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Political Elite Network in Ukraine:
Analysis of Formal and Informal Connections

Tetiana Kostiuchenko
National University of “Kyiv-Mohyla Academy”
tetiana.kostiuchenko@yahoo.com

ABSTRACT. The paper seeks to gain an understanding of the structure of network ties that bind members of the post-Soviet elites together. The objective is to map five types of ties that connect members of the political elite (in-post legislative, executive, Presidential branches), to identify ‘central players’ within elite circles.

Introduction

The role of linkages between elite members who possess key positions in the state decision-making has been the subject of academic research interest throughout the last decades, and it is particularly salient in societies under transition, i.e. Ukraine after almost twenty years of the regime change. Despite these numerous studies of elite groups in transition states, it is still an open question of what relational structures (networks) are formed and exist within power elites in such post-Socialist states as Ukraine, in particular. This issue becomes even more important when interest groups and friendship networks become the basis for the creation of an internally circulating “ruling class” whose members periodically seize key positions in different institutions and collectively capture the decision-making process at the state level.

To define how elite members circulate and identify key decision-makers, one needs to understand the network structure of political elites as well as the communication structures they employ. The paper seeks to picture how the political elite networks are formed and function in transitioning society twenty years after the regime change. Network embeddedness is argued to be crucial for understanding of power elite continuity as described by Grødeland (2005) who stressed the importance of informality as “a leftover from communism.”

The research objective is to map five types of ties (political, business, civic, educational, and kinship) that connect members of the political elite (legislative, executive, Presidential branches) basing on common biographical experiences and overlapping period of studying/employment in the same institution or company before occupying elite positions. The key research questions of this paper include: what ties are important to what extent for political elites; what subgroups exist inside current political elite network; who are the ‘central players’ within the network; to what extent can the concepts of social capital and interpersonal trust be employed to explain the formation (or break-up) of political coalitions, lobby groups, and joint legislative initiatives; to what extent are political, civic, and business networks dense and centralized within the Ukrainian context.

Theoretical framework

Elite groups were in the research focus of social scientists, who explored the ‘ruling class’, through two perspectives – class theorists vs. elitists (Etzioni-Halevy, 1997). Thus, class theory was initiated by the works of Marx regarding capital distribution and relations based on private

property, where governing circles are a part of the bourgeoisie and thus the owners gain opportunities to influence on the state decision-making in order to protect their capital. In other words, the economic sphere is a determinant of power distribution. But as it was later suggested by Weber, social stratification depends on two additional indicators – political party affiliation and social status. Hence, class theory defines group of ‘elite’ in terms of social hierarchies where highest positions in ownership or management systems enable to access the resources and to influence top-level decision-making.

The other approach developed by the elitists (including Pareto, Mosca, Michels, Miliband) distinguishes elite membership through political influence. Research on such issues as elite circulation and recruitment, ‘governing and non-governing elite’ relations, consensus within the elite are in focus within elite theory¹.

Despite these two theoretical perspectives use different approaches to define elite, common features can be found in the work of C. Wright Mills titled “The Power Elite” (1956) where he suggested to interpret this social group in term of ‘higher circles’ – as groups highly connected together through common membership in power institutions in political, economic and military spheres. Occupying interlocking positions even increases one’s influence on state decision-making, but here the hierarchy is presented in terms of network, specifically, interlocks within elite groups. These concepts are basic for understanding the functionality of power elite influence on community development.

Later, Domhoff (1970) argued that ‘interlocking directorates’ are the results of top-managers (non-owners) gathering in corporate boards, and not only due to their professional skills, but also because of interpersonal connections with each other. He also stressed that corporate interlocks are extremely important for the intensification information flows within the interlocking persons, who are often invited to the sessions of state committees.

The topic of the influence of ‘interlocking directorates’ on corporate performance and success have been examined by the number of researchers over the last three decades². These studies examine different issues within the topic, from mapping the interlocks to forecasting how network members may behave in the future, or political affiliation of corporate interlocks (i.e. Burris, 2005). But the main point within this context is that the overall elite group is treated through the network perspective which refers to the real relational and communication patterns inside the ‘ruling class’, its structure and functioning.

Although a number of studies explored elite groups and interlocks were conducted in post-socialist states during the last decade (Stark and Vedres, 2001; Fortesque, 2006; Best, 2005; Grødeland, 2005), they did not result in a picturing network structures within elites. Some papers on ‘interlocking directorates’ have been developed recently in Ukraine, but they are not numerous (i.e. the research of the affiliation of Ukrainian banks with political authorities and its impact on banks outcomes (Baum et al, 2008)). To conclude, no map of Ukrainian political elite network was previously constructed by social scientists.

¹ For more details on the analyses of these issues with respect to elite groups in transition societies, please, see: Lane, D., Ross, Cameron (1999) *The Transition from Communism to Capitalism*. Palgrave Macmillan; Przeworski, Adam (1991) *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*. New York: Cambridge University Press; Higley, J., & Burton, M. (2006) *Elite foundations of liberal democracy*. Lanham MD: Rowman & Littlefield.

² For more details, please, see, for example: Davis G.F. *The Significance of Boards Interlocks for Corporate Governance* // *Corporate Governance*, 1996, vol. 4, pp.154-159; Domhoff, G. W. *Who Rules America: power and politics*. – McGraw-Hill Companies, Inc. 4th ed. – 2002; Burt R. *Testing a structural theory of corporate cooptation: Inter-organizational directorate ties as a strategy for avoiding market constraints on profits* // *American Sociological Review*. Vol. 45. P. 821-841

Methodology

Applying social network analysis (SNA) approach to the exploration of political elites was chosen basing on several reasons. This perspective enables to draw a picture of status-roles interaction between actors who occupy governing positions and to include the aspect of influence on decision-making into the analysis (Knoke, 1990). In addition, the SNA is rooted in communication processes and resource exchange studies, including investigations of how social capital is accumulated (Lin, 2001:3-25). Finally, as Wellman argues, the network perspective focus on interpersonal ties that do not form strict groups, that are flexible and agent-based (Wellman, 1988), thus is allows to operate the picture of informal relational patters of the actors within a pre-defined sample of officials.

In general, the research project contains two stages:

- 1) analysis of elite members` biographies in order to identify possible network ties based on common biographical experiences (e.g. individuals who graduated the same university/ same faculty during overlapping periods of time; those who were or still are co-owners of the same company; those who were members of the same civic organization, etc.);
- 2) in-depth interviews with state officials (actors of the network) to add details into their relational pattern and verify the functionality of network ties from the perspective of decision-making, information flows and lobbying opportunities.

In order to identify possible network ties based on common historical experiences, the analysis of biographies of elite members was conducted first. The data on Ukrainian political elite was collected during 2007-2010. Sample design was based on position approach of elite theory, and the total sample covers 493 biographies of political elite members (Parliamentary deputies, Ministers of the Cabinet of Ministers, high-level functionaries within the Presidential Secretariat). Biographical method was followed by in-depth interviews applied for collecting and verifying the network data; the overall number of them is 15 for the moment³. The biographies were collected from official web-sites of state institutions, from periodicals and handbooks (annual edition of "Who is who in Ukraine"), and from press interviews. As results of the preliminary analysis of Ukraine`s political elite proves, the network approach (social network analysis, SNA) based on biographical analysis and verified through the in-depth interviews is relevant for studying the functioning of power circles from various aspects on the state level.

Then, five types of ties were collected into a database, including political, business, civic, kinship, and educational connections through the overlapping periods of affiliation with the same institution, enterprise, or relative connections. Specifically, the definition of each connection was based on the following details from actors` biographies:

- a) political connection: common membership in state, regional and local governing authorities, committees of the Parliament during previous terms,
- b) business (economic) connection: affiliation with a corporate board of same company, overlapping periods of being employed by the same company,
- c) civic connection: affiliation with the same NGO, political party, civic organization, football club, or other non-governmental and non-commercial organization,

³ In-depth interviews with political elite members were started in April 2008 and lasted till April 2010 with a break for presidential elections period when respondents were mostly inaccessible.

- d) educational connections: overlapping periods of study at the same higher educational institution/ same department,
- e) kinship: being close or distant relatives.

Research Results

Analysis was conducted in UCINET with visualization in NetDraw⁴. According to the principal of tracking connections described above, the final network data was 1-mode and multirelational where common affiliation with one institution/enterprise was represented as a tie between two actors. Parliament fraction membership or current affiliation with the state-governing institution were included into visualized graphs as attributes.

According to the tasks listed before the analysis, several routines were run to:

- 1) analyze network measures (density, distance) among five networks formed by different types of ties between elite members,
- 2) define the level of centralization of the aggregated network containing all types of ties, including core-periphery model visualization,
- 3) compare centrality measures within/ between five sets of connections, and define most 'central' actors in aggregated network containing all types of ties.

Although the density values are comparatively low (mainly, lower than 0.01) due to the large size of the overall network sample⁵, it is still possible to conclude that political ties constitute a half of all connections observed (see Table 1).

Distances were calculated for aggregated network in order to define how close elite members to each other are with regard to all types of connections that were tracked between them. Consequently, more than 70% pairs of nodes have distance of 3-4 steps between them, though the diameter is 7 (See Table 2. below). And only 3% of pairs can reach each other directly in 1-step distance.

⁴ The network data is undirected and valued, the aggregated dataset which contains all five types of ties is valued as well. Visualization was conducted in NetDraw, SpringEmbedding layout with Gower scaling applied

⁵ As remarked by Scott, "...larger graph...will have lower densities than small graphs" (Scott, 2000:74-75)

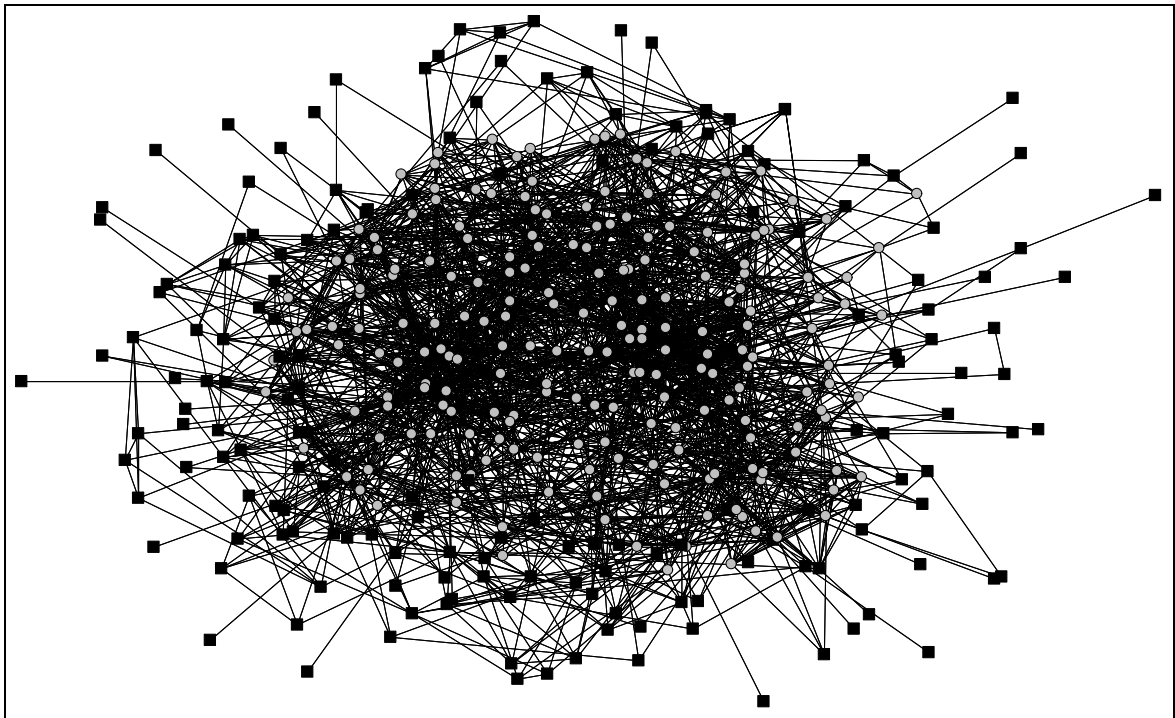
Table 1. Density Values

Type of subset	Density
<i>Aggregated network density</i>	0,0231
Political ties subset	0,0128
Economic ties subset	0,0007
Civic ties subset	0,0070
Educational ties subset	0,0025
Kinship ties subset	0,0001

Table 2. Geodesic Distances

Geod. dist.	Frequency	Proportion
1	2894	0,0302
2	16234	0,1695
3	42052	0,4390
4	26910	0,2809
5	6368	0,0665
6	1242	0,0130
7	96	0,0010

Core of the network contains 55% of nodes; its density is almost 5 times higher than of periphery (0.094 compared with 0.015). As it is visualize on Chart 1 below, grey-circles represent core and black-squares correspond with periphery partitioning positions. According to the results, it might be assumed that the core contains particular subgraphs that are very cohesive. And it is an issue for further analysis what type of ties connects nodes in these dense subgraphs.

Chart 1. Aggregated Network as a Core-Periphery model*

*All types of ties aggregated into one dataset, main component extracted, N=376

To conclude above-mentioned findings, it could be argued that the core of the political elite network is considerably dense group. Nevertheless, the majority of the actors cannot reach each other directly, and this might be a constraint for establishing a consensus between different fractions and political forces. Necessity to overcome distance of 3-4 steps might result in an effect of a 'Broken Telephone' when initial message can be misinterpret on its way to recipient. In the context of the approach that was applied to track connections (common biographical experiences), these finding also initiate assumptions about importance of common affiliation in the past for the more effective communication in the present, although information about the quality of such kind of experience (positive, negative, neutral) can be verified only though in-depth interview and thus is a subject for further investigation.

Further analysis of centrality measures was conducted⁶ in order to identify as highly-connected actors, as ‘cutpoints’ that connect different subgraphs and thus control information flows. Degree and Betweenness centrality measures were calculated for the complete network of 492 agents while closeness centrality routine was run on main component of 376 actors. Further, network of kinship ties were excluded during further comparative analysis due to extremely low total number of kinship ties within the sample.

Tables 3 and 4 contain TOP-5 actors within the each subset who possess the highest degree and betweenness centrality values, and if to compare the lists, some of the elite members appear to be ‘central’ from both degree and betweenness perspectives (like YanukovychVF, Tretiakov, Rybak within political network, Akhmetov and Prasolov within economic subset of ties, Stetskiv and Donii within civic connections, or BondarenkoOF and KniazevychRP within educational).

Table 3. Degree Centrality values*

Political	Economic	Civic	Educational
YanukovychVF 82	Akhmetov 18	Donii 39	BondarenkoOF 14
Tretiakov 38	Vilkul 7	Hryniv 33	Holub 14
Rybak 34	Prasolov 6	Kosiv 32	Hryniv 12
Osyka 31	Bilyi 5	Zaiets 27	KniazevychRP 12
Yankovskyi 28	Hlushchenko 5	Stetskiv 27	Keterynychuk 11

*All subsets were analysed as valued data, thus the non-normalized values were used.

Table 4. Betweenness Centrality values

Political	Economic	Civic	Educational
YanukovychVF 11574,7	Akhmetov 438,5	Stetskiv 3244,5	BondarenkoOF 856,7
YushchenkoVA 3725,9	Prasolov 264,0	Donii 3130,7	BondarenkoVD 505,6
Tretiakov 2630,2	Khmelnyskyi 234,0	Zarubinskyi 2234,1	KniazevychRP 499,2
Rybak 2589,3	Hryvkovskyi 174,0	Larin 1981,8	Marushchenko 399,0
Kuchma 2198,0	MelnykSA 174,0	Matvienko 1292,2	Lavrynovych 391,7

What is more important is to explore whether the older political elite members who have longer experience of being in power become more central due to their more extended connections, or the level of influence is observed due to accumulation of the other forms of capital. For instance, YanukovychVF – leader of ‘opposition’ in the Parliament for several years after the ‘Orange Revolution’ in 2004, term and pre-term parliamentary elections of 2006 and 2007, and one of the candidates during the presidential elections – started his career inside regional political elite ten years ago, and he had been a director of coal-mining enterprise for ten years before that. Thus, horizontal mobility between elite positions made a great impact into formation of his social (network) capital. Instead, Akhmetov who is the most ‘central’ person within economic subset of ties is claimed to be the richest person in Ukraine and even among the billionaires in CEE states. He is a shareholder in the range of enterprises in energy, metal industry, coal-mining sectors as well as an owner of mass media companies and a President of a football club. He can directly lobby his business interests in the Parliament being a deputy for the last four years.

⁶ This is preliminary analysis based on calculations made in August, 2009, before the presidential elections 2010 and further changes in Presidential Secretariat, the Cabinet of Ministers and rotation of some deputies in the Verkhovna Rada.

Finally, closeness centrality was calculated on the aggregated dataset with main-component extracted. Results of the analysis have shown that those actors, who were most 'central' in terms of degree and betweenness, are also the closest ones: Rybak (closeness value = 796), YanukovychVF (796), and Holovatyi (813) who was not on top-positions in degree and betweenness centrality when analyzing different subsets but appeared to be 'central' and one of the least distanced from the other actors. This analysis results led to the assumption that closeness level might be improved by the involving of different types of ties into one's relational patterns. In other words, diversification of connections makes actors less distant from each other.

In addition to the centrality values of particular elite members, the centralization indices were compared. Degree centralization was not included into the comparison because of the data character (valued). Instead, betweenness centralization analysis discovered comparatively high result in dimension of political ties (9.46%) followed by educational ties (2.65%). Economic and educational subsets are the least centralized (0.36% and 0.70% respectively). Thus, it can be assumed that ties within political and civic dimensions result in formation of subgroups (probably, coalitions) whether economic and educational ties do not produce a centralized network structure. Above all, the closeness centralization calculated on aggregated network and main component extracted is 23.13%. Thus, if all possible types of ties are taken together network structure is more centralized.

Discussion

The results of the research included both descriptive part (network 'map') and assumptions for the further analysis. The database of political elite network based on analysis of biographies has led to the identification of 'central' players within Ukraine's political elite circles. The core of the whole network is considerably dense and it includes more than a half of all actors. Nevertheless, the majority of political elite members cannot reach each other directly, and this might be a constraint for establishing a consensus between different fractions and subgroups

The research data received will be also tested by verifying whether information flows in the political elite actually occur through central players, and whether historical inter-personal links reflect the way in which the network operates currently. A network simulation could be performed then (i.e.in SIENA package) – to enable modeling of information flows within political elite groups and estimation of the further importance of current 'central' players.

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