



# **POPULAR ECONOMICS, OR SOME FACTS ABOUT MODERN FEUDALISM**

## Two Social Orders



There are two types of modern  
social orders.

Douglass North  
Nobel prize winner 1993

# Open Access Order



The first type of social order is based on principles of open and fair competition

# FAIR PLAY



# Limited Access Order



The second type is built on selective preferences, which restrict both political and economic competition



# Openness – is the Secret of the Developed Countries' Success



The open system brings to success the most competitive players (the players which propose commodities and services of the best quality and price)



## Limited Access – Kills Incentives



Limited access guarantees success only in case one belongs to the “right” clan, family etc. Those outside of a clan or a caste, effectively, have no incentives for self-realization since all results of such work can be “legally” expropriated .



# Distorted Incentives – Limited Opportunities for the Elites Themselves



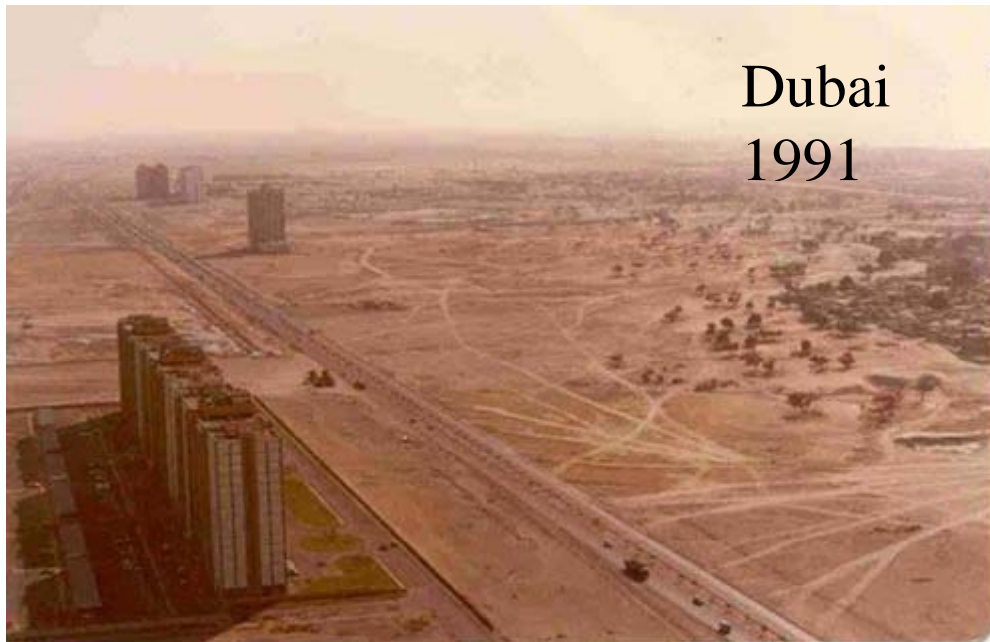
Distorted incentives in a limited access order allows only negligible incomes for people and very limited opportunities for the elites themselves



# Oil Makes the Difference



The only exception from the rule are the countries endowed with hydrocarbon deposits. The limitations of the order are compensated with oil earnings.





# Political Process – Choosing without a Choice



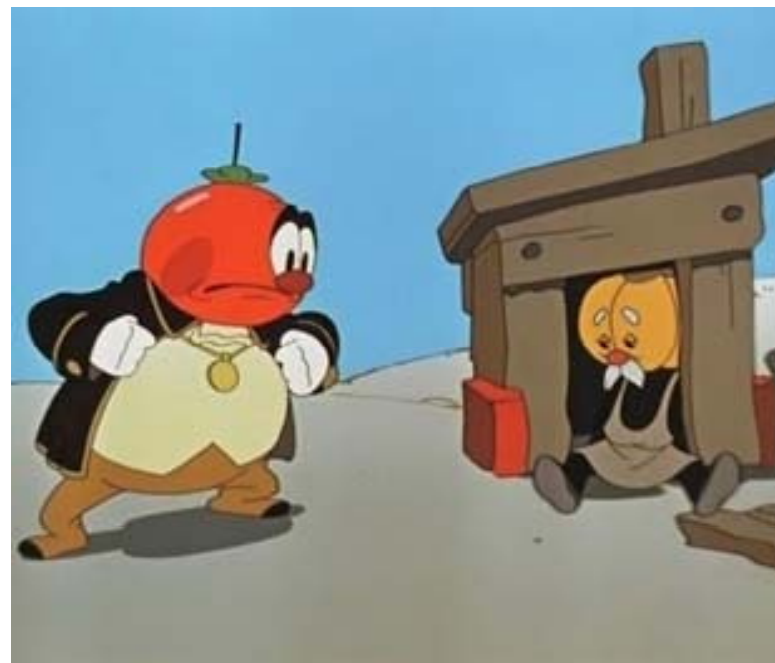
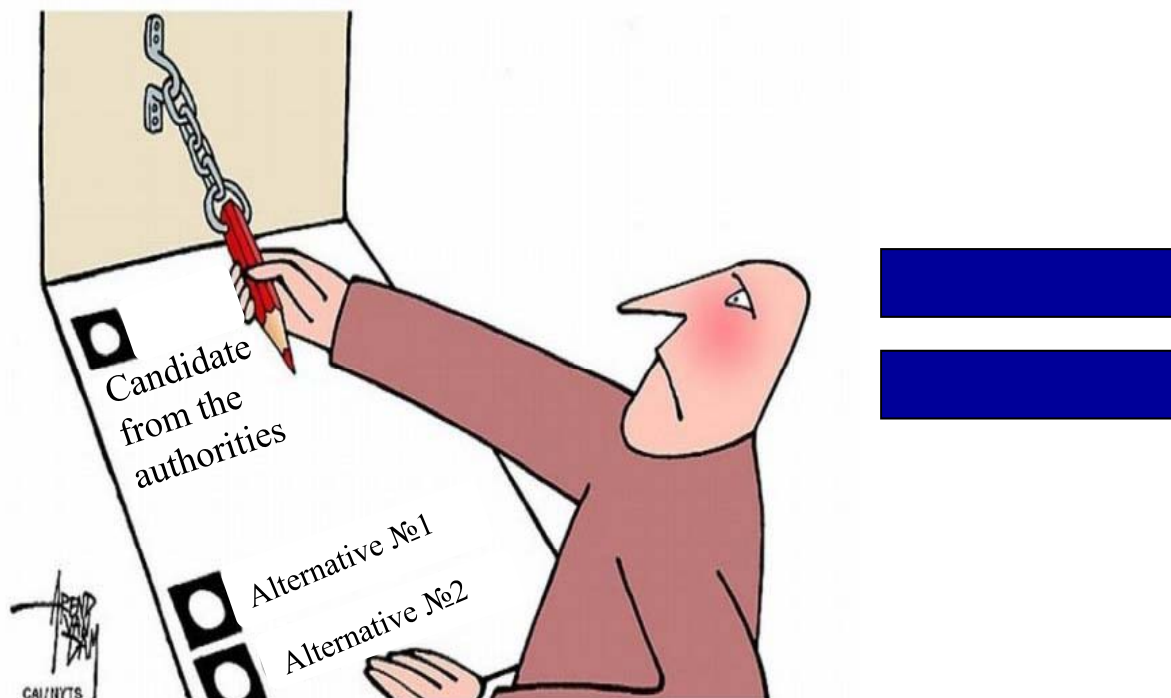
Political process (at the limited access order) – aspirations of the feudal to replace other feudal and enjoy the fruits of the existing system (modern feudalism).



# No Alternatives in Politics = Hopelessness in Economy



No alternatives in political life – limited opportunities economic self-realization



**In Contrast...**



# Political Alternatives



Political alternatives – a real opportunity to “fire” and punish ineffective rulers

Election of new  
“bosses”



# Economic Alternatives



Economic alternatives –  
an opportunity to have  
the best commodities or  
services for the lowest  
price



# «Golden Billion»



The so called «Golden billion», the countries with income per capita above \$50000 per year – are open access systems



# Euro-Aspirations



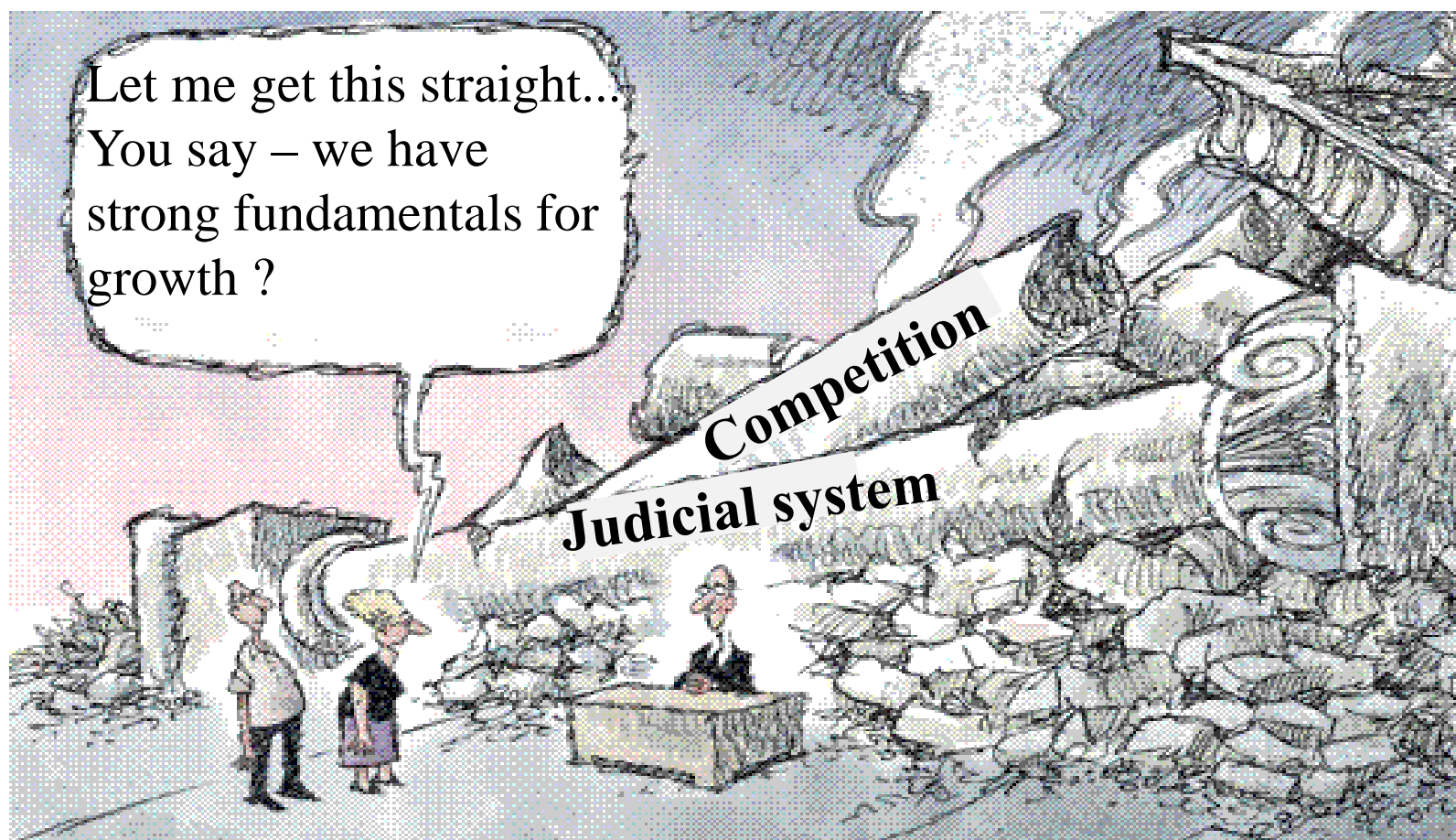
Major part of Ukrainian society strives for openness and this demand is reflected in Euro-integration aspirations (according to surveys more than 50% of Ukrainians want to be in European community)



# The Openness Demands Fundamental Reforms



For creating the open system fundamental socio-economic reforms are needed





# Pseudo-Reforms



However, unfortunately, the majority of the authorities' moves are pseudo-reforms, which do not touch the core of the problem

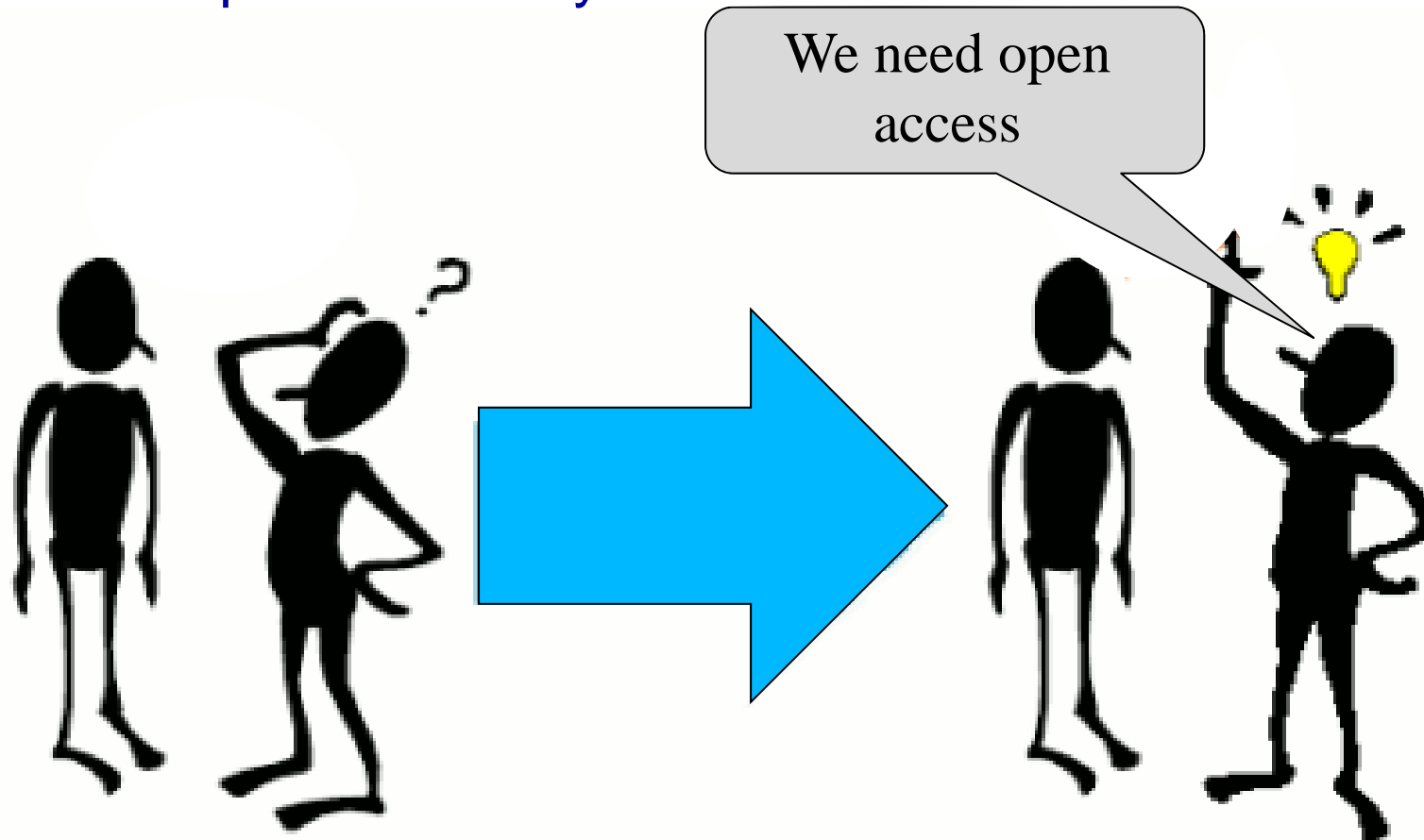


Fundamental reform of Christmas tree

# Demand for «Open Access»



The solution of the problem is in creation of educated (informed) demand for open access system



# Politicians are the Reflection of the Public Opinion



Politicians in their moves and election pledges reflect public opinions ...



# The Public Mood – is the Tool for Leveraging Politicians



...that is why through public demand for open system we can stimulate new political proposals for fundamental reforms



# The Main Tool: Case-Studies Based on Current Reforms



The key tool for creating demand for open access order – in-depth analysis of the current policy changes process. The so-called case-studies with clear examples and explanations.



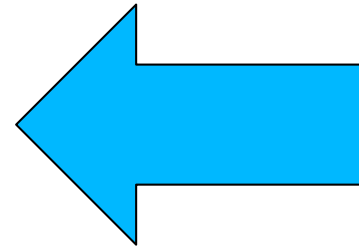
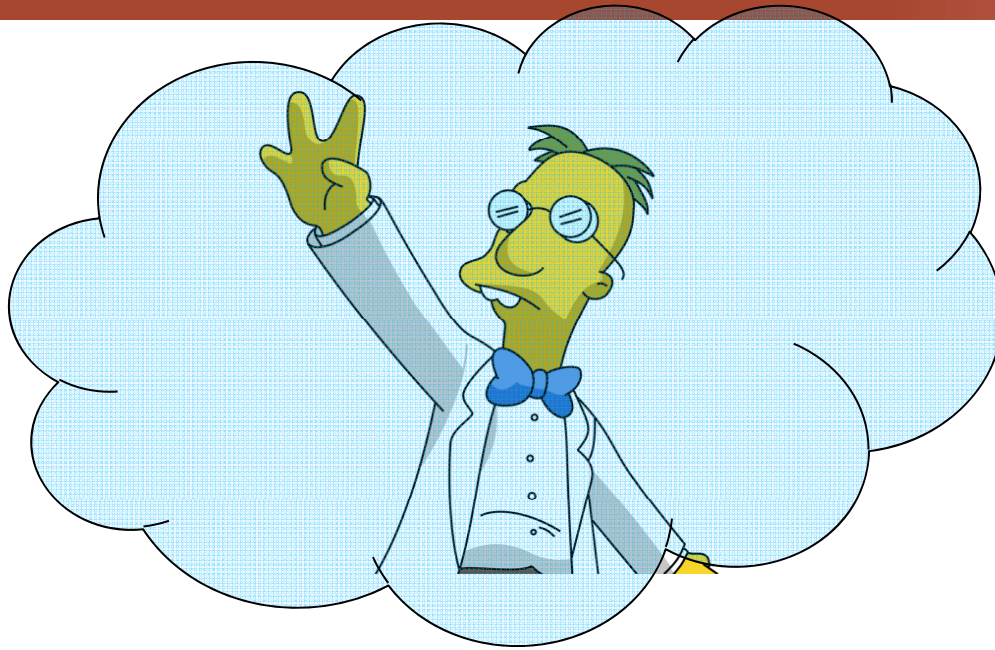
**Important...**

A large red circular sign with a white center, resembling a lifebuoy. A dark blue horizontal band crosses the center of the ring, containing the text "MIND THE GAP" in white capital letters.

**MIND THE GAP**

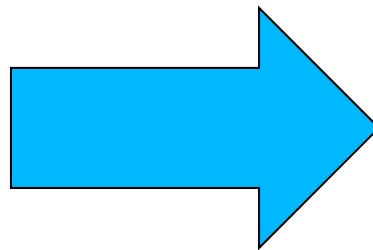


# There is a Gap Between the Level of Think Tanks and Wide Audience



Think Tanks

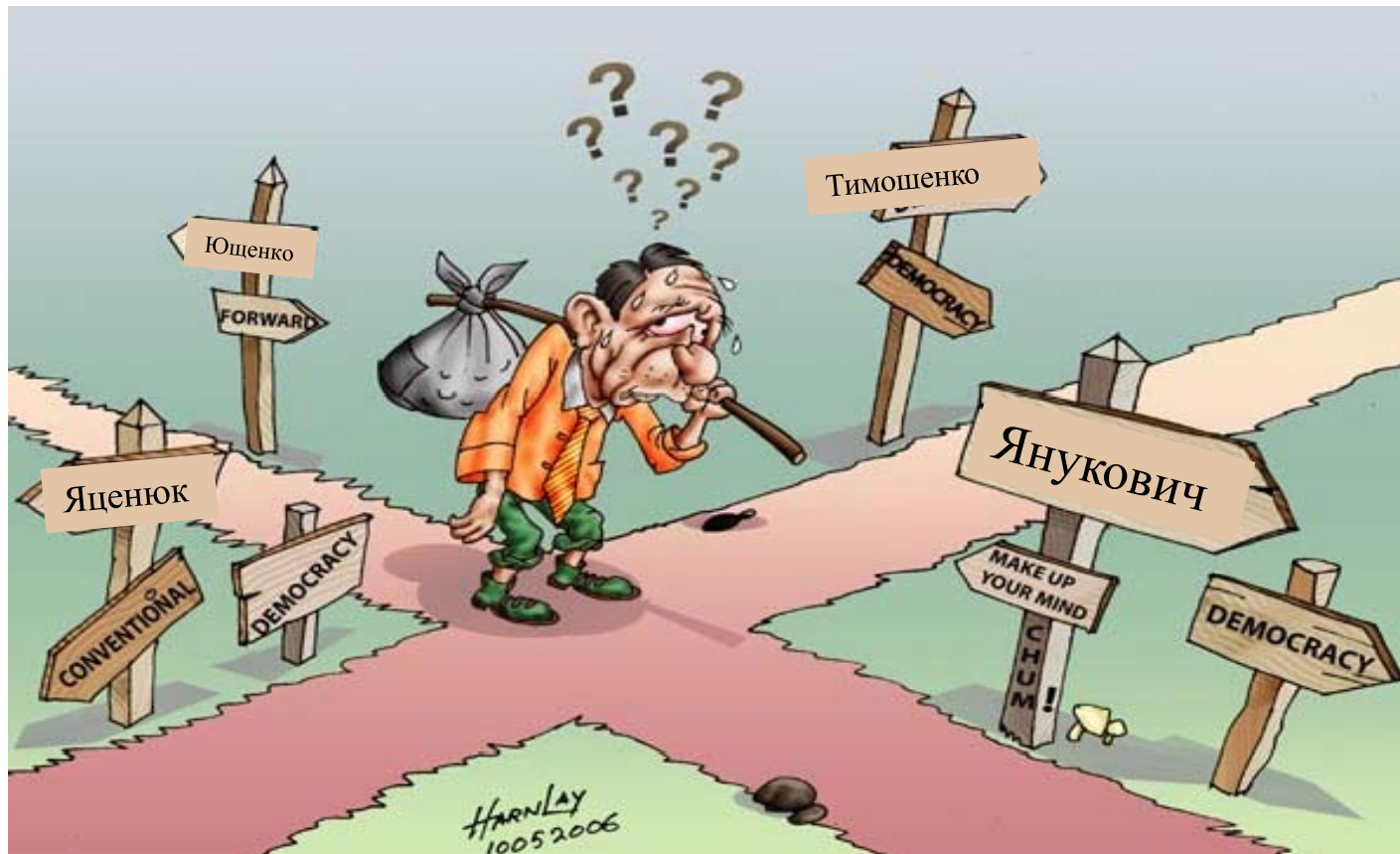
Wide  
audience



# The Gap Supports the System



The gap between analysts and common voters gives a chance for the feudals to disorient Ukrainians and manipulate with public opinion for its benefit





# Building Bridges



That is why for creation of educated/informed public demand for the open system the intellectual elite, in addition to the high quality case-studies, should search for the ways to overcome the gap



By HikingArtist.com

# The First Step: Make Complex Simple



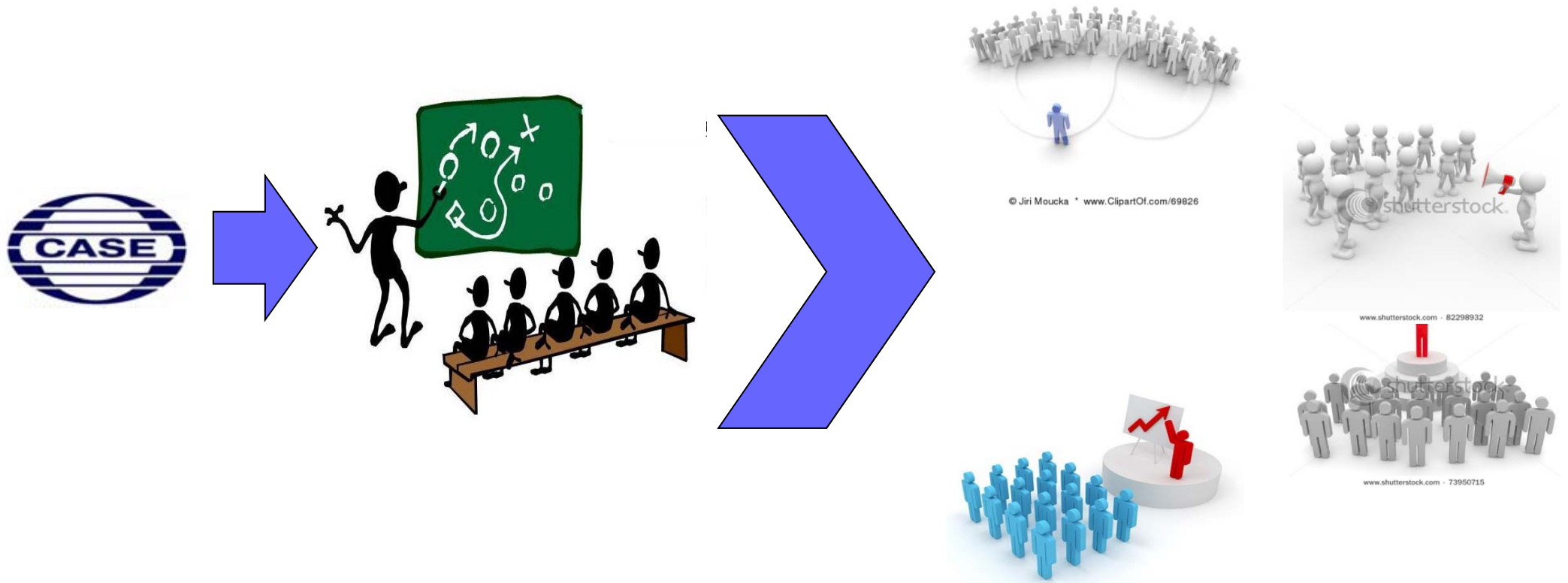
The first step – to «translate» the results of the work – case-studies – into a simple language (visualization, link to the local realities etc.).



# The Second Step: Work with Local CSOs



The second step – educational/explanatory work with local CSOs, which in its turn will be relaying the findings of our work



# The Outcome: «Open Access System» - Undeniable Social Value



The final target of the work is the creation of the wide public demand for the system of open opportunities and equipment of the society with the “assessment tools” for measuring political elites’ quality of work.

