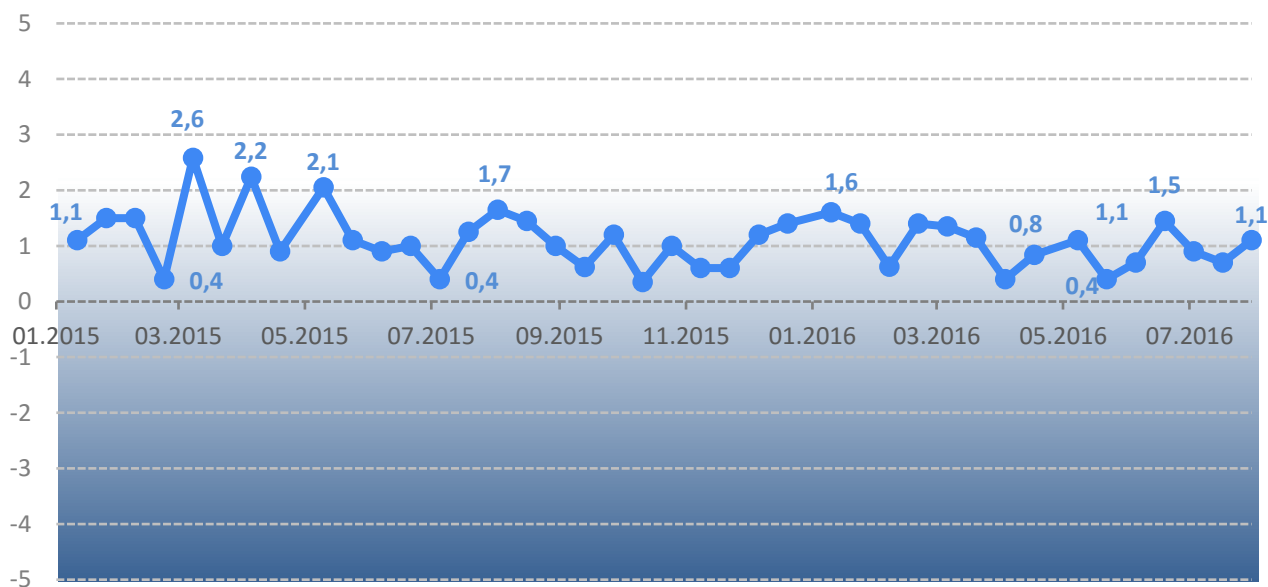


## IMoRe №40. Start of fighting against plagiarism

Reforms accelerated at the end of July but their pace remained unsatisfactory. The driver of iMoRe slight growth to +1,1 points from +0,7 was the start of fighting against plagiarism. The positive change was also observed in banking sector reform, public administration, pension system and the business environment.

The government decision to launch the National Repository of [Academic Texts](#) drove Index for Monitoring Reforms (iMoRe) growth to +1,1 points at the end of July (from +0.7 points at the beginning of the month). Additionally, the positive trends were enforced by the signing of the law on [financial restructuring](#) and increasing of the [drink driving penalties](#), as well as the decision to cut down the list of [early retirement](#) professions.

Chart 1. iMoRe dynamics\*



\* iMoRe team considers index value of at least 2 an acceptable pace of reform

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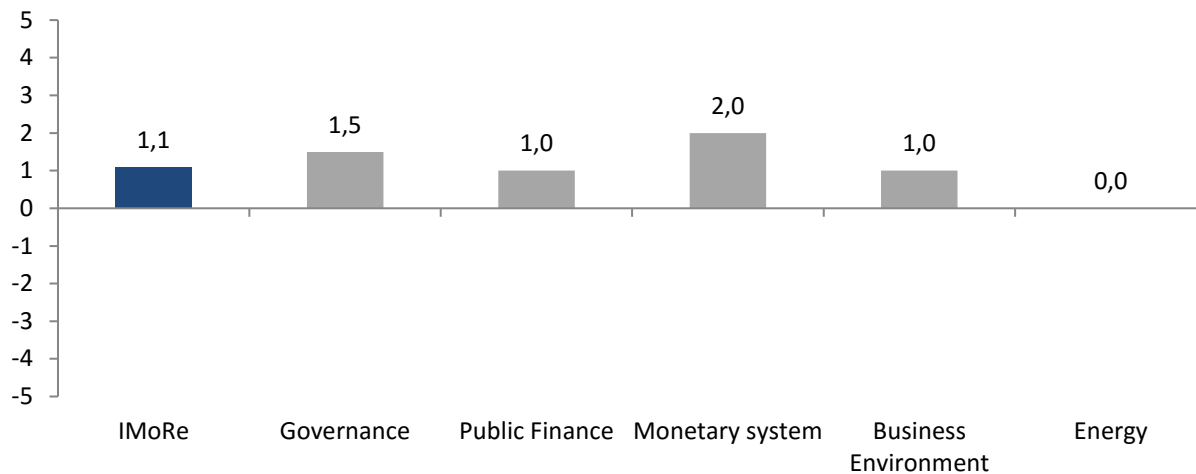


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Chart 2. iMoRe and its components in the current round\*\*



\*\*Titles of components were shortened for convenience, while their content remained the same

## The Most Important Positive Developments

### 1) Cabinet of Ministers Regulation on Launching the National Repository of Academic Texts: +3,3 points

By approving Regulation [№504-p](#) of 22.07.2016 the government launched creation of an electronic database of dissertations, scientific papers, articles, and students' papers. This repository will also provide the mechanisms for copyright protection and fighting against plagiarism.

Recent [opinion polls](#) revealed that 90% of students engage in [plagiarism](#) in their work, and the academic community tolerates it. Copy-and-pasting someone's papers, and presenting it under one's own name, mosaic plagiarism and copying pieces from a source without citation, uncited paraphrasing by changing the wording of an original text without crediting the source are the common practices both for Ukrainian scientists and students.

Microsoft developed the software for the repository on the basis of Microsoft Office 365 and Microsoft Azure. The developers of the [platform](#) plan that the cloud will have extensive computational capacity, which none of Ukrainian data centers has at the moment. Everyone engaged in plagiarism detection will be able to work on this software platform. The platform will be integrated into social networks and its cyber security will meet international standards.

The total cost of the project is 180 000 hryvnias. After the platform is launched, the government will pay 20 thousand hryvnias monthly, which will cover only the cost of its technical maintenance. Universities and academic institutions that use Office 365 will have the access to the platform free of charge.

*"The idea of the repository emerged approximately a year ago after numerous discussions about the necessity of combating plagiarism. We understood that we needed a database of scientific and*

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*student papers to verify other texts to detect plagiarism. This tool should enable the transformation of Ukrainian academic culture: neither an academic position nor well-placed acquaintances will become an obstacle for detecting and punishing plagiarism.*

*On the other hand – the repository will work as the database of academic papers, where any researcher will be able to learn about recent studies of their colleagues. We hope that it will increase the level of academic discussion.”*

Inna Sovsun, First Deputy Minister of Education and Science of Ukraine

*“Research papers often should be tested not so much for plagiarism as for common sense. Only after the demand for scientific products emerges on the market, the quality of scientific products will increase. Demand on the market also defines the quality of higher education – when the students consider university studies as the start of their career, they will have an incentive to demand its quality.”*

Tymofii Mylovanov, President of the Kyiv School of Economics

iMoRe experts gave moderately high rank for this development and mentioned that it is important in the long run perspective, but questions may rise with the repository financing in the next year budget.

## 2) The Law on Financial Restructuring: +2 points

Law [1414-VIII](#) of 14.06.2016 is the next step toward the stabilization of the banking system and the resumption of lending within the economy. The Law creates mechanisms for voluntary financial restructuring of borrowers. It introduces new tools to solve the problem of non-performing loans in the banking sector and contributes to the cleanup of banks' lending portfolios.

The financial restructuring procedure provides for the extension of maturity terms, the revision of interest rates and loan agreement terms and conditions, debt rollover, writing off parts of debts, investment injections into a debtor's capital, the reorganization of debtor's business, the replacement of a chief executive officer and/or Executive Board Members of a debtor, the reshaping of a debtor's corporate governance structure.

The Law enhances the role of arbitration in dispute resolution between participants involved in restructuring proceedings. Arbitration bodies will approve a restructuring plan should it be approved by two-thirds of the involved creditors.

*“Adopting this law marks a significant step forward in the implementation of the financial sector reforms in Ukraine. Financial restructuring of debts will address the legacy of a substantial amount of non-performing loans, the risks of going bankrupt and terminating business operations faced by potentially viable enterprises due to temporary liquidity problems and enable these enterprises to return to sound financial performance. This law will enable banks to reduce the amount of nonperforming loans and channel the released funds toward resuming lending and boosting the economy. Furthermore, financial restructuring of debts will enable companies to avert the risk of bankruptcy and give them breathing space to return to solvency, thus allowing Ukrainian citizens to keep their jobs and creating additional jobs in the economy.”*

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Mykhailo Vidiakin, Head of the NBU Office for Banking System Strategy and Reform

The experts rated this development positively and mentioned that the faster banks are able to “clean” their balance sheets, the sooner lending will resume.

*“We expect that financial restructuring will enable viable companies with high debt burdens and positive operating profit to avoid bankruptcy”*

Dmytro Yablonovsky, Head of Financial Research Department, GfK Ukraine

*“The banking sector hopes that this development will help to solve the problem of non-performing loans, but the scope of the law’s implementation (and therefore the degree of its positive impact on banking system stability) cannot be predicted.”*

Maria Repko, Deputy Director, Center of Economic Strategy

### 3) Drink driving penalties increased: +2 points

The law [1446-VIII](#) of 07.07.2016, which amended the [Code](#) of Administrative Violations, increased the liabilities for driving under the influence of alcohol, drugs or medicines that reduce attention and speed of reaction. The fines and duration of driver's license suspension increased substantially. These developments are expected to improve drivers’ discipline and the level of safety on the roads and, as a consequence, reduce the number of road accidents in Ukraine.

Experts rated the development positively, and they expect that the number of violations should decrease. At the same time, the question of the low legal threshold of intoxication remains.

*“A significant increase in penalties for drink driving should help to improve the statistics of road accidents in Ukraine. Even after the increase, fines are mainly lower than in Western countries. According to the WHO, the number of deaths per 100,000 population is much higher in Ukraine than in the EU and the United States, even with fewer cars. According to the State Statistics Service of Ukraine, tenth of the traffic accidents with fatalities is caused by drunk drivers, which is presumed to be a conservative estimate. At the same time, it can potentially facilitate corruption on the part of the control.”*

Oleksandr Zholud, senior analyst at the International Center for Policy Studies, member of VoxUkraine editorial board

### 4) The government shortened the list of early retirement professions: +1.5 points

The Cabinet of Ministers resolution №[461](#) of 24.06.2016 approved the new lists of industries, jobs, professions, positions and indicators, employment in which early retirement is available. Compared to the previous list, the new one is substantially reduced. In particular, the new list does not include heads of enterprises and departments, general maintenance and repair workers. Mine workers are now eligible for privileges if engaged in underground work on a full-time basis (previously they should have been engaged 50% of working day or more).

Experts noted that the decreased number of early retirements will certainly contribute to the reduction of the pension fund deficit in the long term.

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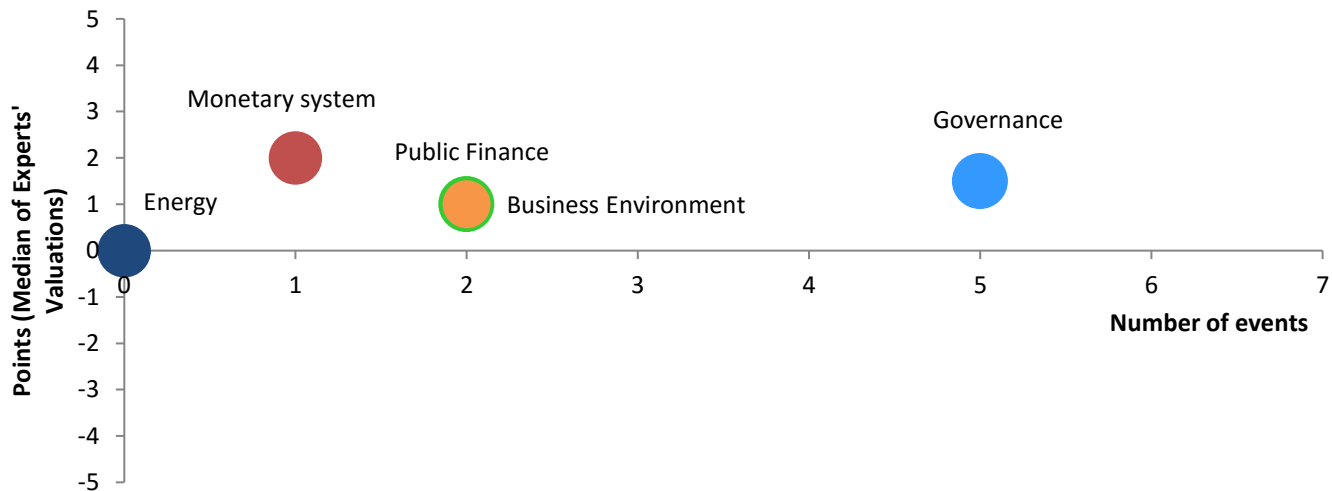
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# Index for Monitoring Reforms (iMoRe)

Release 40

Monitoring period: July 18–31, 2016

Chart 3. Value of iMoRe components and number of events July 18 – 31, 2016



(Please see other charts on the website [http://imorevox.in.ua/?page\\_id=577](http://imorevox.in.ua/?page_id=577), [http://imorevox.in.ua/list\\_rounds.php](http://imorevox.in.ua/list_rounds.php))

Note: Index for Monitoring Reforms (iMoRe) from VoxUkraine aims to provide a comprehensive assessment of reform efforts by Ukraine's authorities. The Index is based on expert assessments of changes in the regulatory environment in five areas:

1. Governance
2. Public Finance
3. Monetary system
4. Business Environment
5. Energy

For details please visit [imorevox.in.ua](http://imorevox.in.ua).

VoxUkraine is a group of global economists and members of the Ukrainian policy community who are working on reforms in Ukraine. The goals of VoxUkraine are to promote research-based policy analysis and commentary on economic developments in Ukraine, to formulate a systemic approach to reforms, to provide high-quality discussion platforms, and to integrate Ukraine into the global network of economists and public policy leaders.

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