

Focus on Ukraine

Weekly
informational-analytical
news bulletin

November 7-13 2016



DONALD TRUMP

Probable consequences for global politics and Ukraine



MIKHEIL SAAKASHVILI

What are the prospects of ex-governor in the public politics?

Control over party finances: first disappointments and prospects for improvement

Electronic declaration: repercussions for society



Ilko Kucheriv
Democratic Initiatives
Charitable Foundation

TOPICS

FOLLOWING THE RESIGNATION: WHAT ARE THE PROSPECTS OF ODESA EX-GOVERNOR SAAKASHVILI IN THE PUBLIC POLITICS?	3
CONTROL OVER PARTY FINANCES: FIRST DISSAPPOINTMENTS AND PROSPECTS FOR IMPROVEMENT	5
ELECTRONIC DECLARATION: REPERCUSSIONS FOR SOCIETY. SURVEYING OF EXPERTS.....	6
VICTORY OF TRUMP IN THE U.S. PRESIDENTAL ELECTIONS: PROBABLE CONSEQUENCES FOR GLOBAL POLITICS AND UKRAINE.....	7

FOLLOWING THE RESIGNATION: WHAT ARE THE PROSPECTS OF ODESA EX-GOVERNOR SAAKASHVILI IN THE PUBLIC POLITICS?



Ruslan Kermach

political analyst, Democratic Initiatives Foundation

Last information week began with the resonant public statement of Mikheil Saakavshvili about his intention of stepping down from the post of head of the Odesa Oblast State Administration (OSA), which he held over the past year and a half. Saakashvil explained his desire to resign with the curtailment of reforms in the region as well as with the presidential support of corrupt clans in Odesa region. Soon the Cabinet of Ministers of Ukraine supported the resignation of the Odesa governor at its routine meeting.

The particular sensationalism of the recent decision of Saakashvili was dictated not by the very desire of the latter to step down in the post, but rather by the resonant accusations that he expressed to the address of President Poroshenko and his closest political milieu during the speech. As it is known, Saakashvili had never had the gumption to publicly criticize the president, who actually has approved the former for the post of governor. To one degree or another certain people from the presidential administration and companions of the head of state periodically fell under his sharp criticism, which could have only directly cast shadows on Poroshenko himself.

Now for the first time the impression is being created that the former governor clearly crossed the line and with his resignation his hands are being untied to become the routine bright exposé as a critic of the current leadership and president. Though it cannot be ruled out that Saakashvili's public criticism of the leadership and the president are only a part of a well-refined political technology with the help of which the Presidential Administration is creating its own manual opposition project called on to swallow at least part of the protest electorate. In conditions of permanently rising protest moods and the strengthening of opposition parties in Ukraine such a strategy is not meaningless.

However, **Saakashvili's claim for the status of the main oppositionist in Ukraine may not be justified** for at least several reasons. First of all, in the camp of critics of the ruling power rivalry is at the moment at its height like never before. Moreover, the socially oriented populist agenda of certain of today's leaders of the opposition will clearly be considerably closer to the average statistical Ukrainian voter. The fight against corruption, liberal transformations or the creation of favorable conditions for small and middle business about which Saakashvili usually speaks could find enough support in the environment of well-educated and entrepreneurial representatives of youth and a fairly narrow stratum of the middle class in Ukraine. For the broad masses of the population that are truly capable of ensuring by their votes a decent result for political parties, the

slogans of the ex-governor of the Odesa oblast and his political allies are not likely to be of great interest. Indeed, real electoral potential of the anti-corruption liberal platform in Ukraine remains sufficiently limited.

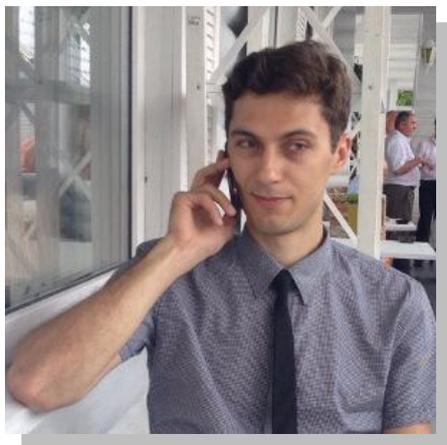
The presence of rivalry in this fairly tight liberal electoral segment in Ukraine only complicates the situation. Without united efforts it will be extremely difficult for liberals to garner a fairly tangible support of citizens at the routine or possible snap parliamentary elections.

Secondly, in evaluating the chances of a political project under the leadership of Saakashvili the factor of informational and media support of such a political project should not be underestimated. Clearly, for a person that uncompromisingly criticized many influential top officials and oligarchs it will be extremely difficult to gain the sympathy of information resources and television channels controlled by the latter. The case could most likely be the opposite where the media of influential Ukrainian oligarchs may start an overt information campaign discrediting Saakashvili and his closest political followers. And apparently doing so will not be that difficult given the objectively doubtful achievements in the work of former governor Saakashvili in his latest post.

Finally, the image of Saakashvili as an uncompromising warrior with the corrupt government of Ukraine is somewhat undermined by his fairly extensive stay in the office. Prevalence of loud PR and populism over real matters also became characteristic signs of the style of work of Saakashvili in the perception of the mass public. It seems that the finest hour of a scandalous Georgian politician is after all a thing of the past, an indirect confirmation of what might be recorded by the sociologists almost double decline (from 42% to 22%) in the rating of a positive attitude of Ukrainian citizens towards him.

However the ex-governor Saakashvili truly could have revived the situation and given a unifying dynamics to the state of the current fairly scattered liberal political forces and become the leader of the new united political project. On the backdrop of the decline in popularity and discreditation of the old political class (after the publication of electronic declarations) a fairly good prospect for affirming in Ukraine new untarnished political projects is opening up. Though at the current stage it is still difficult to speak clearly about the real motivations of the ex-governor's sudden inclusion in the public politics of Ukraine.

CONTROL OVER PARTY FINANCES: FIRST DISSAPPOINTMENTS AND PROSPECTS FOR IMPROVEMENT



Oleksii Sydorchuk

political analyst, Democratic Initiatives Foundation

On November 9 the deadline for the submission of financial reports of political parties for Q3 2016 to the National Agency on Preventing Corruption (NAPC) expired. Four parliamentary parties: Popular Front, Petro Poroshenko Bloc “Solidarnist”, Samopomich, and the Radical Party of Oleh Lyashko – should for the first time report their use of state funds, which they received from NAPC at the end of September. Batkivshchyna did not submit the necessary documents to NAPC on time, which is why it received state funds only for Q4 of this year, while the Opposition Bloc refused to accept budget subsidies outright.

The reports submitted for the first two quarters of 2016 demonstrated unwillingness of the big parties to play by the new rules of the game: all parliamentary parties decided to not disclose their true donors and hide their real expenses. The results of an analysis of financial reports conducted by NAPC were no less alarming. On the one hand, the late launch of the system of reporting meant the NAPC could not demand from parties a perfect filling out of reports. However, even in such conditions the conclusions about the analysis of reports published by NAPC on its website cannot likely be called satisfactory. In particular, the anti-corruption body failed to notice in the reports of large political parties any violations of the rules of financing, though in some cases violations were lying on the surface: for example, financing of Batkivshchyna by legal entities with foreign beneficiaries or Samopomich receiving anonymous contributions.

Most likely, such violations are just the tip of the iceberg, though the inability or unwillingness of NAPC to point to them casts doubt on the ability of this body to bring to light other, more significant breaches of the law, such as financing of parties with the help of false individuals or cash funds through a “shadow bookkeeping office” and concealment of real property, incomes and expenses of parties. The problem is aggravated by the fact that NAPC to this day has not received full-fledged access to the necessary information data bases of government bodies.

On the other hand, NAPC can at this moment use other instruments in order to strengthen its own capacity to analyze party reports. First of all, it can accept the public proposal of Director of the National Anti-Corruption Bureau Artem Sytnyk to use the possibilities of the bureau that already has access to many registries of state bodies. Secondly, it can coordinate efforts with civil society organizations such as Chesno and Eidos, which are already conducting their own analyses of financial reports. Without establishing effective control over the party reports by NAPC, the transparency of financing of Ukrainian political parties will remain an unattainable goal.

ELECTRONIC DECLARATION: REPERCUSSIONS FOR SOCIETY. SURVEYING OF EXPERTS



Ilko Kucheriv «Democratic Initiatives» foundation – Surveying of experts

In order to determine the opinions of experts regarding the first results of electronic declaration of incomes of top officials and the consequences of this process for society, the Ilko Kucheriv Democratic Initiatives Foundation conducted surveying of Ukrainian experts on November 4-8, 2016. A total of 58 experts were surveyed the general opinions of which we publish below:

- The surveyed experts positively assess the results of electronic declaration. Among the absolute majority of assessments is without a doubt positive. Less than 10% of the surveyed gave a two-sided assessment – some are positive, while others are negative.
- Among politicians that did the most in order that the system of electronic declaration was created and worked, experts noted first and foremost Ygor Sobolev, Petro Poroshenko and Viktor Chumak. Besides that, a considerable part of experts considers that the merits for introduction of the electronic declaration system are owed not to a specific Ukrainian politician or group, rather to western partners and international organizations and civil society.
- The surveyed experts are inclined to the opinion the real incomes of top officials are higher than those indicated in the declarations. However, a considerable part of experts agree that most of the data in the documents of declarants do not in fact differ much from reality.
- The declarations of Yulia Tymoshenko and Oleh Lyashko impressed surveyed experts the most. The declarations of Andriy Lozoviy and the Lubnevych brothers also made an impression.
- The relative majority of the surveyed supported the opinion that the National Agency of Crime and Corruption will scrupulously review only the declarations of the most odious politicians and top officials, it will deal with others more formally. At the same time, only three experts believe that e-declarations will be used as a method of reprisal with the political opposition.
- The opinions of experts regarding the consequences of introducing electronic declaration were divided. The relative majority is inclined to the opinion that the consequences will be serious,

though not radical and almost the same number of experts believes the consequences will be insignificant. At the same time, only a few experts expressed their opinion that there will be no consequences at whatsoever.

- Among the main possible consequences experts highlighted the declining trust of the people in the leadership, the loss of ratings of parliamentary parties and the appearance of chances of new parties and the conducting of actual amnesty of legalized earnings and incomes. Somewhat less experts consider a real crackdown on corruption schemes and Ukraine being granted a visa-free regime with the EU to be a consequence. At the same time, experts believe the probability of snap parliamentary elections being held or mass acts of protest is quite low.
- The absolute majority of the surveyed are convinced that only certain officials or politicians will bear the responsibility for violation of anti-corruption legislation, which will be selective.
- The next steps after implementation of electronic declaration should be the introduction of a system or review of data in cooperation with the National Agency for the Prevention of Corruption (NAPC), the National Anti-corruption Bureau of Ukraine (NABU), the State Financial Service (SFS), the Ministry of Internal Affairs (MIA) and the Prosecutor General's Office of Ukraine (PGO), etc., creation of an independent anti-corruption court and active work of the public sector, which should conduct a parallel review of declarations and track and control the process of official reviews.

VICTORY OF TRUMP IN THE U.S. PRESIDENTIAL ELECTIONS: PROBABLE CONSEQUENCES FOR GLOBAL POLITICS AND UKRAINE



Ilko Kucheriv «Democratic Initiatives» foundation – Surveying of experts

On November 10-15, 2016 the Ilko Kucheriv Democratic Initiatives Foundation conducted an expert survey “Victory of Trump in the U.S. presidential elections: probable consequences for global politics and Ukraine”. The objective of the survey was to determine the opinions of experts regarding the probable results in foreign policy that will be dictated by Trump's term in office as U.S. president. A total of 32 Ukrainian foreign policy experts were surveyed.

- For experts surveyed and the absolute majority of sociologists the victory of Donald Trump was unexpected. Only 5 experts admitted that they were sure of the victory of Trump, while 27 said they predicted the victory of the candidate for the Democrats Hillary Clinton.
- The following reasons for Trump's victory can be highlighted post factum: the dissatisfaction of the political elite (which Trump was opposed to) – 12 references; better mobilization of his electorate (11 references) and a high level of rejection of the candidate for the Democrats) – 10 references. The people's dissatisfaction with the policy of Obama, his economic, medical and social program were also weighty arguments – 9 references; understood language, appeal to the emotions of Americans in Trump's campaign (7 references) and the overall feeling that matters are developing in the wrong direction, which was reflected in his campaign, the position of a "silent majority" regarding migrants (6 references), etc.
- Surveyed experts feel that the policy of Trump somewhat differs from the policy of the Obama administration regarding cooperation with NATO (17 responses) and the EU (18 responses), regarding events in the Middle East (18 responses), as well as conducting a policy towards Ukraine (18 responses) and Russia (19 responses). At the same time, the policy as it pertains to fight against international terrorism will not change in principle (2/3 of surveyed experts).
- Respondents feel the U.S. will most likely not reject the international obligations it has assumed or agreements it has made, however opinions are divided in half on whether or not isolationism of America will grow on the international arena.
- More than half of the experts surveyed feel that relations between the U.S. and Russia will somewhat improve in light of the fact that the Trump administration will try to circumvent the problems where possible conflict situations with Russia may arise. However, four experts pointed to the fact that after attempts at dialog between the U.S. and Russia and their failure, the relations between the two countries will significantly worsen.
- As to the sanctions against Russia, they will not see any changes if the latter does not change its behavior. More than 2/3 of the overall number of surveyed have such an opinion. Be that as it may, if to speak about diplomatic and macrofinancial support of Ukraine, the position of experts is somewhat less consolidated and a third of the surveyed presume that assistance could be reduced. The picture regarding military assistance where 4 experts presume a decrease in its volumes, 5 – increase and another 14 do not expect any significant changes. It is also worth noting a significant part of experts who are not yet ready to make any predictions that the Trump administration will support Ukraine.
- The greatest threats on the international arena are the unpredictability and impulsiveness of Trump (11 references), as well as the probable shake-up of the system of international law and security (8 references); a decrease of activity in NATO and the support of allies of the U.S. in Europe (7 references); the dilettantism of Trump in foreign policy, a weak administration (6

references); excess pragmatism in foreign policy, which will prevail over democratic values (5 references) and a growth in isolationism of the U.S. (5 references) and the victory of Trump could become a case of success for the European ultra-right wing (5 references).

- Regarding Ukraine such threats lie in the plane of a military conflict with Russia. Among them are reduction (annulment) of sanctions against Russia, prospects of a compromise with the Kremlin at the expense of Ukraine's interests (10 reference); reduction in diplomatic, macroeconomic and military technical support of Ukraine (10 references), as well as removal of the Ukrainian issue to the margins of U.S. foreign (7 references).

"Focus on Ukraine" – weekly informational-analytical news bulletin prepared by the Ilko Kucheriv Democratic Initiatives Foundation (<http://dif.org.ua>).

DIF Analysts:

Iryna **Bekeshkina**
Oleksiy **Haran**
Ruslan **Kermach**
Oleksiy **Sydorchuk**
Maria **Zolkina**
Andriy **Sukharyna**

Editor-in-chief: Iryna Filipchuk