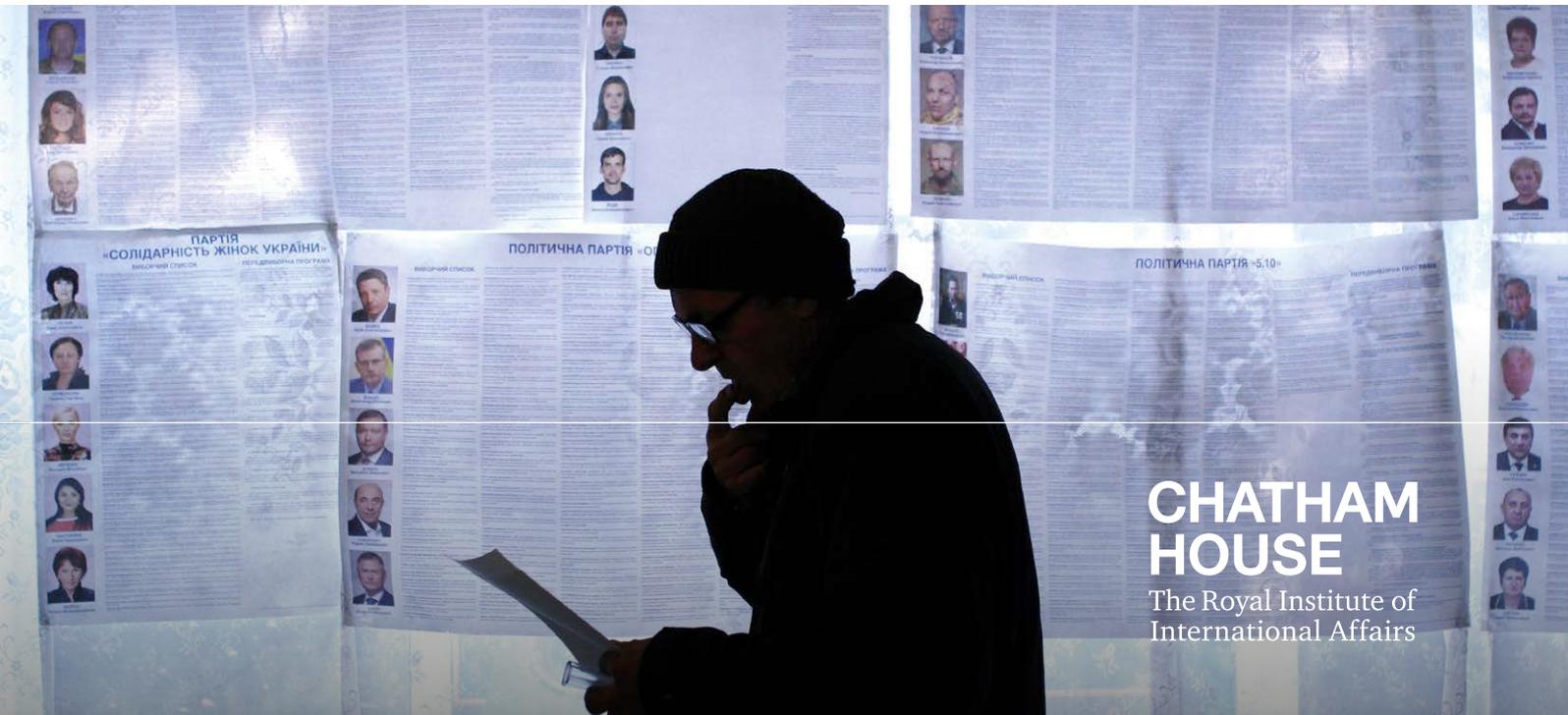


Research Paper

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Political Elite Renewal in Georgia, Moldova and Ukraine



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Summary

- In Georgia, Moldova and Ukraine, the legacy of the Soviet past and the challenging transition processes of the 1990s have delayed the emergence of a new generation of reformist leaders who practise the principles and values of good governance.
- Since independence, political parties in these countries have failed to push genuine and competent elites to the forefront of politics. Outmoded internal governance still dominates political parties, which continue to pivot around individual charismatic leaders.
- This paper identifies four categories of elites active in current domestic politics in these three states: the ‘Old Guard’; those with the potential and capacity to improve governance who become ‘Trojan Horses’ of the Old Guard; the ‘Returned Diaspora’; and ‘Domestic Reformers’. The latter three all constitute sources of potential elite renewal.
- Social uprisings have created political openings for Domestic Reformers and the Returned Diaspora to take part in high-level politics.
- Vested interests of the Old Guard, unequal access to financial resources, and the limited political experience of newcomers have all damaged the potential for a level political playing field in these countries. These factors hamper the prospects of Domestic Reformers and the Returned Diaspora to become sustainable players in domestic politics.

1. Introduction

In societies struggling to democratize, revolutions and social uprisings are an opportunity for new political elites to come to the fore. Social upheavals in Georgia, Moldova and Ukraine demonstrated this by propelling new political actors into positions of power that were previously closed to reformists. However, a closer look at the current political leadership in these three states reveals no fundamental changes in their modes of governance. Despite these countries embracing political transformations, genuine reformers still face major systemic challenges that prevent them from having a positive impact on democracy consolidation.

After more than 25 years of independence and protracted, ongoing democratic transitions, post-communist societies continue to struggle with poor-quality governance. Political elites seem unwilling and unable to bring about sustainable democratic reforms regardless of societal demands and the often-generous inflows of external assistance. Charismatic personalities still dominate electoral competition, which results in ideologies, policies and manifestos as an afterthought. Despite the political ruptures that the uprisings in these post-communist states have created, the leadership in these countries suffers from a lack of coherent political will, poor implementation and vague visions for the future. From the public perspective, the reform process is mainly driven by external pressure from donors and Western partners. This has a direct negative impact on the trust of citizens in state institutions and, as a result, in the rate of democratic change in society.

In the last 15 years, the societies of Georgia, Moldova and Ukraine have repeatedly demonstrated their pro-European aspirations and rebelled with limited success against Soviet-type political leadership and practices. As a result, Georgia's Rose Revolution, Ukraine's Euromaidan and Moldova's break with communist rule in 2009, brought new pro-European political parties to power. This generation of political elites raised expectations among citizens and Western partners that the countries could democratize and adopt European values and standards of living.

However, recent public opinion polls show that distrust in political leadership and parties in these countries remains high.¹ Current elites employ strategies and techniques similar to those of the *ancien regime* when engaging with civil society or participating in the governance process, which has given rise to further distrust among populations.

This paper examines the factors that shaped the current context for political elite renewal in Georgia, Moldova and Ukraine. Firstly, it analyses the reasons for the lack of new political leadership capable of pushing through sustainable democratic reforms in these countries and identifies sources of elite renewal. Secondly, it examines how political parties in Georgia, Moldova and Ukraine recruit and promote new and diverse political elites in the governance process. Thirdly,

¹ Center for Insights in Survey Research (2018), *Public opinion survey: residents of Georgia. April 10–22, 2018*, International Republican Institute, http://www.iri.org/sites/default/files/2018-5-29_georgia_poll_presentation.pdf (accessed 11 Mar. 2019); Razumkov Centre (2019), *Рівень довіри до суспільних інститутів та електоральні орієнтації громадян України [Level of trust towards public institutions and electoral orientations of Ukrainian citizens]*, 20 February 2019, <http://razumkov.org.ua/napriamky/sotsiologichnidoslidzhennia/riven-doviry-do-suspilnykh-institutiv-ta-elektoralni-orientatsii-gromadian-ukrainy> (accessed 11 Mar. 2019); Institutul de Politici Publice (2018), 'Brometru opiniei publice' ['Barometre of public opinion'], 4 December 2018, <http://ipp.md/wp-content/uploads/2018/12/Barometrul-opinieii-publice-prezentare.pdf> (accessed 11 Mar. 2019).

it explains the factors that prevent parties from promoting individuals capable of genuine political leadership into their higher ranks. Fourthly, the paper looks at the extent to which current post-revolutionary elites differ from their predecessors and outlines the systemic changes necessary to drive sustainable elite renewal. Finally, the paper proposes policy recommendations to support the development of new elites willing and capable of implementing effective democratic reforms, who are not guided primarily by rent-seeking opportunities or private interests that only favour narrow elite circles.² In this context, elite renewal refers to the process of replacing those that use public office to serve their own interests with new elites intent on serving the interests of the public.

Where possible, examples from all three countries are given to illustrate arguments. Due to space limitations, the paper occasionally presents a single example from the most relevant country. This focus on commonalities is not to say that all three states experience identical trajectories of elite renewal. But they share a Soviet past that has had a significant impact on their political cultures; and each had a difficult early transition in the 1990s marked by non-transparent privatization and the revival of informal institutions. Oligarchs, to differing extents, are a common feature of their politics. In the 2000s, they experienced colour revolutions, and have since elected pro-Western elites to deliver the ‘European dream’. All have signed Association Agreements with the European Union (EU) while being part of the group of countries in the Eastern Partnership with a closer relationship with the EU. After undergoing social upheavals, they each took different reform trajectories. Georgia launched a radical economic and political reform agenda that modernized and opened up the country – for a while at least. Ukraine had to pass through a second uprising before embarking on a painful reform programme with as yet unclear implementation prospects. In Moldova, the so-called ‘pro-European’ coalitions, which were marred by corruption scandals, disillusioned the country’s civil society and Western partners despite a promising start.

Poor governance practices still dominate domestic politics in these three societies. After the latest social upheavals and increasing support for democratic transformation, the international community has renewed interest in understanding the current nature of political behaviour and the prospects for sustainable reform in these countries. In February 2019, Moldova’s parliamentary elections saw Old Guard elites hold on to the new legislature. These political survivors are likely to further consolidate the capture of state institutions, leaving little room for alternative pro-reformist elites to take centre stage and steer the governance process. In spring 2019, Ukraine held presidential elections, which resulted in the victory of Volodymyr Zelenskyi, and in the autumn the country is expected to hold parliamentary elections. The results of which are expected to either reiterate support for further painful reforms or to consolidate the country’s strong vested interests. Meanwhile, the incumbent Georgian government is expected, at best, not to erode the institutions established as a result of reforms undertaken in the aftermath of the Rose Revolution.

² The findings of this paper are based on desk research and six weeks of fieldwork in Georgia, Moldova and Ukraine in March–July 2017. Field research included 15–20 in-depth anonymous interviews with member of the elite and experts per country including policymakers, ambassadors, senior public officials, former ministers, civil society activists, and young opinion leaders.

2. Old Habits Die Hard

The Soviet era was a period of international isolation and socialization of elites into socio-political values characteristic of authoritarianism. It has left a significant imprint on the political culture of elites emerging in former Soviet countries. The Communist Party of the Soviet Union did not practise internal party democracy that would promote constructive policy debate and leadership based on transparent political competition. This is mirrored in the recruitment process of ruling elites in post-communist states, which value loyalty to the patron above professionalism and meritocracy, and prefer obedience over critical thinking.

In pursuit of international legitimacy after the collapse of the Soviet Union, its former states hastily established institutions that were ill-equipped to embed democratic values. The assumption at the time was that integrity, accountability, professionalism, political competition, persuasive dialogue and compromise would permeate these new institutions. This, however, has never materialized. Instead, the economic and political uncertainty of the early 1990s, widespread poverty, the enhanced value of social safety nets, the revival of informal power structures, and the resilience of the Soviet legacy reinforced the practise of old habits, political norms and values.

The Georgian experience best illustrates the resilience of this Soviet legacy. In his analysis of elite recruitment in Georgia in the 1990s, Tukvadze noted that loyalty to the leader, rather than professionalism or the ability to think creatively, was a criterion for success.³ Moreover, dissent or opposition was persecuted. The government of Georgia's first president, Eduard Shevardnadze, for whom loyalty was a first concern, used the well-worn Soviet system of elite recruitment to sustain his rule and relied on the old structure of communist nomenclature.⁴

Loyalty is still crucial to elite recruitment in modern Georgia. When President Saakashvili came to power in 2004, following the Rose Revolution, while he employed young and highly qualified professionals with previous experience in the private sector or international organizations, he continued to prioritize loyalty in the recruitment of officials for senior government posts. According to Giorgadze, 'Saakashvili created the system with young and [politically] inexperienced, but talented people, who were ready to follow the orders of Mikheil Saakashvili without any pre-conditions.'⁵ The leader of the Georgian Dream-Democratic Georgia (GD) party, Bidzina Ivanishvili, similarly prioritizes personal loyalty when promoting and selecting elite candidates to form a government.

This practice also survived in Moldova and Ukraine. It relies on loyalty and obedience to patrons, rather than respect for the rule of law and policy expertise, to advance the principles of democratic governance. However, whereas in the Soviet era fear of the leader and the political system were the drivers of loyalty, in the modern politics of these countries loyalty has mostly a transactional basis

³ Tukvadze, A. (1998), *Political Elite*, Tbilisi: Publishing House Knowledge, p. 196.

⁴ Giorgadze, S. (2015), 'The Influence of Political Culture on Political Elite: The Case of Post-Soviet Georgia', Master's Dissertation, Budapest: Central European University, p. 37.

⁵ Ibid.

with either direct or indirect spoils from rent-seeking schemes, which are part of their dysfunctional political systems, or in ‘incentives’ received from the patron in exchange for allegiance.

Nepotism has also endured. This is particularly the case in Georgia and Moldova, where networks of kin and social relationships were traditional safety nets and substitutes for the lack of merit-based professional opportunities. These networks – nourished by co-dependencies, interests, needs and loyalties – compensate for the unfulfilled expectations of the state and the economy. They thrive when official structures become dysfunctional and subsequently give rise to informal parallel power structures. A system in which positions of power are placed in the hands of family members, close friends or business partners instead of those with the professional skills and potential to succeed, is bound to breed corrupt networks based on easily controlled verticals of power and discourage ordinary citizens from choosing a career in government.

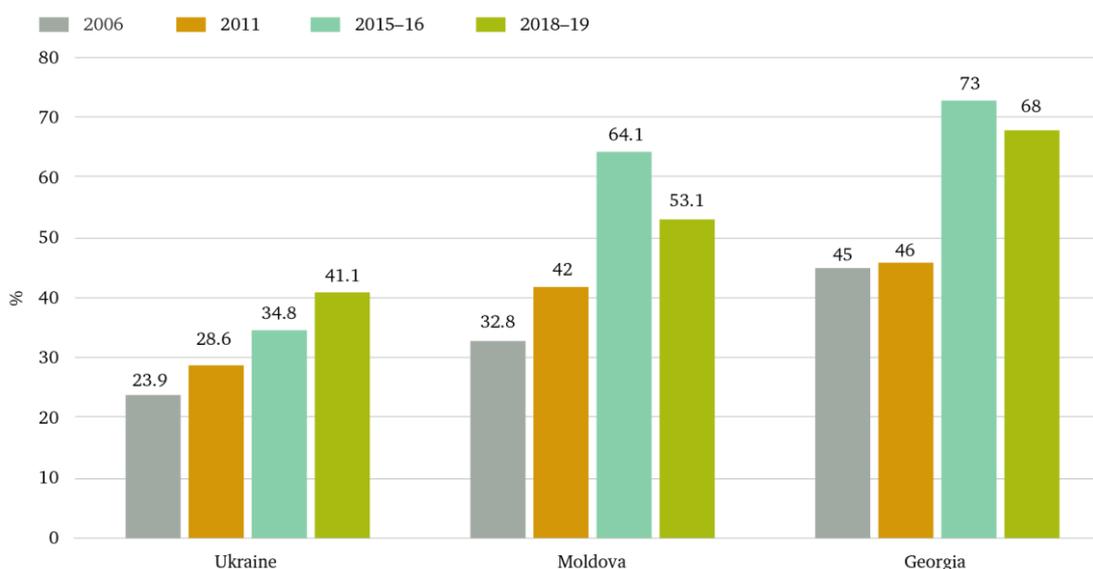
The prevalence of mainly one-man political parties is also a product of the past, which is ingrained in the political cultures of these societies. A small inner circle of trusted individuals around a single leader was an essential element of the Soviet system. The absence of sound and transparent party finance regulations after the dissolution of the Soviet Union has helped to proliferate this model. As a result, the leaders able to mobilize financial capital, often from obscure sources, became the ‘new’ elites. They tended to be those with previous state institutional affiliations or those who had acquired assets after the collapse of the Soviet Union. For example, in Georgia the Union of Citizens of Georgia (CUG) under Shevardnadze, the United National Movement (UNM) under Saakashvili, and the GD party under Ivanishvili are all umbrella parties to serve a particular leadership and provide the necessary qualified majority in parliament to support the decisions of the executive. Such parties tend to be short-lived once the incumbent leadership has gone.

3. Modern Barriers to Elite Renewal

The normative behaviour that developed under Soviet rule has shaped the context of elite renewal and further party development in post-communist states. As a result, it continues to hinder party capacity to promote new political elites via internal party competition. These norms have also created conditions favourable to the development of an apathetic electorate and passive civil society, which are unable to hold political leaders accountable other than through disruptive social upheavals. This Soviet legacy and the difficult democratic transitions of the 1990s, which impacted the *societal*, *institutional*, and *economic* spaces of these countries, have created a path-dependent trajectory for the development of similar political elite renewal patterns in Georgia, Moldova and Ukraine.

Political parties have gradually lost their significance as a source of elite renewal as many social constituencies reject them altogether as mechanisms to aggregate social preferences. This pattern continues today. According to recent polls, only 2.3 per cent of citizens fully trust political parties in Ukraine, while 41.1 per cent fully distrust them.⁶ Meanwhile, in a recent poll in Georgia, 48 per cent of respondents stated that no party represents them, and this percentage has continued to rise since 2016, when the incumbent GD party won a second term.⁷ Figure 1 shows similar high levels of distrust in public attitudes across all three states.

Figure 1: Distrust in political parties, Georgia, Moldova and Ukraine



Source: Razumkov Centre (UA), Institute for Public Policy (MD), and International Republican Institute (GE) poll data.

⁶ Razumkov Centre (2019), *Рівень довіри до суспільних інститутів та електоральні орієнтації громадян України [Level of trust towards public institutions and electoral orientations of Ukrainian citizens]*.

⁷ Thornton, L. and Turmanidze, K. (2018), *Public Attitudes in Georgia*, National Democratic Institute, June 2018, https://www.ndi.org/sites/default/files/NDI_June_2018_Presentation_Public_ENG_vf.pdf (accessed 11 Mar. 2019).

From a societal perspective, citizens are rarely interested in joining political parties as a stepping stone into politics. Slow democratic transitions in the region have helped create an amorphous civil society without the skills to seize the opportunity for independent political activity and proactive participation. Among the more active citizens, few are committed enough to join or support political parties because of repeated disillusionment with the political process since independence. Young people are also acutely aware that party membership and hard work are not prerequisites for building a career in politics. Even political figures avoid joining political parties. In a speech at Chatham House, Tudor Ulianoschi, the Moldovan minister for foreign affairs and European integration, twice proudly mentioned that he is not a member of any political party.⁸ Recent presidential elections in Georgia also revealed a widening gap between political parties and young people, reflected in falling levels of political party activism. According to the National Endowment for Democracy, ‘politically active youth often refuse to engage with political parties, regarding them with cynicism and distrust; instead, young people show a preference for spontaneous activism and taking to the streets.’⁹

Political parties in all three countries have yet to learn how to effectively engage with civil society, and how to find value in promoting political cadres via internal party competition. Mobilization tools, such as protests and demonstrations, represent a political party’s main means of engaging citizens on mass. However, there is growing fatigue with this form of political engagement. In the case of Moldova, attempts by political parties to organize protests in 2015–18 were scuppered by low turnout. In 2018, lacklustre protests were also seen in response to the invalidation of local mayoral elections in Chisinau, Moldova’s capital city – just a few thousand protesters took part. This demonstrates the broader disillusionment with protests and the high levels of distrust in political parties as efficient organizers and agents of transformation. Furthermore, the intransigence of elites and the glacial pace of social change have weakened the desire of societies to hold elected officials accountable more generally.

Few political parties have invested in the development of their youth political organizations to incubate a new generation of elites. These branches are most developed in Moldova compared to Ukraine and Georgia. Yet even in Moldovan political parties, young people with an interest in politics are mostly only used as cheap labour during electoral campaigns, for example in the printing and distribution of promotional materials. This misuse of human capital and lack of programmes to develop the skills of younger members compounds distrust that the process meant to nurture future elites could ever be based on meritocracy and professionalism.¹⁰

The largest parties in Georgia have also struggled to develop youth branches, ‘neither their form, nor structure, nor nature correspond to the task of educating new politicians and the country’s political elite’. These organizations are also ‘a youth supplement used for [the distribution of] election propaganda’.¹¹

⁸ Ulianoschi, T. (2018), ‘The Transnistrian Conflict: Ways Forward’, Chatham House research event, 19 June 2018, <https://www.chathamhouse.org/event/conflict-transnistria-ways-forward>.

⁹ National Endowment for Democracy, (undated), ‘Is the party over? Youth, political parties, and elections in Georgia’, event, 11 December 2018, <https://www.ned.org/events/is-the-party-over-youth-political-parties-and-elections-in-georgia/>.

¹⁰ Author interviews in Chisinau, Kyiv and Tbilisi in March–July 2017.

¹¹ Chedia, B. (2015), ‘The Georgian political elite: main trends of its circulation’, *Central Asia and the Caucasus*, 16(3-4): pp. 42–29, https://www.ca-c.org/journal/2015/journal_eng/cac-03-04/04.shtml (accessed 11 Mar. 2019).

Moreover, the sluggish process of transition to a political system that fully upholds democratic values has created demand for a new type of politics and reform, but little demand for new types of politicians. A candidate's charisma and personality are still among the main determining factors of electoral choice across all three states. This was seen in Georgia's 2017 local mayoral elections in which GD-party candidate Kakha Kaladze, a former AC Milan football player, was elected mayor of Tbilisi. His competitors in the election were UNM candidate Zaal Udumashvili, a popular TV presenter, and Aleko Elisashvili, an independent candidate who tried to replicate Emmanuel Macron's rise in politics. In addition, TV debates in which candidates discuss politics and policy are unpopular.¹² To the electorate, charismatic leaders rather than goal-oriented bureaucratic politicians are more likely to deliver on reforms and have a greater sense of ideological clarity.

Similarly, the 2019 presidential race in Ukraine has attracted candidates from outside of the political sphere – a further sign of fatigue with old-style politics. Svyatoslav Vakarchuk, a rock singer, though no political novice, was initially thought to be a serious contender to other political veterans – incumbent President Poroshenko and former Prime Minister Tymoshenko – though he later chose not to run.¹³ The biggest surprise, however, was the new president-elect Volodymyr Zelenskyi, a comedian and political newcomer in Ukrainian politics.¹⁴ In the first round, Zelenskyi won more votes (30.24 per cent) than Poroshenko (15.95 per cent) and Tymoshenko (13.4 per cent) combined. His landslide victory (73.22 per cent) in the presidential runoff will go down in Ukraine's modern history as a protest vote against the political establishment.

Personality traits of the leadership are more decisive in the success of political parties than manifestos, which have only been required by law in Ukraine since 2001. According to a recent poll, 57 per cent of respondents stated that a candidate's personality is the most important factor of success, while just 40 per cent thought it was the manifesto.¹⁵ This societal preference for charismatic leaders over comprehensive party programmes is also the case in Moldova and Georgia.

From an institutional perspective, political parties have also struggled throughout democratic transition to promote new professional cadres and form political elites based on meritocracy. A key reason for this was the inability of these states to create a sustainable party finance mechanism immediately after they declared independence. The state could not provide a transparent and level playing field for political parties. Nor did it provide a legal framework that would encourage parties to declare their sources of funding and reduce their risk of being dominated by private interests. The opaque politics and economics of the 1990s led to parties becoming the tools of the rich (frequently through illegal means) to gain power, and then maintain it either through a seat in parliament or by pulling strings in the background. States introduced public financing for political parties much later. However, the regulations heavily favour large parties and incumbent politicians to the detriment of smaller ones and political newcomers that would rely on this public money.

¹² Author interview with representative from the International Foundation for Electoral Systems (IFES), Tbilisi, July 2017.

¹³ Transitions (TOL) (2018), 'Rock star, comedian could join Ukrainian presidential race', 31 August 2018, <https://www.tol.org/client/article/27926-ukraine-politics-presidential-elections-yulia-tymoshenko.html> (accessed 11 Mar. 2019).

¹⁴ Kyiv International Institute of Sociology (2019), 'Суспільно-політичні настрої населення України: січень-лютий 2019' ['Socio-political mood among the Ukrainian population: January–February 2019'], https://www.kiis.com.ua/materials/pr/20191402_pressconf/pr_ratings_feb2019.pdf (accessed 11 Mar. 2019).

¹⁵ Razumkov Centre (2018), *За місяць до виборів: рейтинг кандидатів і партій, мотивації вибору, очікування громадян* [Six months before the elections: ratings of candidates and parties, motivations of choice, citizens' expectations], http://razumkov.org.ua/uploads/socio/2018_press_release_1808.pdf (accessed 11 Mar. 2019).

Hence, parties continue to be created around individual leaders who are also their main financial supporters. It may be that the sponsors are not necessarily also the leaders of the party, but they hold significant sway over the party's direction. Funders can dictate internal party rules and decide whom to prioritize as candidates on party lists in electoral campaigns. They therefore decide who has the best chance of becoming a member of parliament. This continuing reliance on private finances, rather than on membership fees and donations from the public, makes it almost impossible for the social constituencies of parties to hold their leaders to account. It also enables business elites to dominate domestic politics.

The relatively recent introduction of public financing for political parties has raised expectations for an equitable political environment, which would allow parties to focus on the quality of their political leadership rather than exclusively on funding. The introduction of political financing in Ukraine in July 2016 was not immediately fully enforced and its effectiveness has been disappointing so far. In Georgia and Moldova, despite public funding for parties being introduced earlier than in Ukraine, there has yet to be significant change in electoral competition. The most recent presidential elections in Georgia have been categorized as one of the dirtiest in Georgia's history.¹⁶ While quality policy debate and sustainable political pluralism are still absent from Moldova's electoral process. Public financing of political parties has the potential to improve the quality and fairness of political competition for all actors, but this remains to be seen.

From an economic perspective, weak institutional frameworks and legislation have failed to discourage excessive private financial flows from entering politics and increased the influence of private business interests. The rise of oligarchs as a result of non-transparent privatization, regional monopolies, and their intrusion into politics has distorted the level playing field for emerging new political leaders. Oligarchs monopolize the media space, which is critical for healthy electoral competition, and in doing so raise the costs of campaigning. This further limits the diversity of political voices and discourages smaller new parties from joining the debate.

Today, vested interests have higher stakes in the politics of these three countries than ever before as their positions are threatened by increased scrutiny on behalf of the EU, stronger domestic NGOs, and the legislation adopted as part of these countries' commitments to European integration. Most oligarchs who venture into politics are controversial figures. A top-ranking position in politics usually offers them immunity from legal problems, but once they lose power the prospect of prison becomes more likely. One such case is that of Vlad Filat, former prime minister of Moldova, who immediately after being stripped of parliamentary immunity during a plenary session of Parliament was put on trial and subsequently jailed on charges of abuse of office and corruption.

In the three states examined in this paper, some of the factors impeding the development of a new generation of political actors, as analysed above, are more critical than others. These obstacles all undermine the capacity of political parties, their incentives and interests in encouraging genuine reform-oriented elites to the fore in politics. As a result, the same modus operandi has prevailed in the past two decades. Elites continue to perceive their term in office as a means of self-enrichment for those in key positions of power or as a means of preserving their vested interests.

¹⁶ Cosby, A. (2018), 'Last Direct Presidential Election in Georgia May Set A Caucasus First', RFE/RL, 28 October 2018, <https://www.rferl.org/a/last-direct-presidential-election-in-georgia-may-set-a-caucasus-first-/29567315.html> (accessed 11 Mar. 2019).

4. The Impact of Social Uprisings on Elite Renewal

The social uprisings in Georgia, Moldova and Ukraine have all produced more politically conscious electorates that demand a break with the past normative behaviour and the acknowledgment of the European course of integration – as opposed to closer cooperation within Russia-led integrationist projects – as the only acceptable path. This has created an opening for new types of leaders to join the political process to deliver the socio-political and economic changes necessary to reform societies in the spirit of European values and standards of living.

These changes have facilitated the rejuvenation of political and governance processes to an extent. After each social uprising, a younger generation of politicians and civil servants entered state institutions and legislatures. Meanwhile, civil society leaders created new or joined existing political platforms; new political parties accessed legislatures; and members of the diaspora became interested in returning home for a career in politics or domestic investment opportunities.

In Georgia, Mikheil Saakashvili, president for two consecutive terms, became known as the ‘founding father of modern Georgia’ for his radical economic and political reforms. Many of those who joined his team were highly skilled young professionals, with academic degrees from Western universities, but they were also political novices.¹⁷ The social uprising in Moldova, sometimes known as ‘the Twitter Revolution’, ousted a communist regime in favour of a pro-European coalition, which also recruited many young professionals, mostly from civil society organizations. In 2014, Ukrainians ousted President Yanukovich from power when he refused to further Ukraine’s path towards European integration. Subsequent elections brought in new members of parliament who made up 56 per cent of the elected officials. Only Yulia Tymoshenko’s Fatherland Party (Batkivshchyna) retained seats in that election.

Yet despite numerous new faces in national politics in these states there have been no significant changes in the locus of the decision-making veto. Newly formed governments have established new institutions promoting transparency and accountability and adopted important transformative reforms, however, there has been little qualitative change in the style of governance and the trickle-down effects on society more broadly. Political power still lies with the same group of decision-makers: the Old Guard. Georgia is somewhat of an exception. Within a relatively short period, Saakashvili managed to remove entrenched organized crime networks from the state structures and broadened political engagement. However, Bidzina Ivanishvili later centralized core decision-making powers within his inner circle of politicians and businessmen who pivot around him. Although this group is made up of relative newcomers to politics, they are still referred to as the ‘Old Guard’ due to their similar style of governance. There are parallels in Moldova and Ukraine

¹⁷ Kupatadze, A. (2010), *Transitions after transitions: coloured revolutions and organized crime in Georgia, Ukraine and Kyrgyzstan*, PhD dissertation, St Andrews: University of St Andrews, <https://research-repository.st-andrews.ac.uk/bitstream/handle/10023/1320/Alexander%20Kupatadze%20PhD%20thesis.PDF?sequence=6&isAllowed=y>

where most critical decisions are not effectively debated in parliament or subject to extensive public consultations with civil society. Instead decisions are taken behind the scenes.

Current elites

While new faces have entered domestic politics in these states, they have struggled to make their mark. Their policies and reforms have yet to challenge existing entrenched vested interests. This is most true in Moldova and increasingly noticeable in Ukraine as well. For example, while both countries have successfully established new anti-corruption institutions, there is an ongoing battle to appoint the senior management positions. Having this process correctly and objectively implemented is as important as establishing the institutions themselves. That is because anti-corruption institutions could either serve the public good or be misused as tools against political and economic opponents.

It is possible to identify potential sources of elite renewal by closely examining current elite types. This paper proposes two overarching factors to categorize emerging elites: their intent towards the status quo (to preserve or challenge) and the financial means at their disposal. The latter has become a key concern as the cost of electoral campaigns has risen dramatically, limiting who can afford to run for office. Electoral spending distorts the level playing field and comes in various forms such as TV adverts and billboards; individual donations in exchange for top places on electoral party lists; direct ‘goodies’ to citizens; and pork barrel projects (such as spending on local roads) to generate local support.

In Ukraine, the 2012 parliamentary elections cost as much as \$5 million to win a race in a single-member district.¹⁸ The overall real cost of the 2012 elections is estimated to range from \$850 million to \$2.5 billion.¹⁹ While the true cost of parliamentary elections in Moldova is more difficult to estimate, it is clear that a significant share of electoral spending is under-reported or hidden. The two main contestants in the 2014 elections spent nearly \$2.5 million each, according to official numbers.²⁰ However, local monitoring organizations estimate that the Democratic Party of Moldova (PDM) failed to reflect nearly \$600,000 in its financial accounts.²¹ This under-reported funding is usually spent on public events. For example, a concert that the PDM organized was reported in its financial accounts as costing \$73,000.²² However, this has been disputed as the real cost of such an event is estimated to be \$1.5 million.²³ The PDM organized 94 concerts during the 2014 electoral campaign.²⁴ In a more explicit example of unorthodox election spending, ahead of

¹⁸ Meleshevyh, A. (2017), *Cost of politics in Ukraine*, Westminster Foundation for Democracy, <https://www.wfd.org/wp-content/uploads/2017/09/Cost-of-Politics-Ukraine.pdf> (accessed 11 Mar. 2019).

¹⁹ *Kyiv Post* (2012), ‘Candidates spent \$2.5 billion on election campaign, says expert’, 2 November 2012, <https://www.kyivpost.com/article/content/ukraine-politics/candidates-spent-25-billion-on-election-campaign-says-expert-315462.html> (accessed 11 Mar. 2019).

²⁰ Alegeri.md (undated), ‘Alegerile parlamentare din 2014 în Republica Moldova’ [‘2014 Parliamentary Elections in the Republic of Moldova’], http://alegeri.md/w/Alegerile_parlamentare_din_2014_%C3%AEn_Republica_Moldova#Campania_electoral.C4.83 (accessed 12 Mar. 2019).

²¹ Alegeri.md (undated), ‘Partidul Democrat din Moldova la alegerile parlamentare din 2014’ [‘Democratic Party of Moldova in the 2014 parliamentary elections’], http://alegeri.md/w/Partidul_Democrat_din_Moldova_la_alegerile_parlamentare_din_2014#Fluxul_mijloacelor_b.C4.83ne.C8.99ti (accessed 12 Mar. 2019).

²² Moldovan Politics (2014), ‘How much does a seat in Moldovan parliament cost?’, 8 December 2014, <https://moldovanpolitics.com/2014/12/08/how-much-does-a-seat-in-moldovan-parliament-cost/> (accessed 11 Mar. 2019).

²³ *Ibid.*

²⁴ Alegeri.md (undated), ‘Partidul Democrat din Moldova la alegerile parlamentare din 2014’ [‘Democratic Party of Moldova in the 2014 parliamentary elections’].

Georgia’s 2012 parliamentary elections, Ivanishvili, the founder and chairman of the GD party, was fined more than \$90 million for illegal vote-buying: he had distributed free satellite antennas to citizens for them to watch his company’s television channel.²⁵ In addition, just nine days ahead of the second round of presidential elections in December 2018, Prime Minister Mamuka Bakhtadze announced that the Cartu Foundation, a charity fund established and financed by Ivanishvili, would annul the bank debts of 600,000 Georgian citizens – this was criticized as a blatant attempt to buy votes.²⁶

The proposed categories below help identify sources of elite renewal and provide policy recommendations on how to strengthen this process.

Table 1: Typology of current elites

	Status quo preservers	Status quo challengers
Affluent resources	Old Guard: Former apparatchiks, wealthy businessmen, oligarchs (new and old).	Returning Diaspora: Diaspora members willing to engage in domestic politics after social uprisings.
Limited resources	Trojan Horses: Co-opted young and well-educated politicians and public officials.	Domestic Reformers: Civil society leaders and activists.

Source: Compiled by the author.

Old Guard

The Old Guard are the elites who have strong vested interests in preserving the status quo and oppose the ‘creative destruction’ process. They lack a sustainable vision for the future of the country, as this would conflict with their own interests. The Old Guard can veto key decisions in all three states, due to their unmatched patronage networks and the access they have to the economic and administrative resources of the state. In general, these are the individuals who benefited the most financially and politically from the difficult and non-transparent early years of transition. For the most part, these are former Soviet bureaucrats who maintained their positions or influence after the collapse of the Soviet Union and retained their connections with businessmen in the emerging private sector who became the current oligarchs. Today, they also include policymakers, public officials and wealthy businessmen with strong ties to politicians but little public visibility. The members of this group reinforce each other’s power and influence. In Ukraine:

They grew rich by gaining privileged access to the gas market, expropriating companies from private owners, trading with state enterprises on advantageous terms, and privatizing those same firms at

²⁵ RFE/RL (2012), ‘Georgian opposition tycoon fined \$90 million’, 11 June 2012, <https://www.rferl.org/a/thousands-rally-for-georgian-opposition-tycoon/24610118.html> (accessed 11 Mar. 2019).

²⁶ Georgian Journal (2018), ‘Unprecedented move by Cartu Group to nullify debts for 600,000 Georgian citizens’, 21 November 2018, <https://www.georgianjournal.ge/politics/35282-unprecedented-move-by-cartu-group-to-nullify-debts-for-600-000-georgian-citizens.html> (accessed 12 Mar. 2019).

pennies on the dollar. The crooked dealings that lie at the root of their fortunes give them a vital interest in keeping state officials corruptible, the economy rigged, and the rule of law weak.²⁷

The Old Guard is flourishing in Moldova and Georgia as well. The current political elite in Moldova mainly consists of wealthy businessmen who built their economic fortunes during the early opaque years of privatization, and who intend ‘to transform politics into business’.²⁸ In Georgia, power distribution among ‘clans’ and ‘families’ is more prominent than in Moldova and Ukraine. According to Chiaberashvili and Tevzadze, the allocation of positions in public office to friends and family over competent candidates clearly illustrates the importance of personal loyalties. This trend to attribute power based on personal and social relations rather than merit helped to maintain a limited number of loyal stakeholders in key decision-making positions. This process has consolidated political networks across state agencies and created parallel informal state institutions.²⁹ As a result, the political elite is closely intertwined with the business elite.³⁰

Oligarchs form an important group within the Old Guard. Their vested interests are deeply entrenched in current politics, based on principles of patronage and clientelism. Many built their fortunes through illegal and non-transparent means, which makes them reticent to reform the rule of law and open up the economy to market competition. In Ukraine where there is significant economic output, the Old Guard has a monopoly over the key economic sectors – energy, metals and oil industries. Ukraine’s wealthiest oligarchs with significant political influence include Rinat Akhmetov, who owns the largest coal and electricity company in Ukraine, the largest metallurgical corporation, agricultural companies, and gas production businesses; Igor Kolomoisky, who owns significant shares in the energy, metallurgical, transport and agricultural sectors as well as in finance and airlines; and Dmytro Firtash, who has significant assets in the chemical and gas industries. The combined wealth of Ukraine’s seven richest oligarchs is estimated to be equivalent to 7.8 per cent of Ukraine’s GDP.³¹ The Euromaidan has had limited impact on their political influence.

Two oligarchs dominate the political arenas in the smaller populations and economies of Georgia and Moldova, neither of them currently holds public office. Bidzina Ivanishvili is estimated to be worth nearly \$6 billion, built mostly on Russian assets.³² His fortune is larger than the 2018 Georgian state budget of \$4.71 billion, and equals nearly 32 per cent of GDP.³³ In Moldova, Vlad Plahotniuc, the president of the ruling PDM, is widely considered the richest individual in the

²⁷ Abrams, N. A. and Fish, M. S. (2016), ‘Dethroning Ukraine’s oligarchs: a how-to guide’, *Foreign Policy*, 13 June 2016, <https://foreignpolicy.com/2016/06/13/dethroning-ukraines-oligarchs-a-how-to-guide/> (accessed 11 Mar. 2019).

²⁸ Pagung, S. (2015), ‘Moldova: perpetual crisis. Has the Eastern Partnership failed?’, German Council on Foreign Relations (DGAP), 14 December 2015, <https://dgap.org/en/think-tank/publications/five-questions/moldova-perpetual-crisis> (accessed 11 Mar. 2019).

²⁹ Chiaberashvili, Z. and Tevzadze, G. (2005), ‘Power elites in Georgia: old and new’, in Fluri, P. H. and Cole, E. (eds) (2005), *From Revolution to Reform: Georgia’s Struggle with Democratic Institution Building and Security Sector Reform* (2005), pp. 187–207, <http://georgica.tsu.edu.ge/files/01-Politics/Governance/Fluri-2005.pdf> (accessed 12 Mar. 2019).

³⁰ Chedia (2015), ‘The Georgian political elite’.

³¹ Ziarul de Garda (2018), ‘The Luxury of oligarchy in the swamp of poverty: A video report explores the plague of oligarchy in Georgia, Moldova, and Ukraine’, *Transitions (TOL)*, 15 August 2018, <https://www.tol.org/client/article/27895-the-luxury-of-oligarchy-in-the-swamp-of-poverty.html> (accessed 11 Mar. 2019).

³² Bloomberg (undated), ‘Bloomberg Billionaires Index 2018 – Bidzina Ivanishvili’, <https://www.bloomberg.com/billionaires/profiles/bidzina-ivanishvili/> (accessed 11 Mar. 2019).

³³ Civil.ge (2017), ‘Parliament Approves 2018 State Budget’, 14 December 2017, <https://old.civil.ge/eng/article.php?id=30728> (accessed 11 Mar. 2019).

country but there is no clear estimate of his wealth.³⁴ Ivanishvili and Plahotniuc hold significant sway in the political developments of these two countries, exercising this power from the sidelines.

The Old Guard pursue or allow reform to be conducted as long as it does not risk their influence, economic status, monopolies, assets and investments. To co-opt other politicians or push political opponents out of politics, they may resort to the use of *kompromat* materials for blackmail, intimidation and suppression, pay bribes for votes and influence in the party,³⁵ and engage in pork barrel politics. They make use of the rule of law to bend the status quo in their favour and maximize extraction of rent from state institutions.

Their main objective is to control or influence key state institutions, particularly law enforcement agencies. The so-called ‘pro-European’ coalition in Moldova, for instance, which formed after parliamentary elections in 2010 and 2014, divided key state institutions and top-level positions across party lines.³⁶ In fact, preferences for some institutions prolonged negotiations over the structure of the coalition governments.

Plahotniuc frequently makes use of the judicial system to silence his opponents and critics. In March 2013, he sued four members of parliament, who publicly accused him of corporate raiding and being involved in organized crime.³⁷ Furthermore, Plahotniuc’s influence in the General Prosecutor’s Office and the National Anti-Corruption Bureau is thought to be linked to the imprisonment of Vlad Filat, his main political opponent and former prime minister, for alleged involvement in Moldova’s biggest banking scandal.³⁸ In Georgia, since the GD party came to power in 2012, authorities have investigated and charged numerous allies of Saakashvili with corruption and abuse of office.³⁹

Ongoing nepotism between oligarchs and ruling elites is exacerbating the situation. For example, Andrian Candu, the Speaker of Moldova’s parliament in 2015–19, is Plahotniuc’s business partner and, in keeping with a Moldovan religious tradition, godson by marriage. The phenomenon goes

³⁴ Knott, E. and Popșoi, M. (2016), ‘Our man in Moldova’, openDemocracy.net, 10 October 2016, <https://www.opendemocracy.net/en/odr/our-man-in-moldova-plahotniuc/> (accessed 11 Mar. 2019).

³⁵ Claes, J. and Miroshnichenko, A. (2018), ‘Ukraine’s elections could turn violent – this is how to prevent it’, reliefweb.int, 20 December 2018, <https://reliefweb.int/report/ukraine/ukraine-s-elections-could-turn-violent-how-prevent-it> (accessed 11 Mar. 2019); Dulgher, M. (2018), ‘The political opposition in Moldova is intimidated. Maia Sandu: “We are being followed by the police and blackmailed every day”’, Moldova.org, 28 December 2018, <https://www.moldova.org/en/political-opposition-moldova-intimidated-maia-sandu-followed-police-blackmailed-every-day/> (accessed 11 Mar. 2019); European Platform for Democratic Elections (2018), ‘Widespread intimidation, vote-buying, misuse of admin resources ahead of runoff’, 21 November 2018, <https://www.epde.org/en/news/details/widespread-intimidation-vote-buying-misuse-of-admin-resources-ahead-of-runoff.html> (accessed 11 Mar. 2019).

³⁶ Rață, M. (2014), ‘Cum vor fi ÎMPĂRȚITE funcțiile în noua COALIȚIE de guvernare’ [‘How will the functions in the new government coalition be divided’], ziarulnational.md, 9 December 2014, <https://www.ziarulnational.md/cum-vor-fi-impartite-functiile-in-noua-coalitie-de-guvernare/> (accessed 11 Mar. 2019); Publika.md (2015), ‘Structura noului Guvern! Cum sunt repartizate ministerele între PLDM, PDM și PL’ [‘The Structure of the new government! How ministries are distributed between PLDM, PDM and PL’], 23 July 2015, https://www.publika.md/structura-noului-guvern-cum-sunt-repartizate-ministerele-intre-pldm-pdm-si-pl_2362421.html (accessed 11 Mar. 2019).

³⁷ Romanovski, D. (2013), ‘Moldova’s gray cardinal: Vladimir Plahotniuc finds that wealth and power attract an unwelcome spotlight’, Transitions (TOL), 11 July 2013, <https://www.tol.org/client/article/23859-plahotniuc-moldova-politics-business-corruption.html> (accessed 11 Mar. 2019).

³⁸ Socor, V. (2016), ‘Plahotniuc’s power base in Moldova: allies and instruments (part one)’, *Eurasia Daily Monitor*, 13(7), 12 January 2016, <https://jamestown.org/program/plahotniucs-power-base-in-moldova-allies-and-instruments-part-one/> (accessed 11 Mar. 2019).

³⁹ RFE/RL (2018), ‘Georgian billionaire Ivanishvili to lead ruling party’, 26 April 2018, <https://www.rferl.org/a/georgian-billionaire-ivanishvili-to-lead-ruling-party/29193718.html> (accessed 11 Mar. 2019).

beyond blood lines; it is a system of kin-like relationships called *cumatrism*, which is a type of patron–client network based on religious customs.⁴⁰

In Georgia, according to Kupatadze, ‘loyalty to the new ruling political party and nepotism based on friendship and family links’ are the main criteria of political recruitment.⁴¹ Between the Rose Revolution and the rise to power of the GD party, nepotism in government had all but disappeared. This changed in 2012, when relatives of Ivanishvili and his inner circle took roles in state institutions, state-owned businesses and the political party.⁴² In 2015, NGOs pushed for nepotism to be criminalized but the draft law was rejected by parliament.

Media monopolies are a common asset of the Old Guard. Domination of a country’s media enables them to promote their political narrative and undermine their opponents through traditional domestic propaganda or even fake news. In Georgia, Ivanishvili holds significant media assets. According to Transparency International Georgia, it is difficult to identify all businesses, including media organizations, that belong to the former prime minister and his family members ‘as these are often owned by offshore entities and managed by nominee directors or by relatives, such as the former prime minister’s nephew Kakha Kobiasvili.’⁴³ In Moldova, President Dodon and Vladimir Plahotniuc control the country’s media. In Ukraine, the bulk of TV, radio and print media are in the hands of just six individuals.⁴⁴ Tycoons including Petro Poroshenko, Igor Kolomoisky, Dmytro Firtash, Victor Pinchuk and Rinat Akhmetov own the 10 most popular television channels in Ukraine, which are used to promote political parties or candidates, particularly in election campaigns.⁴⁵

The sway of the Old Guard in the media has a direct impact on the electoral outcomes in these countries. According to Sergey Leshchenko, a member of the Ukrainian parliament and former investigative journalist, ‘TV stations are used for achieving political goals’.⁴⁶ Power of the People party candidate Maxim Borodin, who lost the Mariupol mayoral elections in October 2015, claims he ‘got virtually no media representation at all. Almost all the newspapers and TV in the region are owned by Akhmetov and receive direct orders on what to post and which direction to go.’⁴⁷ The media support for Volodymyr Zelenskyi through the Ukrainian TV channel 1+1, run by Kolomoisky, has also undoubtedly contributed to his victory in the most recent presidential election.

Another technique of the Old Guard is to diversify their channels of influence by establishing or supporting more than one political party. During Moldova’s presidential elections in 2015, Vladimir Plahotniuc allegedly sponsored multiple candidates likely to be sympathetic to his own interests. Georgia’s Bidzina Ivanishvili also maintains loyal allies in other branches of government. In the

⁴⁰ Weingrod, A. (1968), ‘Patrons, patronage, and political parties’, *Comparative Studies in Society and History*, 10(4): pp. 377–400, <https://doi.org/10.1017/S0010417500005004> (accessed 11 Mar. 2019).

⁴¹ Kupatadze (2010), ‘Transitions after transitions’, p. 101.

⁴² Chedia (2015), ‘The Georgian Political Elite’, p. 45.

⁴³ Transparency International Georgia (2014), ‘Who owns Georgia’s media?’, April 2014, https://www.transparency.ge/sites/default/files/post_attachments/TIGeorgia%20-%20Who%20owns%20Georgia's%20Media%20-%20ENG%20-%2016.04.2014.pdf (accessed 11 Mar. 2019).

⁴⁴ *Kyiv Post* (2016), ‘No revolution here: news media in Ukraine remain in same hands’, 14 January 2016, <https://www.kyivpost.com/PDF-archive/issue/no-revolution-here-news-media-in-ukraine-remain-in-same-hands-405942> (accessed 11 Mar. 2019).

⁴⁵ Allen, C. (2016), ‘Who owns Ukraine’s media?’, *Al Jazeera*, 18 May 2016, <https://www.aljazeera.com/indepth/features/2016/04/owns-ukraine-media-160405130121777.html> (accessed 11 Mar. 2019).

⁴⁶ *Ibid.*

⁴⁷ *Ibid.*

2015 local elections, Ukrainian President Poroshenko of the Petro Poroshenko Bloc ‘Solidarity’ informally backed a new ‘clone’ party, Nash Krai, ‘to buy the loyalty of local bosses in southern and eastern Ukraine to take votes away from the [pro-Russian] Opposition Bloc’.⁴⁸ Moreover, President Poroshenko has consolidated his support by partnering with moderate elements of the Opposition Bloc party that are linked to Viktor Medvedchuk, the former chief of staff to President Leonid Kuchma. Poroshenko’s political opponent, Igor Kolomoisky, has at times supported Mikheil Saakashvili, as governor of Odessa region, and Yulia Tymoshenko, giving them unlimited access to his media outlets.⁴⁹

Political ideologies are fluid in the Old Guard elites. They use their proclaimed ideology pragmatically in selected battles that allow them to secure rents as opportunities arise. The high cross-party circulation of elites – migration of political figures from one party to another – reflects this phenomenon. For example, in December 2015, 14 members of the Communists’ Party of Moldova announced they were leaving their faction only to later, in March 2017, join the pro-European PDM, which at that time was part of the ruling coalition. According to former MP Inna Supac, the MPs allegedly received a total of €5 million for making this switch.⁵⁰ Furthermore, numerous Liberal Democratic Party local councillors, mayors and MPs were allegedly blackmailed into joining their coalition rival, the PDM.⁵¹

Moldovan President Igor Dodon has repeatedly shown himself to be ideologically flexible when it suits his agenda. He has praised Vladimir Putin and his strategic moves in Ukraine, while continuing to ask the EU for additional assistance for infrastructural projects or natural disaster relief. Another example is Ilan Sor, a Moldovan businessman and politician, who won in 2015 the mayoralty of a mid-sized town, Orhei, to avoid a long prison sentence for his involvement in a banking scandal.⁵² His campaign achieved this by using populist tactics to win the votes of the most vulnerable segments of society, for example by offering to re-open the first *kolkhoz*⁵³ – a type of collective farm in the former Soviet Union. At the same time, he seeks support from members of the European Parliament for his party’s so-called ‘pro-European’ aspirations. Such tactics led his party to win seven seats in the new legislature in the 2019 elections.

The old elites often work with oligarchs to preserve the status quo. In Ukraine, challengers of President Poroshenko, such as Igor Kolomoisky or Dmytro Firtash, were forced out of lucrative public contracts and lost secure sources of rent. Meanwhile, oligarchs who support or accept

⁴⁸ Bohdan Butkevych, B. (2015), ‘Send in the Clones’, *The Ukrainian Week*, September 2015, pp. 8–9, cited in Wilson, A. (2016), *Survival of the richest: how oligarchs block reform in Ukraine*, European Council on Foreign Relations (ECFR), p. 6, https://www.ecfr.eu/page/-/ECFR_160_SURVIVAL_OF_THE_RICHEST-HOW_OLIGARCS_BLOCK_REFORM_IN_UKRAINE.pdf (accessed 11 Mar. 2019).

⁴⁹ Haran and Burkovsky (2018), ‘Will Ukraine’s 2019 elections be a turning point?’, <http://www.ponarseurasia.org/memo/will-ukraines-2019-elections-be-turning-point-unlikely-dangers-lurk> (accessed 11 Apr. 2019).

⁵⁰ Ziarul de Garda (2018), ‘Deputați comuniști, „cumpărați” cu sute de mii de euro? Cum comentează PDM acuzațiile’ [Communist deputies ‘bought’ with hundreds of thousands of euro? How PDM commented on the accusations], 19 June 2018, <https://www.zdg.md/stiri/stiri-politice/deputati-comunisti-cumparati-cu-sute-de-mii-de-euro-cum-comenteaza-pdm-acuzatiile> (accessed 11 Mar. 2019).

⁵¹ Unimedia.info (2017), ‘Majoritate constituțională în Parlament? Cei 14 foști comuniști urmează să adere la PDM, iar mai mulți deputați din PCRM, PSRM și PLDM - așteptați în Coaliția de Guvernare’ [‘Constitutional majority in Parliament? The 14 former Communists are to join the PDM and several MPs from PCRM, PSRM and PLDM - wait for the Government Coalition’], 18 January 2017, <https://unimedia.info/stiri/majoritate-constitucionala-in-parlament-cei-14-fosti-comunisti-urmeaza-sa-adere-la-pdm-iar-mai-multi-deputati-din-pcrm-psrm-si-pldm---asteptati-in-coalitia-de-guvernare-126462.html> (accessed 11 Mar. 2019).

⁵² Rosca, M. and Sciorilli Borrelli, S. (2019), ‘MEPs help campaign of Moldovan convicted in \$1 billion fraud’, *Politico*, 22 February 2019, <https://www.politico.eu/article/ilan-shor-fulvio-martusciello-barbara-kappel-richard-milsom-meps-help-campaign-of-moldovan-convicted-in-1-billion-fraud/> (accessed 11 Mar. 2019).

⁵³ Diez.md (2018), ‘Ilan Sor a lansat primul colhoz promis, în satul unde primară este Marina Tauber’ [‘Ilan Sor launched the first promised Kolkhoz in the village where Marina Tauber prevails’], 20 December 2018, <http://diez.md/2018/12/20/ilan-sor-lansat-primul-colhoz-promis-satul-unde-primara-este-marina-tauber/> (accessed 11 Mar. 2019).

Poroshenko's status, such as Rinat Akhmetov, have seen their economic standing improve even during the recession. Poroshenko's loyalists and allies were appointed to regional governor offices and given significant influence over local markets. Like his predecessors, he created his own system of political patronage similar to that which existed before the Euromaidan.⁵⁴

With ongoing privatisation programmes, business supporters may either be persuaded to pay excessive prices or campaign contributions or be allowed to underpay as a reward for political service... In Ukraine in 2004, the giant Kryvorizhstal steelworks were sold to a consortium headed by Rinat Akhmetov and Viktor Pinchuk for \$800 million (4.26 billion hryvnias), despite US Steel and India's LNM Group offering \$1.5 billion, in the hope that in return both the Donetsk (Akhmetov) and Dnipropetrovsk (Pinchuk) clans would work their hardest for the authorities in the elections.⁵⁵

Weak state institutions and non-transparent party finances are the main causes of this close relationship between the old elites and new oligarchs. This trend is likely to continue without rigorous oversight of state-owned enterprises and critical economic processes, such as privatization. According to the Center for Economic Strategy, 80 per cent of the Ukrainian public believe that oligarchs are the sole beneficiaries of privatization. In March 2018, Ukraine approved a new list of state enterprises set to be privatized.⁵⁶

The following three groups are all potential sources of political elite renewal in these three countries. Their interests, intent and capacity to drive reform processes differ, which diminishes their potential to cooperate and deliver sustainable transformation.

Trojan Horses

These are the elected and appointed officials who work in partnership with the Old Guard. They benefit from the status quo and contribute to its preservation. When they start in public office they are perceived as 'untouched' by old-style politics and enjoy high levels of trust. On average they tend to be younger than the Old Guard, speak fluent foreign languages and are better educated.

These policymakers have the potential and capacity to deliver change. However, the weak economies of Moldova and Georgia, and latterly Ukraine, have few opportunities for young professionals. Systemic failures frequently leave jobseekers without tangible career prospects that match their skills. In addition, sustainable conditions immune to corrupt practices do not exist to support successful and transparent entrepreneurship. As a result, younger generations are easily co-opted by political parties or oligarchs that can promise material benefits and a respectable position in state institutions. Under these circumstances, co-opted individuals cannot convincingly carry out their public role if it conflicts with the private interests of their patron. Therefore, they become an extension of the Old Guard and continue to underpin the patronal structures of state institutions and preserve the status quo.

⁵⁴ Haran and Burkovsky (2018), 'Will Ukraine's 2019 elections be a turning point?'

⁵⁵ Wilson, A. (2005), *Virtual Politics: Faking Democracy in the Post-Soviet World*, London: Yale University Press, p. 114.

⁵⁶ Datskevych, N. (2018), 'Ukraine approves list of state-owned enterprises for privatization', *Kyiv Post*, 11 May 2018, <https://www.kyivpost.com/business/ukraine-approves-list-state-owned-enterprises-privatization.html> (accessed 11 Mar. 2019).

Moldova provides the most extreme example of this dynamic. Political parties offer spoils to Trojan Horses, such as real estate and assets, which are otherwise impossible to acquire through conventional means; access to cheap credit; private transportation; and trips abroad for events or studies.⁵⁷ Bypassing the competitive processes normally required for overseas training opportunities is an established strategy to attract and retain loyal cadres. Furthermore, parties or oligarchs may also offer cadres a share or managerial position in illegal schemes that offer alternative sources of income. These strategies entice younger generations of politicians and public servants into lifestyles that would otherwise be out of reach. Acceptance of these mostly financial benefits transforms young professionals, who have the potential and capacity to improve governance, into Trojan Horses of the Old Guard. They are vulnerable to the application of the rule of law if the status quo changes or if they become disloyal.

Examples of those who have gone down this route into politics include Roman Nasirov, a young Ukrainian politician from Chernihiv who had a seemingly promising public service career. He became an MP in 2014 for Petro Poroshenko Bloc ‘Solidarity’. After briefly leading the Committee of the Verkhovna Rada on Tax and Customs Policy, he was appointed head of the State Fiscal Service. In 2017, the National Anti-Corruption Bureau charged Nasirov with abuse of office related to evading \$75 million-worth of tax in 2015–16.⁵⁸ His family paid his record bail of \$3.7 million.⁵⁹ Although still under investigation, he returned to politics in December 2018 and ran for president in the 2019 elections.

A further example is Irakli Garibashvili, who in 2013 became Georgia’s youngest prime minister at the age of 31, when Ivanishvili named him as his successor. After graduating from Sorbonne in 2004, he worked for Ivanishvili in the logistics division of Burji construction works company. Within a year, he became the director-general of Ivanishvili’s Cartu charitable foundation and worked for numerous other Ivanishvili business projects. With almost no political experience, he entered politics in 2012. He served as minister of the interior and was in charge of the ministry’s reform implementation. During this time, the institution arrested several high-ranking former officials who had served in Saakashvili’s administration, which led to accusations of selective justice against political opponents.⁶⁰

Above all, Garibashvili will always find himself dependent on his patron, Ivanishvili, for whom he loyally worked as a private employee for years. Garibashvili, in fact, is the best candidate for Ivanishvili as his political weakness and dependency will enable Georgia’s richest man to rule the country from behind the scenes without taking any political or personal responsibility if things go wrong.⁶¹

⁵⁷ Author interviews, Chisinau, 2017.

⁵⁸ Istomina, T. (2017), ‘Special anti-corruption prosecutor’s office sends Nasirov to trial court’, *Kyiv Post*, 12 November 2017, <https://www.kyivpost.com/ukraine-politics/special-anti-corruption-prosecutors-office-sends-nasirov-court.html> (accessed 11 Mar. 2019).

⁵⁹ News Front (2017), ‘Nasirov seen as link to Poroshenko corruption by FBI’, 6 June 2017, <https://en.news-front.info/2017/06/06/nasirov-seen-as-link-to-poroshenko-corruption-by-fbi/> (accessed 11 Mar. 2019).

⁶⁰ RFE/RL (2013), ‘Two senior Saakashvili allies, ex-ministers arrested in Georgia’, 21 May 2013, <https://www.rferl.org/a/georgia-saakashvili-allies-arrested/24992767.html> (accessed 11 Mar. 2019).

⁶¹ Rukhadze, V. (2013), ‘Irakli Garibashvili Named as Georgia’s Next Prime Minister’, *Eurasia Daily Monitor* 10(197), 4 November 2013, <https://www.refworld.org/docid/5295d96d4.html> (accessed 14 Jan. 2019).

During Garibashvili's prime ministership in 2013–15, reforms slowed, annual GDP growth halved in 2015, and within a year the national *lari* depreciated by 37.7 per cent against the US dollar.⁶² During this time support for the GD coalition plummeted, which impacted Ivanishvili's popularity.

This category also includes experienced politicians who migrate, by will or by force, from one political party to another. In Moldova, experienced diplomat Iurie Leanca had an impeccable reputation when he first emerged as one of the leading figures of the Liberal Democratic Party. He was prime minister in 2013–14, when he negotiated Moldova's visa-free travel agreement with the EU, and was later foreign minister in Filat's coalition cabinets, when he advanced the country's European integration. During his premiership, \$1 billion were stolen from the banking system. In December 2017, Leanca became deputy prime minister for European integration in Pavel Filip's cabinet, supporting and promoting the agenda of the rival Democratic Party. Recently it has been reported that Ilan Sor, one of the main figures behind the \$1 billion banking theft, paid the school fees of Leanca's son.⁶³ These developments have permanently damaged Leanca's reputation as a potential reformer and the trust of citizens in political change.

This category represents a potential source of new political elite. However, weak economies, limited professional opportunities, and low expectations of a successful career and decent standard of living make this group vulnerable to offers and rewards from the Old Guard.

The Returning Diaspora

These are the citizens who spent periods abroad for study or employment but decided to return home when social upheavals opened up opportunities to engage in politics or work in the civil service. A role in public administration or a political party was previously inconceivable for this group as their values and interests were not represented, and parties did not offer professional growth based on meritocracy.⁶⁴ The Returning Diaspora brought with them a new mindset and ethical principles on how to govern more effectively and implement sustainable reforms. The diaspora is also more likely to have the capital to finance their own political campaigns and possess the skills to secure electoral support. This makes them more resilient to approaches from the Old Guard, who find the Returning Diaspora more difficult to co-opt.

One example is Vadim Branzan, a US-Moldovan businessman, who ran as a presidential candidate in the 2016 elections, but later withdrew to support Maia Sandu, a joint candidate of pro-European forces. Branzan is a Harvard graduate who worked in the US banking sector and established an investment company in Miami. In an interview with Radio Free Europe, Branzan said, 'a new political class is forming. Twenty-five years have passed [since independence], many have studied overseas, and experienced life abroad. We have a million citizens who live and work in other countries on a daily basis. They know what it is like to do honest, hard work, to pay taxes, and

⁶² Fuller, L. (2015), 'Did Georgia's "informal leader" pressure Prime Minister to resign?', RFE/RL, 24 December 2015, <https://www.rferl.org/a/caucasus-report-georgia-garibashvili-resigns/27447558.html> (accessed 11 Mar. 2019).

⁶³ Rosca and Sciorilli Borrelli (2019), 'MEPs help campaign of Moldovan convicted in \$1 billion fraud'.

⁶⁴ Author's interviews in Chisinau and Kyiv, 2017.

demand respect for human rights. Leave us to govern ourselves.’⁶⁵ According to Branzan, ‘Moldova continues to export great minds’, which has intensified since the 2016 presidential elections.

Ukrainian Olena Tregub, lived and worked in the US for 10 years where she was a journalist for the *Kyiv Post* and ran an education exchange business. She returned to Ukraine and took a role in public administration to contribute to the transformation of Ukraine after the Euromaidan. Tregub has explained her motives, ‘I was raised and educated in Ukraine and I felt that I just can’t go on in my career outside of Ukraine without trying to contribute to change inside my country because I felt people like me should take ownership over how our country develops.’ She was sacked after serving three years as director for international assistance coordination in Ukraine’s Ministry of Economic Development and Trade. In response, she sued the ministry for wrongful dismissal, accusing it of firing her for tackling corruption and financial mismanagement.⁶⁶ She added that ‘many amazing professionals from my team worked hard for over 2 years to build a new system of foreign aid coordination in Ukraine. But those in power who care only about their private gain are willing to ruin all this work that has been done, even if it is detrimental to the national interest.’⁶⁷ In October 2018, Tregub won the lawsuit over her dismissal and was reinstated to her position. However, she continues to work for Transparency International Defence and Security in Kyiv.

President Salome Zurbishvili is perhaps the most high-profile member of the Returning Diaspora. She is an experienced diplomat and won the Georgian presidential election in December 2018. Formerly the French ambassador to Georgia, she accepted an invitation from Saakashvili to serve as foreign minister in 2004. After a year, she was dismissed from her role, which she described as ‘a well-planned, aggressive action, aimed at restoring the old system of values’.⁶⁸ She temporarily quit politics and returned to France after attempting to lead her own opposition party, The Way of Georgia, in 2010. In an interesting turn of events, she was then elected as an MP in 2016 with the support of the GD party. She is the country’s first female president and, though strongly backed by the incumbent party, ran as an independent candidate.⁶⁹

After almost 10 years of a cumbersome pro-European integration path in Moldova, and five years since the Euromaidan, many have withdrawn from public life or the civil service and once again left these three countries. The small number of these like-minded individuals was also a factor that prevented them from making a difference in an environment that disregarded the rule of law. This phenomenon is particularly acute in Moldova but noticeable in Ukraine and Georgia. Though many are disillusioned, this group still represents a potential source of elite renewal under the right conditions.

⁶⁵ Ursu, V. (2017), ‘“Milioane și milioane vin de la Bruxelles pentru Moldova, pentru dezvoltare, dar președintele spune că nu sunt avantaje...”’ [‘Millions and millions come from Brussels to Moldova for development, but the president says there are no advantages...’], 4 February 2017, <https://www.europalibera.org/a/28278096.html> (accessed 11 Mar. 2019).

⁶⁶ Starr, T. J. (2018), ‘This woman says she was fired for trying to fight corruption in her government’, Buzzfeed News, 11 September 2018, <https://www.buzzfeednews.com/article/terrelljstarr/olena-tregub-ukraine-corruption> (accessed 11 Mar. 2019).

⁶⁷ Ibid.

⁶⁸ BBC News (2005), ‘Georgian foreign minister sacked’, 20 October 2005, <http://news.bbc.co.uk/1/hi/world/europe/4359258.stm> (accessed 11 Mar. 2019).

⁶⁹ Antidze, M. (2018), ‘Georgia presidential election poised for runoff’, Reuters, 27 October 2018, <https://www.reuters.com/article/us-georgia-election/georgia-presidential-election-poised-for-runoff-idUSKCN1N1oTL> (accessed 11 Mar. 2019).

Domestic Reformers

Domestic Reformers are the emerging local leaders active in civil society organizations (CSOs), think-tanks and international institutions, such as the World Bank. They have often benefited from an overseas education and are untainted by traditional politics. They tend to have little or no prior political experience and are highly critical of the old elites. In addition, this group includes those who have left civil service roles due to low pay or the Soviet-style work culture. The Old Guard often attempts to co-opt this group by inviting them to join existing or new political parties, especially around elections when elites are in need of an image boost. Some Domestic Reformers accept this invitation in the genuine belief that they can create change from within the system.

The Twitter Revolution brought this group to the fore in Moldova. In 2009–10, the Liberal Democratic Party (PLDM) encouraged talented Domestic Reformers to fill public administration roles and join the newly created PLDM, which later led the pro-European ruling coalition. With the help of external EU financial assistance, high-skilled professionals filled senior adviser posts and civil service roles.

After the Euromaidan, the Ukrainian parliament saw an influx of fresh political figures as independents or members of new parties. In 2015, 25 of these newcomers formed an inter-factional union called the ‘Eurooptimists’. This brought together young deputies and well-known public activists, across four political parties and blocs, to advance the pro-European reform agenda. According to Egor Sobolev, an MP from the ‘Self-Help’ party, parliament finally included members who want to use their position of power to build a better state rather than for private gain.⁷⁰ However, in 2016, their progress as a united political force stalled. Negotiations then took place to form one or two new parties with members from the Eurooptimists. Yet, there were disagreements on party leadership, internal democracy and funding, which derailed the process.⁷¹

Victor Marchenko, a director in the Ministry of Economic Development and Trade, who joined the team of Minister Aivaras Abromavičius in 2014, noted that during his time in the civil service, ‘We were like 20 new people in the ministry and there were 1000 people in the ministry who are used to working under the old, bureaucratic conditions... There was a lot of resistance from the old guard and you had to win them over one way or the other by your authority, experience, qualifications, your ideas or simply out-manoeuvring them in terms of the bureaucratic process.’⁷²

Domestic Reformer Dmytro Gnap, a well-known Ukrainian investigative journalist, announced his intention to run in the 2019 presidential and parliamentary elections. His media organization, Slidstvo.info, has reported on corruption in domestic politics, including an investigation into President Poroshenko’s offshore dealings.⁷³ Gnap has highlighted the lack of new faces in Ukrainian

⁷⁰ Ukrayinska Pravda (2015), “Молоді депутати” створили в Раді об’єднання “Єврооптимісти” [“Young MPs” created a “Euro-optimists” alliance in the Rada’], 3 February 2015, <https://www.pravda.com.ua/news/2015/02/3/7057341/> (accessed 11 Mar. 2019).

⁷¹ Kravets, R. and Romaniuk, R. (2016), “Труднощі амбіцій. Чому молоді політики не можуть домовитися про єдину партію” [‘The challenges behind ambition. Why young politicians cannot agree on creating a single party’], Ukrayinska Pravda, 4 July 2016, <https://www.pravda.com.ua/articles/2016/07/4/7113624/> (accessed 11 Mar. 2019).

⁷² Starr (2018), ‘This woman says she was fired for trying to fight corruption in her government’.

⁷³ Sukhov, O. (2018), ‘Investigative journalist Gnap quits journalism to run for president, parliament’, *Kyiv Post*, 25 June 2018, https://www.kyivpost.com/ukraine-politics/investigative-journalist-gnap-quits-journalism-to-run-for-president-parliament.html?utm_source=traqli&utm_medium=email&utm_campaign=traqli_daily_editors&utm_term=.nKOoPXZ9BFAB2e1TK1ukWUAG3vOKHPOrQRD.8dU%24 (accessed 11 Mar. 2019).

politics since the Euromaidan as the motivation behind his candidacy. However, three weeks before the presidential elections, he withdrew to support a single democratic opposition candidate, Anatoliy Hrytsenko.⁷⁴

In Georgia, Domestic Reformers played a prominent role in the 2016 parliamentary elections, when the GD party invited 15 new candidates to join its party list. These ‘fresh, new faces’ were selected for their reputation, good education and professionalism, according to former prime minister Kvirikashvili.⁷⁵ This strategy enabled the GD party to allay concerns that foreign policy might shift towards Russia in the new parliament, and helped maximize its number of seats in the next legislature.⁷⁶

Although the profile of Domestic Reformers is rising, they are generally only able to join the political process following a social upheaval or revolution. In addition, institutional and structural factors hinder their capacity to drive political change. Rigid political systems, informal institutional controls and financial barriers in these three states effectively block the independent entry of new politicians in regular election cycles. Furthermore, their political inexperience means they struggle to work constructively across party lines once they enter parliament. The frequent focus of Domestic Reformers on shaping their individual identity as political leaders further undermines their potential to drive political change.

Sooner or later the aspirations of reformers collide with domestic political reality. This often results in them either compromising and conforming to ‘old habits’ or leaving politics and returning to the civil society sector.⁷⁷ This has been noticeable in Moldova and is increasingly the case in Ukraine, since the Groyzman government was formed in 2016. If Domestic Reformers acquiesce to the Old Guard’s advances they become Trojan Horses, to the detriment of already very low public trust in the political system. Frequently the international community and Western donors are the only allies of Domestic Reformers in governance processes.⁷⁸

The Old Guard often leverage state apparatus and administrative resources to constrain the actions of Domestic Reformers. For example, in Ukraine, the Old Guard has tried to weaken anti-corruption activists for demanding more transparency in the political sphere.⁷⁹ An amendment to the anti-corruption law, adopted in March 2017, demonstrated this by requiring anyone affiliated, directly or indirectly, with anti-corruption work to submit the same detailed e-declarations of assets that are mandatory for government officials. Such use of the law aims to create levers of additional control over Domestic Reformers and civic activists, discourage cooperation with them, and could lead to smear campaigns against them.

Domestic Reformers are a likely source of elite renewal. With the support of external financial assistance from international donors and access to insider knowledge on the mechanisms and tools

⁷⁴ Ukrayinska Pravda (2019), ‘Гнап подав до ЦВК заяву про зняття з виборів’ [‘Gnap notified CVK about his withdrawal from the presidential elections’], 7 March 2019, <https://www.pravda.com.ua/news/2019/03/7/7208647/> (accessed 11 Mar. 2019).

⁷⁵ Agenda.ge (2016), ‘Ruling party presents totally renewed, rejuvenated election list’, 13 July 2016, <http://agenda.ge/en/news/2016/1716> (accessed 11 Mar. 2019).

⁷⁶ Author interviews, Tbilisi, 2017.

⁷⁷ Author interviews, Chisinau and Kyiv, 2017.

⁷⁸ Author interviews, Tbilisi, Chisinau, and Kyiv 2017.

⁷⁹ Ash, T., Gunn, J., Lough, J., Lutsevych, O., Nixey, J., Sherr, J. and Wolczuk, K. (2017), *The Struggle for Ukraine*, Chatham House Report, October 2017, <https://www.chathamhouse.org/publication/struggle-for-ukraine> (accessed 8 May 2019).

of the Old Guard, this group has the potential and motivation to practise a different type of governance.

New political parties

The social uprisings in Moldova, Georgia and Ukraine have led to the emergence of new parties and the demise of post-Soviet communist organizations. This is a major rupture with the past as even after independence, communist parties played significant roles in the governing process of these countries. This is most obvious in Moldova where the Communists' Party had a majority in parliament for two terms in the 2000s. The communists would have been in power for at least another term were it not for a coalition of pro-European parties, formed ahead of the 2009 elections. The Communists' Party initially won 60 out of the 101 parliamentary seats, though there were questions over the legitimacy of the elections with allegations of vote rigging. When elections were rerun in July of the same year the party won 48 seats. Support for the communists has also fallen in Ukraine, but this trend had begun before the Euromaidan. In 2015, an administrative court in Kyiv banned the renewed Communist Party altogether. Moreover, today there is only one political party – the Fatherland Party – that has held seats in parliament both before and after the Euromaidan.

As the communists fell out of favour, new parties rejuvenated the political process with the offer of a new type of politics. However, in the period between Moldova's 2014 parliamentary elections and the 2016 presidential election, the population became disillusioned with the so-called 'pro-European' coalition. This led to prolonged demonstrations and the creation of two new centre-right parties with strong anti-corruption agendas – Action and Solidarity Party (PAS), led by Maia Sandu, and the Dignity and Truth Platform Party (PPDA), led by Andrei Nastase. The former is the first domestic party to practise genuine financial transparency and its pro-European values shape its reform agenda. Nevertheless, both parties find it difficult to attract consistent support, due to a general lack of trust in politics. Most of the potential membership and power base of these new parties tends to be abroad. Furthermore, businesses are reluctant to make funding contributions to new parties as they fear becoming targets of political opponents in state institutions, for example through 'random' regulatory checks. As a result, they remain institutionally weak organizations.

New political parties have emerged in Ukraine to varying degrees of success. Most are short lived, such as *Sila Ludey* – a party with grassroots mobilization, a strong anti-corruption agenda and an internal party competition mechanism. Another example is the 'Movement of New Forces', set up by Mikheil Saakashvili, former president of Georgia and, at the time, also a Ukrainian national. Saakashvili established the party after resigning as governor of Odessa in early November 2016, when he accused President Poroshenko of not tackling corruption. The party disbanded once Saakashvili announced his intention to return to Georgia.⁸⁰ The 'Self Reliance' Party led by Andriy Sadovyi has had some relative success, winning 33 seats in the 2014 parliamentary elections. It managed to enter parliament with a candidate list free of former MPs or representatives of oligarchs. Most of the candidates were recruited from local NGOs and mid-size enterprises. They

⁸⁰ Dmytruk, A. (2018), 'Депутат Юрій Дерев'янюк заявив про вихід із партії Саакашвілі' [MP Yuri Derevyanko announced withdrawal from Saakashvili's party], Hromadske.ua, 24 December 2018, <https://hromadske.ua/posts/deputat-yurij-derevyanko-zayaviv-pro-vihid-iz-partiyi-saakashvili> (accessed 12 Mar. 2018).

also included a few prominent representatives of volunteer combat battalions that formed after the Euromaidan to defend the territorial integrity of Ukraine.⁸¹ One example is Yuriy Bereza, commander of the Dnipro battalion, who was among the first to respond to Russian aggression. However, according to a November 2018 International Republican Institute poll, together these new parties would receive less than 5 per cent of the votes in new parliamentary elections in autumn of 2019, and would not pass the threshold to enter parliament.⁸² An outlier is the new *Sluha Narodu* party (Servant of the People), led by the new president-elect of Ukraine Volodymyr Zelenskyi.⁸³ The party currently leads in opinion polls with 26 per cent among decided voters.⁸⁴

Since Mikheil Saakashvili's pro-European UNM party, Georgia has seen few political newcomers that genuinely depart from old style politics. *Akhali Politikuri Ts'entri – Girchi* (the New Political Centre – Girchi), formed by Zurab Japaridze in 2015 after splitting from UNM, is a recent newcomer but its values are as yet uncertain. Another UNM splinter party is the Movement for Liberty – European Georgia, which was created in 2017. Its chair, Davit Bakradze, came third in the 2018 presidential race.

Although new political parties are a common sight in the three countries, it seems that only those that appear during or immediately in the aftermath of social upheavals have a chance of maintaining a role in high-level politics. The life span of most of them, however, is too short to deliver long-term change. This points once more to the immature state of new political parties, which leaves them unable to propel new political elites to positions of power.

⁸¹ Ibid.

⁸² International Republican Institute (2018), 'Pre-election preview of IRI's latest Ukraine poll', 8 November 2018, <https://www.iri.org/resource/pre-election-preview-iri%E2%80%99s-latest-ukraine-poll> (accessed 11 Mar. 2019).

⁸³ Razumkov Centre (2019), *Рівень довіри до суспільних інститутів та електоральні орієнтації громадян України [Level of trust towards public institutions and electoral orientations of Ukrainian citizens]*.

⁸⁴ Kyiv International Institute of Sociology (2019), Opinion Poll 'Opinion and views of population today: 2nd tour of the presidential elections', April 2019, https://www.kiis.com.ua/materials/pr/20191604_politics_april/Poll_april%202019%20presentation.pdf (accessed 29 Apr. 2019).

5. Creating a Level Playing Field

All three states have failed to develop a level political playing field, which is a fundamental pillar of democracy. While their political party organizations have become stronger, and public financing has been introduced, the relationship of political parties with the electorate and their capacity to aggregate citizens' interests has not evolved. Representative political parties have struggled in the last three decades, due to the legacy of Soviet-style governance, difficult democratic transitions, vague regulations, and ineffective oversight of party and campaign finances. All of which has encouraged political parties to seek alternative, often questionable, sources of finance and discouraged internal party democracy. The current party and campaign financing rules have led to the rise and consolidation of oligarchic and corrupt elites. Instead of promoting new political leadership, parties now serve vested interests and produce public servants loyal to their patrons. Political parties have compromised their independence, neutrality and platforms to serve as proxies for their benefactors. Dominant elites are generally not interested in consolidating democratic rules and practices, which subsequently undermines the democratization process and leads to a concentration of authority in the hands of a few power groups. This delegitimizes political parties as efficient intermediaries able to further political agendas and nurture political leaders, and further disenfranchises the electorate.

In the shadow of the Old Guard, it is important for Domestic Reformers and the Returning Diaspora to boost their capacity to lock in democratic reform. Their enhanced influence in domestic politics will help (a) push through the adoption and implementation of the remaining key reforms of the EU Association Agreements in Georgia and Ukraine; (b) reverse the concentration of power and degradation of state institutions in Moldova; and (c) revive the political class of these three countries and introduce new principles and norms of good governance in their political systems.

To encourage and sustain the development and renewal of new elites among Trojan Horses, the Returning Diaspora and Domestic Reformers, the international donor community should:

- Encourage national dialogues on the future of the three states and their societies.
- Support the establishment and practice of local town meetings and public consultations to involve communities in the relevant decision-making processes.
- Support the creation of civic initiatives to encourage a new generation of young people interested in the development of their communities, especially in rural locations.
- Broaden the portfolio of activities of NGOs, watchdogs, think-tanks, investigative media outlets, and unregistered civic initiatives, which promote transparency and monitor accountability of decision-making processes.
- Build capacity of independent monitoring and oversight organizations to keep checks on state power.
- Incentivize established academics and experts educated abroad to, at least temporarily, return to their home countries to boost the effectiveness of educational systems.

- Increase academic exchanges with Western institutions.
- Diversify existing schemes for young professionals to gain experience in Western institutions through internships, job shadowing, fellowships and sabbaticals.
- Fund networking events to develop joint actions between diaspora representatives and local civic activists and experts.
- Support the development of start-ups and information exchange with Western counterparts.
- Strengthen the capacity of independent media outlets and investigative journalism to shape public opinion in various accessible visual formats.

Western donors already support many of these actions, particularly those that target domestic civil society groups and emerging reformers under different bilateral funding schemes or within the framework of the Eastern Partnership. Their continuation is key to increase the sustainable impact of new reformers.

To address structural and institutional impediments to elite renewal, Western actors should:

- Discourage any kind of international engagement of elites who infringe the rule of law, such as working with those suspected of embezzlement, corruption, and the manipulation of law enforcement agencies.
- Advocate the development of contextualized mechanisms to encourage genuine and sustainable internal-party competition.
- Demand that disbursed tranches of finance are repaid when reforms fail or stagnate, as happened with judicial reform in Moldova, to increase the responsibility of national governments.
- Encourage the clean-up of law enforcement agencies (judiciary, prosecution, police and security agencies) to purge them of corruption and undue influence.
- Monitor the implementation of adopted legislation on political finance, paying attention to the enforcement of sanctions.
- Advocate the ban of political advertising to reduce the cost of electoral campaigns.
- Support training and improvement of professional skills of civic activists (e.g. early career investigative journalists and academics) and policymakers.
- Demand the de-monopolization of the media to allow political parties and independent candidates equal access, particularly during electoral campaigns.
- Prioritize higher education on the reform agenda.

- Establish a national-level dialogue between higher education institutions and industries to allow forward planning to consider the needs of the economy.

The international community is already pursuing many of the above recommendations. However, their approach is not always consistent or coordinated. A long-term commitment to underpin the development of the fundamentals of democracy in these countries is necessary to improve governance.

6. Conclusion

In consolidated democracies it is political parties that drive elite renewal. They recruit and socialize new political elites, which learn to interpret and aggregate the demands and preferences of citizens as societies evolve and transform. By contrast, political parties in young democracies such as those of Georgia, Moldova and Ukraine hamper this process. This has implications for the sustainability of the democratic process in post-communist societies.

First, political parties in these states are ineffective as mechanisms of elite renewal and democratic consolidation. They fail to push forward competitive and competent political leaders, despite the new faces that stand as party candidates at each election. Parties have never adopted the principle of internal competition, which has restricted elite renewal to date. New channels for bringing new political actors to frontline politics are necessary before there can be a significant positive shift in the political culture of these states.

Second, new types of elites are too few in number to promote a different mode of governance that would have a substantive impact on society. Their chances are even more diminished if, when in government, they are not able to deliver immediate change after a social uprising or revolution. Whenever the Returned Diaspora or Domestic Reformers have had a role in government they have struggled to deliver sustainable change. In all three states, there is societal fatigue with slow reforms and poor-quality governance. This might prove fertile ground for populists to capitalize on the subsequent disillusionment and make it difficult for new leaders to pursue further ‘painful’ reforms. As a result, this could endanger the prospects of the European model of good governance as the only model to be pursued in these societies.

Increasing geopolitical competition in the Eastern Partnership space may provide other development paths to the democratic one that the EU promotes in the region. The Russian Federation is especially interested in preserving hybrid regimes loyal to the Kremlin in its immediate neighbourhood, rather than stable democracies keen on closer ties to the EU. More prosperous democracies with higher standards of living would provide an alternative model of development for Russian citizens. Meanwhile, increasing interests of China, Turkey, and the Arab states in these countries may provide further alternative state models of development.

This paper has highlighted two major questions regarding the democratic transition process in the post-Soviet space: can democracy flourish without one of its central pillars – mature political parties – and how long will it take for post-Soviet states to become full-fledged democracies?

When political parties actually obstruct healthy elite renewal and undermine trust in democratic institutions, it often takes an unconventional path or channels outside the current political system for transformational political leadership and democracy to emerge. The existing framework that electoral systems provide does not encourage outsiders to join the domestic political process, particularly if they do not have significant capital and resources. Social upheavals may facilitate this process though they are infrequent, disruptive and unpredictable in nature.

Lastly, changes in political culture, behaviour and mindset require time, particularly when the logic and style of governance is so substantially different from that in the West. It takes longer to change political leadership than it does to set up new institutions. While functioning democratic institutions exist in newer EU member states, such as Hungary and Poland, their presence has not guaranteed sustainable and irreversible good governance.

Since independence, Georgia, Moldova, and Ukraine have yet to deliver the generational change in modes of governance anticipated by their citizens and the West. Nevertheless, there are incremental improvements. The societies of these countries and Western partners must cooperate to nurture a new generation of political actors capable of representing electorates and implementing sustainable governance reforms.

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Cover image: A man examines his ballot in front of information posters of the candidates for Ukraine's parliamentary elections on voting day in a polling station in Kiev, 26 October 2014.

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