

## **Serving Two Masters: Professionalized Bureaucracies Vs. the "Investment Market" in Ukraine's Election Administration**

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## **Introduction**

The development of a professionalized civil service that can effectively implement laws has been a key concern in the study of the democratization process. Recent scholarship has posited that state development in Eurasia reflects processes antithetical to the emergence of an impartial bureaucracy. Rather than promoting a Weberian-type of bureaucracy centered on technical skills and meritocracy (e.g., Fukuyama 2013), this approach suggests that the legacy of communist governance systems in Eurasia has promoted the development of an "investment market" in which ambitious political actors buy access to government positions to secure advantages for themselves (Engvall 2015). Propelled by corruption, the state is turned into a market in which positions are bought and sold with the expectation that investments will produce returns in the form of favorable policies or other outcomes. In this paper, we investigate the extent to which an "investment market" approach is evident in the administration of elections in Ukraine, and discuss the implications of our findings for the integrity of the electoral process and public administration in post-communist states.

To assess the development of Ukraine's civil service, we use results from elite-level surveys conducted during the October 2014 snap parliamentary elections. In these surveys, we solicited responses of election administrators to questions about their personal background, features of the commissions, perceptions of readiness and security, and remuneration associated with their positions. The survey items allow us to identify features consistent with a professionalized bureaucracy as well as features reflecting an investment market. By combining survey data with election returns, we are able to gauge whether or not these features affect the performance of administrators in exercising their duties and if civil servants seem to provide "returns on investment" in the form of favorable election outcomes. The analysis serves as a direct evaluation of the investment market framework.

The paper proceeds in five parts. First, we outline our theoretical expectations, juxtaposing traditional interpretations of bureaucratic practices with the investment market proposed by Engvall (2015). We argue that election administration provides an environment in which to test the implications of both approaches. Second, we provide context for our case, election administration in Ukraine. We describe the political conditions surrounding the 2014 snap parliamentary elections and the organization of the election administration hierarchy. Third, we present our data and testable hypotheses. Fourth, we present our analysis and discussion, focusing on individual-level evidence of bureaucratic professionalization and susceptibility to an investment market, and commission-level evidence that these features affect variation in election outcomes. We conclude by addressing the implications for understanding the state and bureaucracies in post-communist Eastern Europe and Eurasia.

## **Theoretical Expectations**

### ***Professionalized Bureaucracies and the Investment Market***

The Weberian vision of a professionalized bureaucracy is often the spoken – or unspoken – baseline expectation for the organization and functions of the civil service. This ideal system features hierarchically arranged office holders who gain positions through meritocratic advancement, manage well-defined sectors, and act based on clearly delineated standard operating procedures (Weber 1978; Meier 1987). The bureaucracy is efficient, impersonal, impartial, and fair. However, most bureaucracies feature personal relationships, information

asymmetries, and individual-level ambitions that create opportunities for biases to be manifested: information distortion, actions favoring preferred outcomes, as well as variation in responsiveness to directives and rule compliance may be common (Downs 1967). Even in the visions of imperfect bureaucracies, the general expectation is that offices are not captured, traded, or sold by external actors to advance private interests.

Recent scholarship on the civil service that has developed in post-communist Eastern Europe and Eurasia suggests that the state apparatus has been turned into an "investment market." In this environment,

...entrenched bribery, extortion, conversion of public offices into private profits, and other forms of pecuniary corruption observable throughout post-Soviet Eurasia are quite predictable outcomes in states functioning according to a logic resembling investments in a market, at the core of which is the sale and purchase of public offices (Engvall 2015, 25.).

Engvall's underlying concept is that public offices in the region are for sale: appointments to public office can be obtained for a price, and information about prices is available among political elites. The purchase of offices may be considered an investment that will garner expected returns through the use of the position's administrative rights to secure favorable outcomes. In contrast to the professionalized model of a bureaucracy, the investment market is characterized by patrimonial networks that access positions through financial transactions, hiring and advancement due to side payments rather than merit, and the implementation of biased decisions designed to return a "profit" to the investor. The profits may be financial, or they could be other material rewards.

This alternate model of bureaucracy has important implications for the potential of the rule of law and democratic practices, as the investment market serves as a major impediment to the development of suitable institutions. While Engvall (2015, 34) provides an example of tax authorities in Kyrgyzstan whose network was akin to a pyramid scheme, and anecdotal evidence of similar practices in the region, the focus of his argument is theoretical. In this paper, we ask: to what extent is investment market behavior empirically observable? We extend research on this phenomenon by investigating evidence within a single bureaucratic hierarchy: election administration.

### ***Investigating Election Administration***

Following the collapse of communism in Eastern Europe and Eurasia, international organizations and governments encouraged the development of democratic practices, rule of law, and elimination of corruption. While these efforts may have been haphazard or incomplete, they were prominently applied to the establishment of free and fair elections. Elections – and specifically election administration – present a crucial testing ground for evidence of a professionalized bureaucracy versus an investment market bureaucracy.

Election administration adheres to most of the Weberian criteria for a professional bureaucracy. In elections, bureaucrats must respond to authority in a specific area; are organized in a clear hierarchy with well-defined roles; enter into a contractual relationship to serve in office; receive

fixed remuneration from the state; and are subject to oversight and control (Weber 1978).<sup>1</sup> Some of Weber's elements may not apply to election administration, notably that the position is the only occupation for the bureaucrat and that the position has a career path. This discrepancy is not overly problematic, as several characteristics are not consistent with contemporary public administration present in the United States (Fukuyama 2013, 352) and potentially in other parts of the world.

Election administration varies cross-nationally, with some countries using a clearly structured organizational hierarchy and others decentralizing decision-making. Ukraine's election administration is hierarchical, and as we discuss below in greater detail, positions are allocated by partisan affiliation. The temporary condition of employment, however, is worth further discussion. Because lower-level election administration positions are primarily temporary, one might anticipate that behavior of these bureaucrats would differ from civil servants who are building careers within an agency. In particular, the threat of punishment for deviant behavior may be a less powerful motivator as election administrators do not rely on their positions as their only income source. At the same time, like permanent bureaucratic positions, they are subject to many of the characteristics of both the investment market and traditional professionalized bureaucratic model.

Election administration contains critical elements for an investment market approach to flourish: positions can be procured by "purchase," with investors gaining access to the potential for a direct return on investment in the form of favorably manufactured election results. At the same time, international organizations and Ukraine's Central Electoral Commission have instituted practices designed to professionalize the bureaucracy through training and access to resources. These countermeasures may mitigate the investment market's effects.

In sum, the election administration apparatus in Ukraine provides fertile ground to test propositions about administrative behavior. If we find that Ukraine's election administration is recruited via appropriate networks, trained, given responsibilities based on experience, awarded advancement based on professional achievements, and produces efficient, impartial results, we may conclude that the traditional, professionalized bureaucratic model is active. By contrast, if we find that election administrators are recruited through patrimonial networks, placed in positions where financial rewards are associated with the provision of returns to extra-governmental actors via biased decisions, we may conclude that the investment market model is active.

### **Election Administration in Ukraine**

Ukraine's election apparatus is hierarchical, with the Central Electoral Commission (CEC) functioning as a permanent body dedicated to managing the electoral process. Subordinated to the CEC are 225 District Electoral Commissions (DECs) that oversee more than 30,000 Precinct Electoral Commissions (PECs).<sup>2</sup> We focus on the lower two levels of election administration, DECs and PECs, in our analysis. Both of these levels are temporary, with civil servants<sup>3</sup> selected

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<sup>1</sup> Weber also notes that ownership and management are separated.

<sup>2</sup> Due to the annexation of Crimea and conflict in Donbas, fewer than 225 districts were operational.

<sup>3</sup> In a technical sense, election administrators are civil servants as they are state agents who are provided a salary to implement policies, albeit on a temporary basis.

for the election period only. DEC's are formed first, and they have responsibility for ensuring that PEC's in their territory are staffed with the requisite number of officials who receive training and resources to conduct the elections.

DEC's and PEC's constitute the front lines of election administration: they deal directly with voters and are responsible for the casting, counting and ballot compilation processes. Commissioners manage different tasks in DEC's and PEC's. At the DEC-level, commissioners render decisions on PEC formation, composition of the membership and distribution of the officers' positions throughout the PEC's, and they also compile and certify results. At the PEC-level, commissioners manage polling places, setting up for the election, checking voter identification, distributing ballots, maintaining a secure chain of custody, counting the ballots after the election concludes, and transferring official documentation to the DEC.

While snap elections do not differ substantially from standard elections in their administrative demands, the timeline for completing election preparations is shortened. In the parliamentary election, DEC's were formed 50 days prior to the election, but PEC's were formed only 15 days prior to the elections. According to the parliamentary election law, DEC's are formed by the CEC and range in size from 12-18 commissioners. PEC's in ordinary precincts varied from 10-18 commissioners, based on the number of voters registered in the polling place.

Positions on commissions are divided into two categories: members and officers. Members have voting rights, participate in deliberations and decision-making, and manage the day-to-day activities of the commissions during the election period. Officers (chair, deputy chair, and secretary) have additional responsibilities as well as agenda-setting authority. The CEC appoints officers for each DEC, and the DEC's in turn appoint officers for PEC's in their region of responsibility. Officers are assigned proportionally to parties and candidates; each contestant is entitled to a share of every managerial position. At the PEC level, partisan balance is complemented by balance across PEC's of different sizes, with parties or candidates receiving the appropriate number of posts in large, medium, and small PEC's. However, the law did not prescribe how the balance was to be achieved spatially; these decisions were undertaken by the DEC's in negotiation with parties and candidates. Decisions rendered at the DEC's and PEC's can strongly influence election outcomes as commissions have the right to validate – or invalidate – individual ballots as well as the counts made by an entire polling place.

In the snap presidential election that occurred in May 2014, candidates were guaranteed representation on all commissions.<sup>4</sup> However, the level of competition in the October 2014 parliamentary elections was too great to accommodate all parties and candidates. Registered parliamentary parties (factions) were guaranteed representation on the commissions. Within DEC's, parties that participated in the 2012 parliamentary elections on the party list could also nominate members. At the PEC-level, parties registered on the 2014 party list and candidates in the single member districts could nominate commissioners. After allocation of seats to parliamentary faction representatives, the remaining seats were determined via lottery.

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<sup>4</sup> The snap presidential elections yielded a different problem of personnel – inadequate staffing of EMBs (Boyko, Herron, and Sverdan 2014). During these elections, the official sizes of EMBs were altered due to the staffing crisis.

The lottery mechanism has encouraged ambitious politicians to create and/or collaborate with minor parties to "stack the deck" in the commissions. Ukraine's inchoate party system, low barriers for party registration, and ease of access to election administration, creates incentives for resource-rich parties to maintain small parties (called "technical parties") that may gain access to election administration positions via the lottery system (see Boyko, Herron, and Sverdun 2014; Boyko and Herron 2015). These technical parties permit patrons to "stack" election commissions with compliant affiliates. While the formal rules only permit a party or candidate to have one representative on the commissions, supporting technical parties creates opportunities to control more members of the commissions. If these members are selected to be officers, the potential benefits to the patron are even more extensive. Technical parties provide another way to influence results, and are consistent with the implications of the investment market model.

Ukraine's election administration provides an appropriate environment to evaluate how the investment market framework characterizes bureaucracies in the region. However, the conditions of the snap parliamentary elections affect our interpretations, in part because Ukraine's territorial integrity was being threatened in two of its regions, and the choice set was constrained by political developments that occurred in the preceding year. The next section outlines the conditions on the ground, providing the context in which parties battled for positions and administrators implemented the laws.

### ***Political Context of the 2014 Snap Parliamentary Elections***

Ukraine's 2014 snap parliamentary elections took place in October, in response to the ouster of President Viktor Yanukovich and the early dismissal of parliament following the collapse of the parliamentary majority. While the catalyst for snap elections was the collapse of the Yanukovich regime, the origins stretch back to the previous 2010-2012 presidential-parliamentary election cycle.

In 2010, Viktor Yanukovich was elected president of Ukraine, and these elections were widely regarded as legitimate (Herron 2011). While Yanukovich was selected through a fair process, policy decisions in the aftermath of the election raised concerns about declining democratic quality, and the president's behavior was increasingly perceived as anti-democratic by many Ukrainians.<sup>5</sup> These concerns were amplified by perceptions of fraud in the late 2010 local elections and 2012 parliamentary elections (Herron and Boyko 201; Herron 2014).

In late 2013, large-scale protests emerged in response to the regime's decision to renege on a promise to pursue closer relations with the European Union through an Association Agreement. The decision to strengthen connections with Russia in economic and political matters mobilized Ukrainian citizens to occupy the main square of the capital city, Kyiv, and protest against the

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<sup>5</sup> Public opinion surveys conducted annually by IFES document the changing perceptions of democratic quality in Ukraine. While the immediate aftermath of Yanukovich's election produced more confident responses in Ukraine's social and political conditions, satisfaction with Yanukovich's management of the economy, international relations, and other matters declined over time. Ukrainians were divided on many issues, but perceptions of corruption can be detected in responses. For example, a plurality of respondents in the 2011 survey indicated that prosecutions of Yuliya Tymoshenko and Yuriy Lutsenko were politically motivated; a majority indicated this perspective if the response of "politically motivated and legitimate" is added to the total. Moreover, the proportion of Ukrainians "concerned" or "alarmed" at Yanukovich's respect for rights and freedoms increased, and the proportion who were "alarmed" also increased. See the reports at ifes.org.

regime. Protests intensified, with government actors increasingly using force in an attempt to disperse protesters. Yanukovich fled the country in February after his support dwindled in the wake of security forces killing dozens of protesters.

The ouster of Yanukovich prompted the interim government to call an early presidential election in May 2014, and Petro Poroshenko claimed the presidency. Soon after his election, Poroshenko indicated that he was committed to holding early parliamentary elections. After the governing coalition disbanded in July, the president announced the dissolution of parliament in late August with early elections to be conducted in late October.<sup>6</sup>

Conditions for the implementation of elections substantially changed over the course of 2014. After Yanukovich's flight, Russia increased its direct involvement in Ukraine's political life, first by occupying and annexing Crimea, and later by instigating separatist violence in Donetsk and Luhansk. The annexation of Crimea, not recognized by the Ukrainian government, left twelve districts unable to conduct elections. Conflict in Donetsk and Luhansk further disenfranchised Ukrainian citizens by rendering elections impossible in many regions. Violence disrupted daily life in many corners of Donetsk and Luhansk, with concerns raised that the conflict might spread into other areas. At the time of the snap presidential elections, one of Ukraine's regions (Crimea) was occupied and outside of state control, combat operations were being conducted in Donetsk and Luhansk undermining state control, and heightened fears of expanded conflict threatened many other regions.

During the summer, the front lines in combat operations changed, with Ukrainian security forces advancing into territories that had been occupied by Russian-backed "insurgents." Conflict did not subside during the campaign; violence threatened voters and administrators in many parts of Donetsk and Luhansk. The parliamentary elections added a complication to administration, however. Whereas the presidential elections focused on a single office elected nationally, Ukraine's mixed electoral system evenly divides parliamentary seats into 225 selected by a nationwide party list vote and 225 selected in single-member constituencies. The failure to hold votes in the constituencies would not only undermine citizen suffrage, but could prevent regions from selecting representatives.

The Party of Regions formally boycotted the parliamentary election, although it participated in election administration.<sup>7</sup> Several parties wooed Party of Regions supporters; indeed, many of the major political parties welcomed and nominated former Party of Regions candidates.<sup>8</sup> The Opposition Bloc and Strong Ukraine had the clearest connection to the Party of Regions, and the Communist Party could also appeal to core voters who had historically supported the Party of

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<sup>6</sup> The dissolution of the majority was not due to unresolvable conflict, but rather as a pretense to hold early elections. Ukraine's constitution permits the president to call snap elections if the coalition collapses. Pro-European forces, eager to oust anti-European forces from parliament, pursued early elections as a tool to accomplish this goal.

<sup>7</sup> As a registered parliamentary faction, the Party of Regions was guaranteed positions on election commissions. It is worth noting that the Communist Party Faction in parliament was dissolved a few months prior to the election, in part to eliminate its access to guaranteed seats on EMBs.

<sup>8</sup> In addition, not only did parties attempt to attract former Party of Regions candidates, but they also shared EMB personnel. In a separate analysis of technical party personnel in the elections, we noted that likely allies such as the Opposition Bloc, CPU, and Strong Ukraine drew from Party of Regions personnel. However, the Poroshenko Bloc, People's Front, and Batkivshchyna also benefited from Party of Regions EMB quotas.

Regions. The Opposition Bloc received 9.4% of the party list vote, and 29 seats overall. No other successor to the Party of Regions passed the 5% threshold for the proportional representation ballot, although Strong Ukraine received a constituency seat. The next section describes how election administrators in Ukraine were organized to address these challenges.

### **Data and Hypotheses**

Analyzing the bureaucracy's underlying motivations and behaviors generates challenges in terms of the level of analysis. Some of the features best used to differentiate professionalized bureaucracies from the investment market approach are individual-level characteristics. Evidence of meritocracy, for example, may be assessed by understanding the characteristics of bureaucrats who have achieved advancement. At the same time, some of the processes and outcomes are best assessed at levels above the individual. Bureaucracies are groups and their decisions may not always be traceable to individual-level actions. However, in the study of election administration, we have access to the levels necessary to make these connections: individual level characteristics that provide insights into the level of professionalism and the influence of the investment market, and outcome-level measures of efficiency and partisan results that facilitate an assessment of the consequences.

Our paper uses two sources of data for the analysis. The primary source of data is a series of surveys of Ukrainian election administrators that we implemented from late September to early November 2014. The project required the cooperation of Ukrainian officials, and we received substantial support from the Central Electoral Commission which sanctioned the research. We fielded three surveys: one of officers serving on District Electoral Commissions (DECs) and pre- and post-election waves administered to commissioners serving on Precinct Electoral Commissions (PECs). All three surveys collected basic demographic information about the respondents, as well as their level of education, occupation, partisan affiliation, nominating party/candidate, location of services, and experience on electoral commissions (See Table 1 for basic respondent characteristics).

*Insert Table 1 about here*

The first survey implemented chronologically assessed the attitudes of DEC officials, asking questions about the formation and functions of DECs, member knowledge and training, logistical support for DECs, member compensation, influences on DECs, and the functions of PECs. Participants were interviewed via two methods from September 30-October 8, 2014. Questionnaires were distributed for self-completion (273) at the Central Electoral Commission's training session for DEC officers, and 141 surveys were completed by telephone interviews. In sum, we received 414 completed surveys. The total population consists of 639 individuals (DEC officers), rendering a sampling error of 2.9% with 95% confidence.

The second and third surveys consisted of a pre- and post-election panel wave of PEC members and officers. PEC officials were interviewed in person and by telephone, with 2,020 participants in the pre-election survey and 1,758 in both the pre- and post-election surveys (12.97% attrition).<sup>9</sup> The post-election survey repeated many pre-election survey questions, and asked a battery of questions about respondents' experiences on election day. In the first survey wave,

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<sup>9</sup> The cooperation rate for the first wave was 66% and for the second wave it was 90%.



conducted from October 13-23, 2014, two-thirds of the interviews were face-to-face. In the second wave, conducted from November 1-November 21, 2014, two-thirds were conducted by telephone. The first survey wave included respondents serving as officers or commission members in 1,540 different polling stations and 179 districts across Ukraine (excluding Crimea). The second survey wave included respondents from 1,382 polling stations and 178 districts. Based on the population of polling station officials, the sampling error does not exceed 2.2% for the pre-election survey and 2.3% for the post-election survey.<sup>10</sup>

Several items on the surveys evaluate features associated with traditional views of bureaucratic selection and advancement: we focus on experience, education, training, method of mobilization, and perceptions of readiness. Consistent with our discussion above, we expect that a more professionalized bureaucracy will have more educated and experienced administrators experienced administrators (especially at higher levels or ranks) who will be brought into service via professional channels. To the extent that a more professionalized staff is present in a given office, we further anticipate that the perception of readiness for the election will be greater.

Specifically, we anticipate that officers in the DEC, the higher-ranking office, should be more experienced and have higher education than officers (or rank-and-file members) assigned to PECs. We also anticipate that mobilization through partisan channels should be more prevalent among professionalized bureaucrats than mobilization through family or friend networks. Because Ukraine's electoral commission seats are allocated on a partisan basis, the party-based channels are the most professionalized (although issues with this measure are addressed below).

The surveys also include questions that speak directly to the issue of an investment market. The core issue is whether or not public offices are being "bought" to serve the particular needs of individuals and interests. We asked respondents a battery of questions about financial compensation and their perceptions of partisan influence. Officially, commissioners are paid by the state for their service and respondents were asked how sufficient they found state compensation. In addition, many parties and candidates unofficially provide supplementary payments to affiliated commissioners. We asked respondents how important these payments were to their participation. Further, we asked respondents if they perceived a *quid pro quo* for these payments. These three questions form the building blocks of an investment market: an opportunity to buy access via gaps in state support, direct payments to state officials, and a perception among those officials that they are expected to provide a "return on investment" to the parties. In addition to inquiring about individual compensation, we also asked respondents about the presence of so-called "technical parties." Our survey asks respondents if they believe that technical parties are present on the commission – another potential measure of the investment market.

The second source of data is the election returns. The Central Electoral Commission of Ukraine makes the precinct-level protocol data publicly available. The data include information about the number of registered voters, participation in the election, and the PEC-level distribution of the

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<sup>10</sup> Because of the short timeline from PEC formation until the election, many interviews were conducted at training sessions managed by the International Foundation of Electoral Systems. It is possible that surveying respondents who were more likely to receive training could introduce bias into the results. However, the logistics of the election required this accommodation.

vote among parties and candidates. We merged the election results at the PEC-level with the survey data so that we could have objective measures of election outcomes. In addition to evaluating whether or not investment market conditions are present, we strive to assess if variation in those conditions are associated with the expected outcomes. That is, does control of polling stations, and a perception of a quid pro quo, produce better election results for political parties?

In the analytical section, we evaluate several hypotheses related to the expectations discussed above. We anticipate that elements of professionalization are present, and consistent with the expectations of a traditional professionalized bureaucracy, we should find that more educated and experienced commissioners are promoted to higher levels of the bureaucracy (DECs) and serve in officer positions. Based on these expectations, the proportion of respondents with higher education and experience should be greater in DECs than in PECs, and among officers than among rank-and-file members. Professional mobilization via parties should be more commonly found among DEC officials, and among officers.

In addition to assessing whether or not characteristics associated with a professionalized bureaucracy or investment market seem to be in place, we also evaluate the consequences. Better prepared and trained administrators should be more effective, conducting their work efficiently. In the post-election survey, we asked respondents to indicate how long it took the commission to tally its final results. The results ranged from a few hours to two days. We anticipate that more professional commissions should be associated with faster completion times.<sup>11</sup>

Most of our survey measures are individual-level features, but the dependent variable to measure outcomes is a district-level measure. To address this issue, we measure commission-level professionalization indirectly, by using the individual-level assessments of the overall level of preparation in the PECs. We expect that more prepared commissions are likely to produce results in an expedited manner, and we control for other factors that could affect the work such as reports of errors in the vote count and changes to election documentation. We further control for the location of the polling stations, anticipating that delays may be more likely to occur in Donbas. In sum, we expect that more professionalized commissions are likely to generate results more efficiently.

The investment market approach suggests that "investors" expect a return; in the case of elections, we would expect that the return would be in the form of more votes for the "investor's" political party. To investigate this phenomenon, we use the merged election results data and treat the performance of the parties that passed the 5% threshold for representation in the proportional representation component of the mixed electoral system as the dependent variable. If the investment market approach produces returns, we should find that the presence of affiliated officers is associated with improved outcomes when we control for other factors.

## **Analysis and Discussion**

### ***Evidence of Professionalized Bureaucracy vs. the "Investment Market"***

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<sup>11</sup> Of course, finishing the election results too quickly could also be a marker of problems. An appropriately managed process cannot be completed in a matter of minutes. However, the distribution (see Figure 3) suggests that early completion is not common. The quickest completion time reported is two hours.

Figure 1 describes individual-level commissioner features that could be associated with higher degrees of professionalism, including higher education, prior experience on commissions, and the method of mobilization (via personal or party networks). The survey responses suggest that the features we might associate with higher levels of professionalism are more commonly found among commissioners associated with the District Electoral Commissions, as we anticipated. DEC respondents were more likely to report completed higher education (85% compared to 48%) and experience serving on electoral commissions (91% compared to 79%).<sup>12</sup>

*Insert Figure 1 about here*

The higher level of party recruitment for DEC members is likely to be associated with a professionalized bureaucracy, whereas the more prominent role of personal networks in PEC recruitment is less likely to be associated with a professional bureaucracy. Using mobilization method as a measure of professionalization requires some caveats. While party-based mobilization could suggest higher levels of professionalism relative to recruitment by family and friends, and thus be more likely to reflect a professionalized bureaucracy, commissioners recruited by the party may fit the investment market model. That is, party organizations may recruit commissioners who are expected to serve party interests; the parties may "buy" the positions and populate them through recruitment efforts. We cannot conclude unambiguously that party-recruited commissioners are less likely to be subject to external influences.

In addition, the surveys provide insights into the professional preparation of commissioners. Among PEC members, 84.2% of members and over 90% of officers reported attendance at training, and 13.0% reported receiving additional security training. The training sessions were most commonly organized by the CEC (87.6% of respondents who attended training), followed by a political party (15.8%), international organizations (5.3%), and domestic organizations (4.9%).<sup>13</sup> The general perception of respondents was that they received the appropriate level of training for their tasks (74.9%), although around one fifth of respondents wanted more preparation (19.0%).<sup>14</sup> The surveys indicate efforts to professionalize election administration were being undertaken at the time of the 2014 snap elections, and that commissioners reported that they were being adequately prepared to exercise their duties.

The descriptive data from our survey provide evidence suggesting that professional civil service is developing, and that the features of a professionalized bureaucracy are more prevalent among officials situated in higher levels of the bureaucracy. At the same time, the data also suggest that features consistent with an investment market approach may also be present.

*Insert Figure 2 about here*

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<sup>12</sup> We compared the PEC Pre-Election responses because the DEC survey was also conducted prior to the election. In addition, we also compared PEC respondents who were officers to the DEC sample because the DEC survey was solely made up of officers. While the level of education and experience was higher among officers, the substantial differences between the DEC and PEC responses remained.

<sup>13</sup> Training attribution is affected by the participant's awareness; some CEC training was co-sponsored by international organizations.

<sup>14</sup> Responses are from the pre-election wave.

Figure 2 describes features that could be associated with the investment market framework. Commissioners receive official compensation from the state, but they often receive additional, unofficial compensation from parties or candidates for their participation in the administrative process. In both the DEC and PEC surveys, around 27% of respondents indicated that they were satisfied with the level of state compensation. While this factor alone does not indicate that an investment market approach is present, it suggests that commissioner positions may be susceptible to purchase. Coupling the perceived inadequacy of state payments among almost 3/4 of respondents with the reported importance of side payments (28% among DEC respondents and around 49% among PEC respondents), the potential for influence on the commission becomes a greater concern.<sup>15</sup>

In addition to asking questions about financial matters, we also explored if respondents believed that parties expected to receive better election results in exchange for their investments. In the pre-election survey, 21% of respondents indicated that they perceived a *quid pro quo* to be in effect; 17.3% replied in this way during the post-election survey.<sup>16</sup> More so than any other question, this item is the most direct assessment of the investment market as it specifically indicates that a public official would be influenced in decision-making based on financial rewards provided by a private actor.

Technical parties represent another form of the "investment market" in which positions are secured to affect election outcomes. Among DEC respondents, 33% acknowledged the presence of technical parties; around 6% of PEC respondents indicated that they were present in the pre-election survey, and around 10% in the post-election survey. These responses provide an additional indication that conditions for the investment market are present.

We further investigated these characteristics to evaluate if they varied by partisan identification or by region. It is possible that certain political parties may exert more (or less) influence over their commissioners, or that conditions in certain regions are more conducive to the investment market. The mean value for the perception of a *quid pro quo* across all respondents in the post-election PEC survey is 2, with the scale ranging from 1 (strongly disagree) to 5 (strongly agree). We found no statistically significant variation in investment market features by partisan affiliation. Results from all parties fell within one standard deviation of the grand mean.

If we evaluate variation in the responses across Ukraine's territory, using seven macro-regions (Barrington and Herron 2004) to distinguish areas of the country, all but one region reports values within one standard deviation of the national mean. Only in the East (Donbas) were the results statistically different from other regions (t-test = -6.23, .01 confidence level) and reflected agreement with the perception that parties expected to receive more votes for the compensation they provided commissioners. Not only is this region the area in which active combat was taking place at the time of the election, but it is the area traditionally associated with the former ruling

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<sup>15</sup> The question asked: "To what extent is compensation from the party/faction/candidate that nominated you to the DEC/PEC important to you?" Respondents could indicate important, somewhat important, neither important nor unimportant, somewhat unimportant, or unimportant.

<sup>16</sup> We asked respondents: "Do you agree or disagree with the following statement: "Political parties/factions/candidates who pay more to their PEC members expect to get more votes in that PEC?" They could respond strongly agree, somewhat agree, neither agree nor disagree, somewhat disagree, strongly disagree.

party, as well as election fraud. To assess the robustness of these findings, we also regressed partisan affiliation, region, position (officer), and experience on perceptions of a *quid pro quo* arrangement. Only the regional variables were statistically significant. In the model, we set the East as the excluded category; all of the other regions were statistically different from the East and showed lower values (that is, respondents were more likely to disagree with the notion of a *quid pro quo*). Investment market characteristics did not vary by partisanship, but they were more prevalent in Donbas.

It is important to note that items addressing side payments, the perception of a *quid pro quo*, and the presence of technical parties, are sensitive and the extent of their presence or effect may be understated in the responses. Despite this concern, survey data suggest that elements of both approaches could be active among election commissioners; some commissioners appear to have been selected for their professional qualities while others seem to perceive that their selection includes serving the interests of those providing additional compensation.

### ***Implications for Election Outcomes: Effectiveness***

In the previous sections, we established that elements of a professionalized bureaucracy and an investment market seem to co-exist within Ukraine's election administration. The following questions address the consequences. Specifically, if some administrators are captured by investment market incentives, how does this affect processes and outcomes in the bureaucracy? Do captured bureaucrats produce a return on investment for patrons, or do efforts at professionalization mitigate these effects?

Our first outcome measure is the effectiveness of PEC personnel at completing their primary task: managing the casting, counting, and compilation of election results in their stations. In the post-election survey, we asked all respondents to identify how long it took for the PEC to complete the election process. After the polling station closes, a complex array of procedures must be followed: blank ballots must be destroyed, ballot receipts must be counted, seals on ballot boxes must be checked, the ballot boxes must be emptied, and the ballots must be counted to confirm that the proper number cast are in the boxes and to tabulate the results. The whole process is conducted by hand and takes several hours to complete under the best circumstances. Figure 3 shows the distribution of responses, ranging from 2 hours to 48 hours.

*Insert Figure 3 about here*

Protocol completion time is the best measure of the effectiveness of the PEC staff to complete its tasks. We anticipate that professionalized PECs would be more adept at completing these tasks. Our primary challenge is that the survey samples individuals from PECs and does not include the whole PEC staff. In short, our individual-level measures of professionalization may not capture the qualities of the whole PEC. In any given polling station, the respondent may be more or less professionalized than the remaining members of the commission. Absent a direct measure of professionalization at the PEC-level, we rely on respondents' evaluations of the level of the commission's preparedness.<sup>17</sup> Every respondent was asked how well prepared the PEC was for

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<sup>17</sup> The question asked: "In your opinion, how well prepared is your current PEC to manage the voting and counting process on election day?" Respondents could reply completely prepared, somewhat prepared, neither prepared nor unprepared, somewhat unprepared, completely unprepared, or difficult to say/do not know. The dependent variable

the election; we anticipate that more professionally managed PECs will receive more positive responses on this survey item. In addition, we controlled for other PEC-level factors that could affect the time to completion, including the size of the PEC (number of ballots to count), if respondents reported that errors in the counting occurred, or if respondents reported that the official document recording the results (the protocol) was changed. Correcting errors or modifying the protocol requires procedures that require additional time. We also controlled for the location of the PECs, using the East as our comparison category.

*Insert Table 2 about here*

The results of the analysis are presented on Table 2. We used a poisson regression as the dependent variable is a count of the number of hours, and reflects duration until completion. We conducted a parallel analysis in which we standardized the dependent variable and conducted a regression; the results were consistent. The results show that respondents who indicated that their PECs were better prepared also reported faster times to protocol completion. The size of the PEC was associated with variation in protocol completion time, with larger PECs taking longer, as were reports of errors in the vote counting process. Regional controls showed that the East produced the longest time-to-completion with slight variation among the remaining regions.

### ***Implications for Election Outcomes: Partisan Advantage***

The previous section suggested that perceptions of professionalism – reflected in evaluations of readiness – were associated with improved effectiveness, measured by the time required to complete the vote count. In this section, we press the analysis forward: do features of the investment market seem to be associated with variation in election outcomes? The implications are that investments in bureaucratic offices should yield outcomes; in the context of elections, these returns should be in the form of improved vote tallies.

To evaluate this proposition, we use election returns (vote proportion) for party  $i$  in PEC  $j$  as the dependent variable. We anticipate that if political parties buy access to positions to influence the results, we should find evidence that their reported outcomes are better in PECs where they have affiliated officers, even when we control for other factors that may account for variation in the vote. Similar to the previous analysis, we face the challenge of using individual-level survey data to measure PEC-level effects. We use response items in which the respondents provide their evaluation of the PEC to address this concern. While these are individual-level responses, they are associated with the polling station rather than the individual.

Our dependent variables are the PEC-level proportions of the vote received by the designated parties. Our primary independent variable of interest is officer affiliation. If elections are neutrally administered, the partisan affiliation of officers should not systematically affect variation in results. We anticipate that officers – who have agenda-setting powers permitting them to influence the activities of the committee and potentially the results – may be associated with variation in outcomes if they are striving to improve outcomes for their party.

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is scaled 1-5; completely prepared is coded as 5. Given the question wording, it did not apply to DEC respondents and was not included on that survey.

We control for other factors that provide insights into professionalization or external influence. Like the previous model, we use the response to perceptions of preparation as a proxy for professionalization. To further control for an investment market, we include items related to the perception that members of the commission have received side payments, and that falsification occurred in the election.

We also control for factors that could influence a party's performance, but are not directly related to the commission's disposition. We include measures of turnout to assess the potential for mobilization efforts, or potentially falsification, to influence outcomes. PEC size and regional controls address variation in party support in rural/urban areas and spatially.

*Insert Table 3 about here*

Table 3 shows the results of these models for each party that passed the threshold in the proportional representation tier of Ukraine's mixed electoral system.<sup>18</sup> If we first evaluate the effects of affiliated officers, we find statistically significant, positive coefficients for the Poroshenko Bloc and Opposition Bloc. The Radical Party coefficient is significant at the .10 level, and other parties' officers are not significantly associated with improved outcomes. The association of officers with outcomes, and the statistical significance for parties located across the ideological spectrum (Poroshenko's party is the centrist governing party, the Opposition Bloc is the successor to the ousted Party of Regions, and the Radical Party appeals to Ukrainian nationalism), suggests that neutral management may not prevail and is not limited to certain parties or ideologies.

Responses to the observation that members of the commission were receiving side payments was significant and negative for the Radical Party alone. This suggests that the party was less successful in PECs where the perception that side payments were being made was higher. In addition, perceptions of falsification were negatively associated with outcomes for the Opposition Bloc and Radical Party. The results could reflect dissatisfaction with election results. Both parties passed the threshold, but aspired to be more competitive. Improper behavior on the part of the commission could be implicitly blamed for poor performance. However, it is also possible that these perceptions reflect the underlying process: biased behaviors could have benefited other parties at the expense of these parties. The negative association of turnout and outcomes for the Opposition Bloc and Radical Party could be due to a failure of mobilization efforts, or to other mechanisms.<sup>19</sup>

Our measure of professionalism was not significant in any of the models. The failure of this variable to reach significance is a promising sign, however. If more professionalized PECs were associated with particular partisan outcomes, it would run counter to expectations of impartial management.

Other variables behaved in the manner that we anticipated. Macroregional controls yielded positive results for all parties except the Opposition Bloc. With the East as our excluded

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<sup>18</sup> Samopomich is excluded because it did not participate extensively in election administration.

<sup>19</sup> Turnout has been used as an indicator of fraud. While mobilization is a benign interpretation of why turnout might covary with outcomes, another explanation is that ballot box stuffing could contribute to this relationship as well.

category, this outcome is in the expected direction. PEC size controls, which are a rough proxy for urban/rural commissions, suggested that Batkivshchyna and the Radical Party performed better in smaller (and likely more rural) polling stations; other parties performed better in larger (urban) areas.

### ***Discussion***

We began our analysis by assessing the presence or absence of characteristics consistent with a professionalized bureaucracy and an "investment market." We noted that a professionalized bureaucracy should be characterized by a meritocracy that produces efficient and impartial results. Some elements of our analysis are consistent with the presence of professional features. DEC officers were more experienced and better educated than their PEC peers, and they were more likely to be recruited via professional networks. Our proxy for professionalization at the PEC-level, perceptions of readiness, was positively associated with effectiveness, measured by the time-to-protocol-completion.

At the same time, we found evidence of the investment market. At all levels, commissioners were dissatisfied with state compensation; at the PEC-level, they not only received side payments but many acknowledged an implicit *quid pro quo*. Further, control of officer positions was associated with improved outcomes for some parties, suggesting that the mechanisms of an investment market framework may characterize election administration.

The analysis requires some important caveats. While the survey data provide a unique window into the attitudes and behaviors of commissioners, it is important to recognize that many of the questions were sensitive items. It is notable that commissioners acknowledged receiving side payments, and that technical parties were present, but responses may under-report the extent of the phenomenon. Further, while we asked questions about whether or not respondents were aware of commissioners receiving side payments, we cannot differentiate between commissioners who have or have not received side payments with full confidence. That is, respondents may be inclined to conceal information about some of these matters when responding to surveys.

The willingness of many respondents to acknowledge behaviors consistent with the investment market framework, however, increases our confidence in the analysis. It may be the case that responses understate the prevalence of the phenomenon, but more forthcoming answers would likely strengthen the findings. The willingness of many respondents to acknowledge potentially questionable behaviors suggests that they may be normalized (or perceived as widespread behaviors), advancing the argument that an investment market approach is present. While we must be circumspect in our assessment of these models, they suggest that aspects of a professionalized bureaucracy and an investment market are present, and that these factors influence Ukraine's election administration.

### **Conclusion**

Most of post-Soviet Eurasia has been characterized as deeply corrupt, with many countries emerging from the collapse of the Soviet Union mired in authoritarian rule or incomplete democratic transition. Corruption has been an endemic feature of political and economic life, leading to Engvall's characterization of post-Soviet civil service as an "investment market." Our



main purpose in the paper was to evaluate the theoretical expectations flowing from Engvall's framework and juxtapose his approach with a more traditional, impartial bureaucratic model.

Our analysis took advantage of a unique survey of election administrators conducted during Ukraine's 2014 snap parliamentary elections. In the survey, we probed election commissioners at the district and precinct levels on issues related to both models of bureaucratic behavior. Our findings provide evidence supporting Engvall's theoretical argument. Most notably, Ukraine's election administrators showed a substantial susceptibility to outside influence due to their dissatisfaction with state compensation for their work. Many respondents acknowledged receiving additional payments from affiliated parties for participation in election administration, and some also acknowledged that receipt of payments was associated with an expectation that the party (investor) would receive more votes (return on investment). In addition, some commissioners identified the presence of technical parties, whose primary activity is to facilitate "stacking the deck" on election commissions for major parties. Technical parties are another marker of an investment market approach.

At the same time, the surveys also showed that professionalization of election administration is occurring. Members of district commissions were more experienced than their counterparts at lower levels, as we would anticipate in a professionalized bureaucracy, and precinct commissioners noted that they received appropriate training from the CEC and other sources. In short, aspects of professionalization co-exist alongside evidence of an investment market.

We further assessed if possible features of administrators – individual markers of professionalization or capture by investors – were associated with variation in key outcomes at the commission level. We found that evidence that professionalization tended to be associated with more efficient processing of election returns. This outcome suggests that efforts to improve training and qualifications may impact the implementation of the election rules. We also found evidence that election results for parties were influenced by the presence of their affiliates in officer positions on the commission. This finding is a particularly important warning sign of the potential effects of an investment market. In a neutrally administered environment, we would not expect to find a significant relationship between the officers' party affiliations and the outcomes.

Evidence from Ukraine's election administration suggests that aspects of a professionalized bureaucracy coexist alongside the investment market. While professionalization efforts may mitigate the effects of external influences on bureaucratic behavior, significant efforts are likely necessary to wean the system from side payments that produce expectations of a *quid pro quo*: payment in exchange for improved election returns.

The findings have implications for the assessment of bureaucracies in the region and beyond. While aspects of the investment market framework are evident in Ukraine's election administration, other post-communist states may have been more successful in professionalizing this bureaucracy. Further research to understand variation in election administration could identify the factors most commonly associated with successful professional transition. Further, the research suggests that elements of professionalism exist alongside the investment market; better understanding how these features interact in other bureaucratic offices could help explain variation in the rule of law in the post-communist world and in other transitional societies.



**Table 1: Respondent and Commission Characteristics**

	DEC Pre-Election	PEC Pre-Election	PEC Post-Election
% Male	42.5	21.0	20.3
% Experienced (>1 election as commissioner)	89.7	78.8	80.0
% Officer	100	76.9	77.7
% Member	0	23.2	22.3
% Completed University Education	84.5	48.4	48.5
Location: % Oblast Center	N/A	15.7	15.7
Location: % City >20,000	N/A	12.2	12.2
Location: % City <20,000	N/A	11.1	11.1
Location: % Village	N/A	61.0	61.0
PEC Size: Large (>1,500)	N/A	31.3	30.8
PEC Size: Medium (500-1500)	N/A	36.8	36.8
PEC Size: Small (<500)	N/A	32.0	32.4

**Table 2: Poisson Regression Results, Time to Protocol Completion**

	<b>Coefficient</b>	<b>Std. Error</b>
PEC Size (Log)	0.168***	0.018
PEC Prepared	-0.055***	0.017
Error in Count	0.072**	0.034
Protocol Change	0.008	0.020
Eastcentral	-0.296***	0.110
South	-0.378***	0.107
Northcentral	-0.265**	0.104
Westcentral	-0.344***	0.110
West	-0.318***	0.108
Southwest	-0.527***	0.120
Constant	1.068***	0.234
N	1290	
Chi2	214.45***	

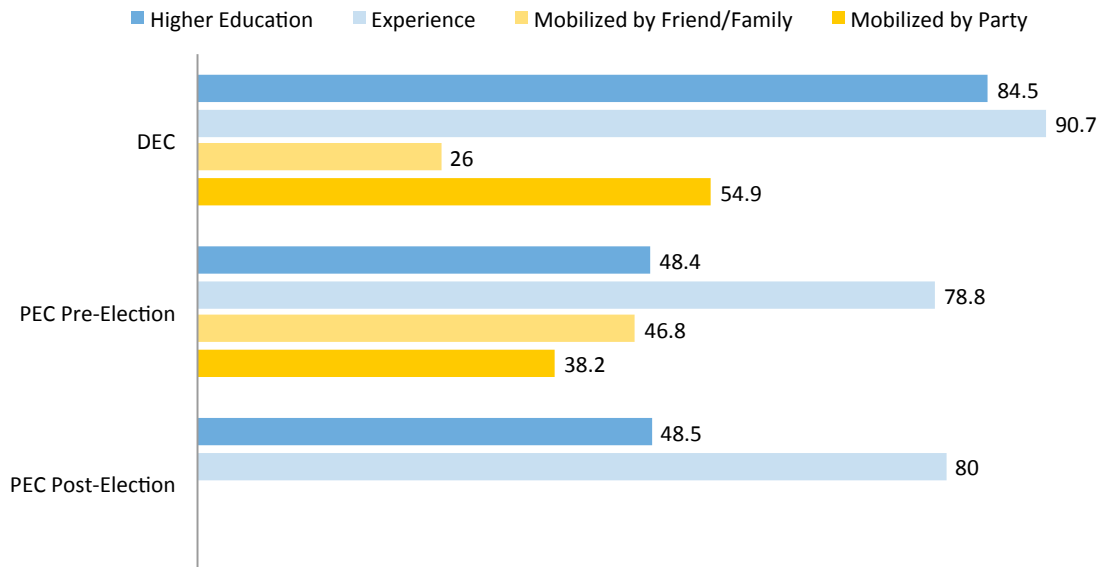
Note: The dependent variable is the reported number of hours from the closing of the polling station to the completion of the protocols. \*\*\* = significant at the .01 level; \*\* = significant at the .05 level; \* = significant at the .10 level.

**Table 3: Regression Results, PEC-Level Party Performance**

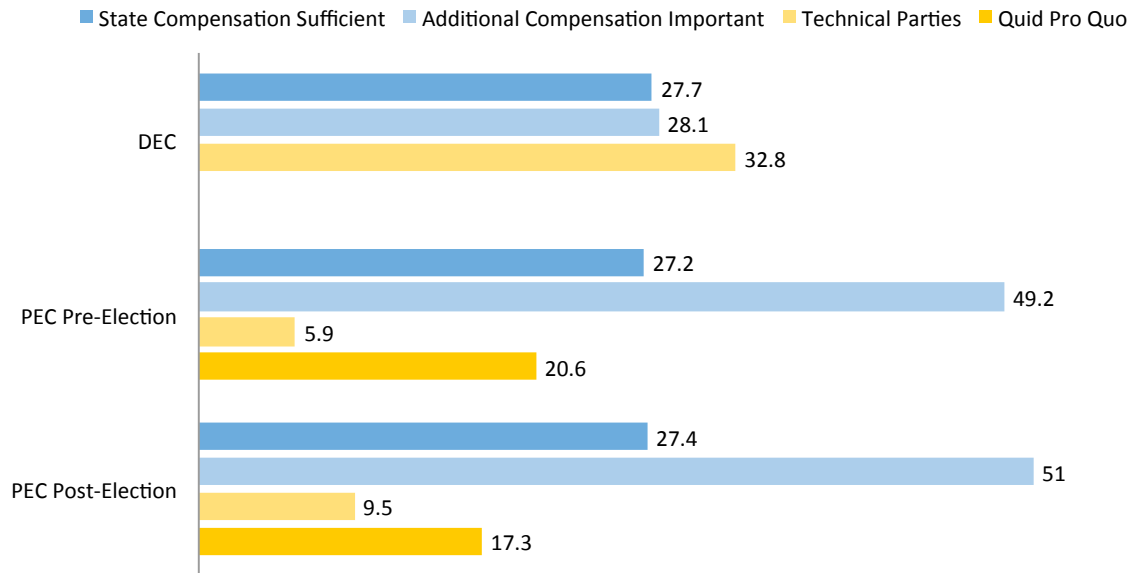
	<b>Poroshenko</b>		<b>Batkiv.</b>		<b>Opp Bloc</b>		<b>People's Front</b>		<b>Radical Party</b>	
Officer	0.021**	0.010	0.005	0.004	0.032**	0.015	0.006	0.010	0.012*	0.007
PEC Prepared	-0.001	0.003	0.003	0.002	0.000	0.002	-0.001	0.003	0.001	0.002
Turnout	0.007	0.006	0.009	0.017	-0.051*	0.027	-0.004	0.032	-0.078***	0.021
Payments	-0.003	0.003	0.002	0.004	-0.002	0.005	0.001	0.006	-0.010***	0.003
Falsification	0.003	0.036	0.001	0.003	-0.004*	0.002	0.003	0.003	-0.005**	0.002
PEC Size	0.011***	0.004	-0.019***	0.003	0.005**	0.003	0.010***	0.004	-0.032***	0.003
Eastcentral	0.001	0.019	0.034***	0.009	-0.041**	0.021	0.034***	0.008	0.033***	0.007
South	0.039**	0.018	0.037***	0.006	-0.176***	0.020	0.084***	0.010	0.022***	0.007
Northcentral	0.060***	0.019	0.048***	0.005	-0.264***	0.019	0.171***	0.010	0.071***	0.008
Westcentral	0.087***	0.021	0.048***	0.006	-0.279***	0.019	0.219***	0.011	0.045***	0.009
West	0.032	0.022	0.030***	0.008	-0.287***	0.020	0.316***	0.016	0.026**	0.010
Southwest	0.109***	0.025	0.033***	0.005	-0.278***	0.019	0.205***	0.018	0.030***	0.009
Constant	0.086**	0.039	0.133***	0.020	0.306***	0.032	-0.014	0.039	0.313***	0.027
N	1402		1402		1402		1402		1402	
F	15.88***		31.82***		134.16***		151.26***		29.27***	

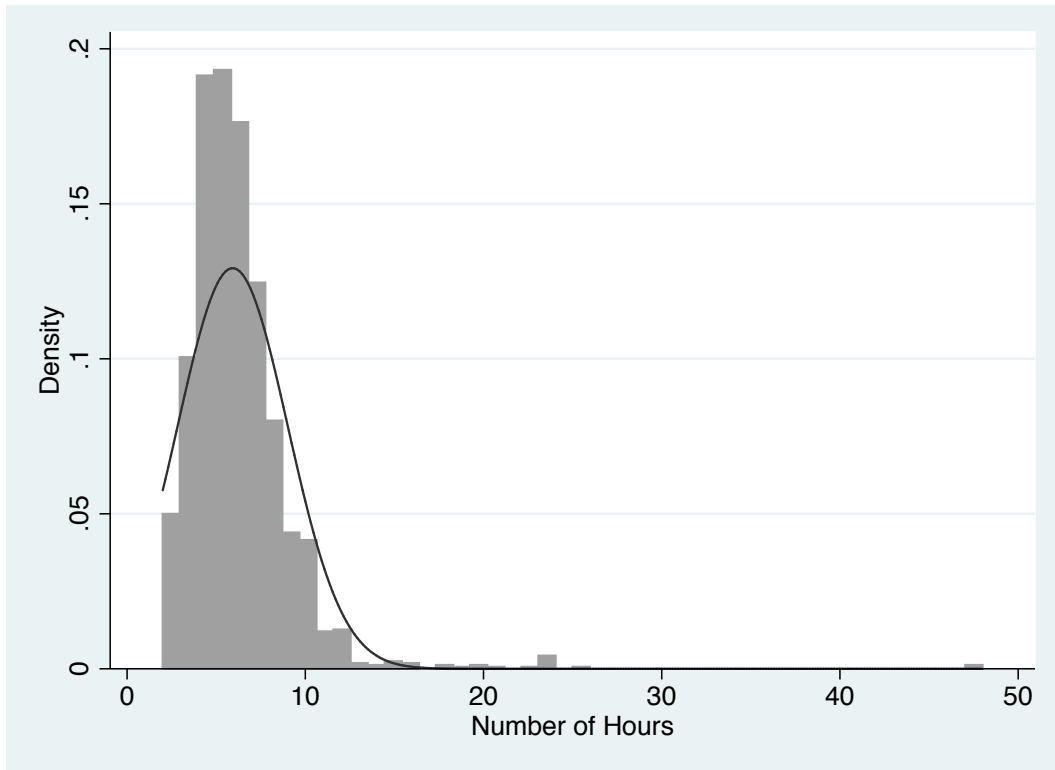
Note: The dependent variable is the proportion of the vote receive by party i in precinct j. East is the excluded regional category. Proportional weights applied; clustered by PEC. \*\*\* = significant at the .01 level; \*\* = significant at the .05 level; \* = significant at the .10 level.

**Figure 1: Professional Bureaucracy Characteristics**



**Figure 2: Investment Market Characteristics**





**Figure 3: Protocol Completion Time**



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