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When democracy programmes succeed but democracy fails, what are we missing? An experiment in the Ukraine

Vadym Georgienko introduces an innovative piece of democracy programming from the Ukraine, which seems to lie somewhere between cash transfers, community-based venture capitalism and participatory budgeting.

Most programmes supporting democratic participation continue to report solid results. Trainings are delivered. Consultations are held. Stakeholders are “engaged”. And yet, from communities to countries, trust evaporates. Institutions hollow out. People vote, then revolt. The rituals remain — the vitality disappears — authoritarianism advances.

Why is that? And more importantly, why does it keep happening even when all the boxes are checked?

A conceptual barrier behind the operational success

This goes much deeper than operational gaps. There is a fundamental conceptual barrier in the design of international democracy programmes, even as billions have been invested — or dispersed — in their name. They focus on consequences while modifying the sense of the power of the people — the core democratic value — and underestimate the importance of motivation mechanisms for participation. This tendency often reduces public participation to formal consultations repackaged under various labels.

As a result, citizens increasingly feel a growing gap between themselves and their democratic power, lacking self-governance skills and remaining vulnerable to paternalism and populism globally.



A civic loop tested under pressure

Over the first 16 months a civic experiment, “**Rudky's CRF program**”, has taken root in a rural Ukrainian community (**Rudky**) – not as a theory, but as a practical response to the ongoing crisis.

In the experiment, local residents became the main drivers of a regenerative loop: they contributed to collective needs (through labour, time, or materials), and in return received governance tokens via smart contracts. They were then able to use these tokens to vote to allocate pooled resources to local entrepreneurs of their choice. These entrepreneurs then returned the capital to the community fund – restarting the cycle.

The scale was modest – but the effect wasn't. An initial investment of just 100,000 UAH (US\$2,500) into a community resilience fund catalyzed four decision-making cycles and over 1.26 million UAH in public good value generated through 22 smart contracts based on people's **contributions**. Specific examples of what people chose to support – and how they contributed via smart contracts, include:

1. Smart Contract – Project #35 (Playground Improvement):

Participants could earn governance tokens in two ways:

- **Volunteer labor** – for activities like clearing autumn leaves, repainting play structures, or planting greenery. A minimum of 2 hours earned 2 PB tokens.
- **Material contributions** – by donating paint, plants, tools, or other supplies worth at least 150 UAH (~\$4), a participant received 1 PB token.

2. Smart Contract – Project #3 “Warm Socks & Mats” (Support for Defenders):

This project focused on helping local men – husbands, brothers, and sons – defending Ukraine

on the frontline.

Participants contributed through:

- **Crafting handmade items** (knitting socks, weaving mats) – minimum 9 hours earned **3 PB tokens**.
- **Donating materials** like yarn or fabric (worth at least 150 UAH) earned **1 PB token**.
- **Transporting finished items** to their destination (e.g. military units) earned **3 PB tokens per trip**.

Each smart contract had clear criteria, was approved by the local hybrid team, and automatically linked people's inputs to their share of decision-making power.

Note: PB has a dual meaning, in Ukrainian it stands for "Розумна Взаємодія" (smart interactions) in English – "Participatory budgeting". We decided to use the common term "PB-tokens".

More than 400 residents took part. Unlike traditional grant programmes, the model didn't require ongoing donor input – it generated its own next round of working capital.

The model was born in war conditions – not as a response to market failures, but to systemic uncertainty and institutional overload. Communities faced delays in humanitarian aid, budget shortfalls, and loss of trust. The CRF/CTS model emerged as a bottom-up way to rebuild trust, mobilize local capacity, and fill governance gaps – especially where national systems couldn't.

In practice, many contributions supported war-affected families or local needs tied to the war: e.g., making thermal mats and socks for soldiers, or providing basic equipment to keep kindergartens running during blackouts caused by attacks.

The system runs on distributed civic action. It transforms fragmented participation into shared agency – and generates real feedback. People see that their actions shape outcomes. Entrepreneurs are selected not by a grant committee, but by token-based community votes.

Up to 90% of voters later become real customers – not just endorsing, but actively supporting the entrepreneurs they selected, helping ensure timely return of capital to the community resilience fund. In doing so, they help sustain the loop itself – binding the political and the economic into a shared cycle of loyalty and accountability.

What begins as simple, intuitive, and personally meaningful forms of engagement evolves into something harder to simulate: the gradual development of practical skills, values and inner readiness for shared self-governance in community life.

Through repeated decision-making cycles, fueled by motivation and linked to tangible outcomes, residents strengthen their ability to govern local resources and priorities together – perhaps the best antidote to authoritarian drift.

A signal, not a model

We're not sure exactly how to describe this — a model, a protocol, or just a repeatable civic instinct. But it behaves like a civic protocol: low-cost, repeatable, and able to coordinate real-world decisions under pressure. It is not a **social franchise** in the conventional sense — but neither is it a blank canvas. It provides a replicable civic loop with built-in flexibility, designed to support local authorship without erasing structure. The real challenge, as we've seen, lies in respecting this integrity — avoiding both rigid replication and vague reinterpretation that can empty out its core logic.

It's fragile. It's young. But it works — at least for now.

And it echoes key themes raised in AICP's work: everyday influence, distributed ownership, dynamic trust cycles, and bottom-up governance.

We're sharing this not as a finished framework, but as the start of a conversation. If your work involves rethinking power, ownership, or influence, this might be worth a closer look — because it behaves like a living civic engine: evolving, adaptive, and capable of regenerating itself under pressure.

If this resonates, you're warmly invited to join the conversation. We'll be exploring this further during our online conference *Citizen Capital: From Within* on June 12, 2025. *If you'd like to join, you can register here* → <https://forms.gle/cJSjD6EqRLcsruBC9>

About the author

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