

POST-SOVIET COUNTRIES: THE GEOGRAPHY OF FAILED REFORMS

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Analysis

With the dissolution of the USSR in the early 1990s, all of the states that gained their independence went through an intensive reform process both with the transition from a socialist economy to a free market economy and with an effort to democratize. However, it is very difficult to say that these reforms have succeeded - except in the Baltic countries – even after 30 years. So what is the root cause of these failed reforms? In other words, why have former Soviet countries not yet fully completed the democratization process?

Before answering this question through some sample countries, it is necessary to mention some common characteristics of the countries in the post-Soviet geography in general. When these countries are examined closely, their first common problem is that none of them have a large social class that demand democratic reforms or, if any, a representative successful ruling class. Instead, generally more populist representatives

stand out. However, after they came to power, instead of implementing reforms, they seek a “middle way”. Because they know that they need to cooperate with various interest groups in the state administration in order to secure the power they have. This situation stands as a major obstacle to reforms.

There are several reasons behind the lack of ruling class emergence in post-Soviet countries to implement reforms. First, the countries in question could not keep their sovereignty for a long time. In this context, these countries, which were oppressed first by Russian Tsarist and then the Bolsheviks, could not be independent until the 1990s. A conscious ruling class that knows how to carry out democratic reforms has not emerged in these countries that have gone through such a process.

The second is that these countries, especially Russia, do not have a long tradition of democracy.

Democracy is not just about elections; it also requires active political participation. These societies that were ruled by the communist regime until the 1990s did not have such experience. Third is Russia, which is right next to these countries and intensely interferes with their internal affairs. Russia's support for the corrupt and anti-reform populist elites in these countries - in order to prevent the countries around it from converging with the West - is actually one of the important factors behind the failure of reforms.

It would be more revealing to continue on a few example countries, after discussing some common points that hinder reforms in post-Soviet countries. Ukraine, where important debates continue on some structural reforms, is one of the best examples to be given here. In 2019, Volodymyr Zelensky came to power, promising to implement structural reforms that the previous administration failed to achieve. Since the early 2000s, the Ukrainian society, which has changed the country's administration twice with revolution, had high expectations from Zelensky. However, after a year and a half, the new administration has not been able to implement any of the reforms.

Zelensky made three cabinet reshuffles in just 15 months. This is a major obstacle to successful reforms. Because the president's tendency to dismiss his ministers easily caused the ministers to focus more on keeping their seat instead of working for reforms.

As a matter of fact, according to a study carried out in 2020, 42% of Ukrainian citizens believed Zelensky's policies as unsuccessful. Likewise, Zelensky's Servant of the People party lost the local elections in 2020 and its rating dropped to just 20%. The people of Ukraine chose this party instead of the European Solidarity party of Petro Poroshenko, who came to power with big promises after the 2014 "Maidan" revolution but could not go beyond its populist rhetoric. However, Zelensky's party was also unable to implement structural reforms. The most important factor that led to this is that the Zelensky administration is made up of names

with very different "origins". Therefore, the absence of a consolidated reformist power in Ukraine already created major problems for the country.

Judicial and land reforms come first among the structural reforms that failed in Ukraine. It is useful to look at foreign direct investments to measure the success of these reforms. Ukraine had promised to open its doors to foreign investors both during the Orange Revolution in 2004 and during the Maidan events in 2014. However, by 2020, foreign direct investments in Ukraine decreased 20 times compared to the previous year. Foreign investments, which were 4.5 billion dollars in 2019, declined to 200 million dollars in 2020. Considering the reasons behind this negative development, first of all, is that the difference between the Poroshenko and Zelensky governments is striking. While tax cuts were made in the period of Poroshenko, the Zelensky government started to argue that this policy was wrong. This is an important factor that negatively affects foreign investments.

The promised land reform has also failed. While some new regulations are made in the agricultural sector for domestic investors, the sector is still closed to foreign investors. In general, there is a distrust of foreign investors in the society. This is actually the problem in all societies that emerged from the communist order.

In addition, foreign investors check whether there is an independent judiciary in a country that can defend their rights before investing there. Ukraine, meanwhile, entered 2021 with a constitutional crisis that broke out between the president and the constitutional court. The crisis erupted after the anti-corruption law passed by the Zelensky government was found unconstitutional by the constitutional court, giving bureaucrats the right to hide their assets. Zelensky described the constitutional court's decision as a betrayal of the country. This crisis between the president and the constitutional court has triggered the debate on whether there is an independent judiciary in the country. This caused foreign investments to leave the country.



The failure of the Zelensky government to implement structural reforms is already reflected in the election results. There is a high probability that this process will result in the victory of the new populists in the next elections. However, the populists in question will probably be closer to Russia. Because the disintegration that existed in the Ukrainian society for a long time - the western part of the country is closer to the West and the eastern part closer to Russia - had been eliminated before Zelensky. However, this polarization began to be determined again during Zelensky's period.

Moldova sets a good example of the ongoing struggle between reformists and reform opponents. Reformist politician Maia Sandu, who openly argued that Moldova should move away from Russia and develop cooperation with the EU, won the presidential election in November 2020. In Moldova, unlike Ukraine, there is a certain consolidated reformist power. However, Moldova's biggest problem is that the society is segregated for various reasons. Social polarization is most pronounced between pro-Russian socialists and reformists closing in to the West. In addition, the fact that Moldova is the poorest country in Europe is a situation that prevents the country's reformist powers from succeeding. Because in societies where poverty is widespread, democracy is damaged in different ways, such as easy buying of votes. Accordingly, oligarchs can have quite a lot of influence on Moldovan politics.

Sandu, a truly reformist figure in Moldova with such a structure, was elected president. In the current parliament, however, the majority of the Moldovan Socialist Party of former pro-Russian president Igor Dodon is valid. The next parliamentary election will take place in 2023. So, if Sandu fails to force the current parliament into early elections, a major political crisis awaits the country in the next few years.

However, even if Sandu is successful in the early elections, it does not mean that structural reforms can be easily implemented. Because the name that helped Sandu win in the second round was Renato Usatii, who got 17% of the vote in the first round of the presidential election.

Usatii is not an open supporter of Sandu; his opposition to Dodon has led him to cooperate with Sandu. Also it is a known fact that he had close relations with Russian state institutions at the time. Therefore, it should be stated that even if the current parliament was dissolved by early elections, the number of seats of Usatii's party would not be less in the to-be-established parliament. This will be a situation that hinders the structural reforms Sandu aims at.

Another country that needs to be addressed within the scope of post-Soviet countries' reforms is Armenia. Nikol Pashinyan, who came to power during the Velvet Revolution in 2018, initiated the reform process, but the regulations he made until 2021 cannot actually be said as deep structural reforms. Likewise, it is seen that Pashinyan, who came to power by signalling that Armenia would break its dependence on Russia and develop cooperation with the West, failed in this matter. As a matter of fact, the political crisis Armenia fell into after the Second Nagorno-Karabakh War is a clear indicator of this.

The Armenian community sees Pashinyan's reforms failure as the reason behind the country's loss in the Second Nagorno-Karabakh War. The community then mobilized the old elites, and calls for resignation began to sound for Pashinyan. As a result, at the moment, Pashinyan strives to stay in power instead of reforming what he has achieved.

As soon as Pashinyan came to power, he was able to control the legislative and executive powers left over from the previous administration. Knowing that he would not be able to have full power without revising the judiciary, Pashinyan initiated judicial reform as the next step. Although he tried to support this with the rhetoric of the need for an independent judiciary, it was known that the basis of this process was to create a judicial power that could work with a new power. In fact, by the end of 2020, the judicial powers, as well as the legislative and executive, were reorganized by the Pashinyan administration.

In addition, it is not possible to say that Armenia is really governed by a parliamentary model. At

the basis of a parliamentary system, there must be political parties based on a certain ideology, human and financial resources, and most importantly, certain social groups. It cannot be said that the political parties in Armenia have these. Therefore, Armenia is a suitable example to show that a simple displacement of the people in power without deep structural reforms is not enough to produce a significant result.

Georgia is also a country where the struggle between various interest groups failed in completing important structural reforms that had already started. Mikhyil Saakashvili, who came to power with the Rose Revolution in 2003, was able to implement important reforms until 2012. However, the Georgian Dream Party of Bidzina Ivanishvili, a pro-Russian oligarch, has been in power since 2012. Saakashvili, who could not return to his country since 2013, declared that he would return to Georgia if the opposition wins the parliamentary election held in October 2020, but the ruling party continues to hold the majority in the parliament by winning the election. Thereupon, all opposition parties started a boycott against the election results. However, although Ivanishvili announced that he left politics in January 2021, it is certain that his influence on the country's politics will continue. In this context, despite the fact that all opposition parties act together, Ivanishvili's large capital also gives him the power to turn all elections in his favor. As a result, Georgia, which has been on the global agenda with its democratic reforms since 2004, is now on the agenda with the political crisis since 2012.

As a result, it is obvious that there are major problems in the implementation of structural reforms in post-Soviet countries. At the root of this lies the problem of seeing the state administration as a tool for various interest groups in these countries to maximize their profits. These interest groups are generally composed of oligarchs that can be defined as interest groups outside the bureaucracy and the state apparatus. However, the main actor consists of high-level bureaucracy, which comes from within the state apparatus and also owes

its existence to close relations with political leaders. Therefore, in an environment where there are such powerful players satisfied with the status quo, it becomes impossible to emerge a strong reformist group. On the other hand, although a group in favor of reforms emerges, they completely depend on the support of state administrators. But state administrators do not always support reformists; they act according to the conjuncture. This is why reforms fail in post-Soviet states and sometimes even as anti-reform movements emerge.

In addition, the factor of Western countries is often overlooked when discussing the failure of reforms in post-Soviet countries. Western states, which have reached the present state of their democracies through a period of several centuries, want the rest of the world, especially the post-Soviet countries, to show the same success in just a few years. In addition, while the West uses methods that seem contrary to today's liberal thought to reach democracy, it prevents other countries from following the same path. For example, although almost all developed countries have always implemented protectionist policies in economy to reach this level, today they force other states to switch to the open market immediately. For this, various international institutions are also used as a printing tool.

Another important point is that the US and EU countries do not fully support post-Soviet countries' effort to get closer to the Western world. This was clearly seen in Georgia in 2008 and in Ukraine in 2014. When these two states, which tried to develop cooperation with the West by moving away from Russia, were attacked by Russia, the US and EU countries did not take any other action other than imposing sanctions against Russia. This policy causes distrust in post-Soviet states. As a result, post-Soviet states prefer to get along with their neighbour Russia, rather than cooperating with the Western states that have no clear policy. All these factors prevent successful structural reforms in post-Soviet countries.