Will the 'Servant of the People' be the master of Ukraine?

by Ian Bond

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Ukraine's parliamentary elections on July 21st produced an absolute majority in the *Verkhovna Rada* (parliament) for the 'Servant of the People' party of President Volodymyr Zelenskiy. The party will have 254 of the 424 available seats. It is the first time since Ukraine gained its independence in 1991 that a President has had such power.

In voting for the 225 seats filled by proportional representation, 'Servant of the People' was the leading party in 22 of Ukraine's 25 regions, with the pro-Russian 'Opposition Platform – For Life' leading in two regions in the east and the 'Voice' party of the rock star Svyatoslav Vakarchuk in one region in the west. The parties of former president Petro Poroshenko and former prime minister Yuliya Tymoshenko also received enough votes to win seats.

In the 199 constituencies decided by first-past-the-post voting, 'Servant of the People' has won 130 seats. Only a handful will go to representatives of other established parties, with the remaining fifty or so going to independents. (A further 26 seats in the *Rada* are vacant because Russia has annexed Crimea and occupied parts of the Donbas, and elections cannot be held in those places).

In Ukraine's mixed presidential/parliamentary system, the prime minister and most ministers are effectively nominated and approved by the *Rada*, so Zelenskiy will now be able to replace the prime minister and cabinet he inherited from Poroshenko. Moreover, he will have no need to rely on coalition partners to pass legislation. It is also the first time that the same party has led the voting in both the east and west of the country. Zelenskiy and his party have benefited from two factors: the collapse in support for Moscow-aligned parties in much of the east since Russia's attack on Ukraine in 2014; and countrywide dissatisfaction with the performance of Poroshenko and the parties allied with him in reforming Ukraine after the Maidan revolution that preceded Russia's intervention.

Ukrainians voted for a fresh face when they elected Zelenskiy in April 2019: his only experience of politics, fittingly, was a TV show in which he played an ordinary man who unexpectedly becomes president. Now they have elected a parliament of neophytes: 75 per cent of MPs in the *Rada* will be new

to parliament. Even in a country where political churn is common (56 per cent of the members of the previous *Rada* were first-timers), this will be an unusually inexperienced legislature.

No-one would argue that the political old guard served Ukraine well: even by low post-Soviet standards, Ukraine suffered from exceptional corruption. Though the so-called 'Revolution of Dignity' in 2014 unseated the kleptocratic Viktor Yanukovych and his cronies, Poroshenko made limited progress in changing the culture in which corruption had flourished: between 2013 and 2018, Ukraine only rose from 144th place to 120th on Transparency International's Corruption Perceptions Index.

The optimistic view, espoused for example by Anders Åslund of the Atlantic Council, is that the wholesale clear-out of the old guard in the presidential and parliamentary elections is a sign that Ukraine is at last ready to escape from the post-Soviet model of powerful oligarchs manipulating politics from behind the scenes (or, as in the case of chocolate magnate Poroshenko, from the front of the stage).

There are also reasons to be concerned, however. Voters may have thought that they were voting against corruption and for a new broom; that does not guarantee that they will get what they hoped for. First, it is immensely difficult to eradicate deeply entrenched corruption. Experience shows that societies can successfully fight corruption only if there is a broad coalition of politicians, officials, businesses and civil society willing to change the way things are done. It is unclear whether Zelenskiy can find or build such a coalition in Ukraine.

Second, Zelenskiy himself has worryingly close ties to an oligarch, Ihor Kolomoiskiy, who was accused by a business rival in 2015 of ordering several murders: it was Kolomoiskiy's TV channel that carried the programme that brought Zelenskiy to fame. Kolomoiskiy is embroiled in a dispute with the Ukrainian government and central bank over the nationalisation of Privatbank, Ukraine's largest bank, which he used to own and from which he allegedly siphoned billions of dollars. Zelenskiy's chief of staff, Andriy Bohdan, was Kolomoiskiy's lawyer. According to the *Kyiv Post*, Bohdan (and therefore indirectly Kolomoiskiy) has close connections to some of the candidates tipped for senior jobs in the government that Zelenskiy will nominate in the near future.

Third, even if Zelenskiy is sincere in his desire to clean up the Ukrainian system, his inexperience, and that of the MPs in his party, may lead to damaging mistakes. After the 2014 revolution, Ukraine adopted a law that excluded from public office those who had held office for more than a year under Yanukovych; in July 2019 Zelenskiy unexpectedly proposed extending this to anyone who had held office under Poroshenko – an idea which, if taken literally, would have required him to dismiss a number of his own advisers. G7 ambassadors in Kyiv issued a statement criticising the proposal, but it remains on the president's official website. Zelenskiy has also made offhand remarks implying distrust in healthcare reforms enacted by the Ukrainian-American acting health minister, Ulana Suprun, since 2016. These reforms are generally regarded by outside experts as among the successes of the Poroshenko era, but they are unpopular with vested interests that were previously able to manipulate the system for procuring drugs and medical equipment to overcharge the state.

Finally, there is also a risk that not everyone elected under the 'Servant of the People' banner will turn out to be selflessly devoted to building a new Ukraine, or competent: a party built from scratch in a few months is unlikely to have been able to vet all its candidates thoroughly (a task that taxes long-established parties in Western countries). The *Rada* has an inglorious tradition of groups of MPs, regardless of their nominal political affiliation, operating at the behest of oligarchs to protect their interests.

Besides all these internal issues, Ukraine continues to face a huge external threat from its eastern neighbour. Russia's military intervention has cost more than 13,000 lives since it began in February 2014. Western governments should continue to support Ukraine's defence capability, keep pressure on Russia through sanctions and provide assistance – as the EU has already pledged to do – to areas of Ukraine most affected by the conflict (including those on the coast of the Sea of Azov, where Russia has obstructed shipping).

Regardless of what Russia does, however, it is in the interests of the West, and especially the EU, that reforms in Ukraine continue and succeed. On the surface at least, Western leaders seem to understand this. The European Commission, the European Investment Bank and all the EU member-states were among almost 50 states and international organisations participating in the Toronto Ukraine Reform Conference on July 2nd–4th, which Zelenskiy himself attended. A statement by Canada and Ukraine as co-chairs of the conference praised the progress made by Ukraine since 2014, but also sounded warnings about the risks of backsliding, particularly in relation to the fight against corruption.

The EU/Ukraine summit, held in Kyiv on July 8th, issued a joint statement which spoke of "close co-operation to meet the expectations that the Ukrainian people have expressed for strengthening the rule of law, advancing reforms and fostering economic growth". In the margins of the summit, the EU agreed to provide assistance worth €109 million to support four priorities:

- ★ Decentralisation (designed to strengthen democracy and accountability at the local level, and to invest in local infrastructure).
- ★ The fight against corruption (to ensure that previous reforms, such as the introduction of transparent e-procurement for government contracts, are sustained).
- ★ Strengthening civil society organisations.
- ★ Supporting the reforms needed for Ukraine to be able to implement the EU-Ukraine association agreement fully.

The joint statement makes clear, however, that the assistance is linked to continued reforms. The dilemma for the EU will be how firmly to insist on these conditions. Many countries in Central and Northern Europe probably take a geopolitical view: the EU's highest priority should be to keep Ukraine out of the hands of Russia and oriented westwards. Aid should therefore continue to flow, even if that means turning a blind eye to Ukraine's shortcomings.

Other member-states would argue that the EU cannot force Ukraine to reform more than Ukrainians themselves are willing to (particularly if doing so damages the EU's much more important relationship with Russia). If post-Soviet levels of corruption and poor governance are acceptable to Ukrainians, then the EU should not keep trying to change the situation.

There is something in these arguments, but the EU has to find a balance. It is not in the interests of the EU, as a rules-based organisation, to ignore corruption and poor governance in Ukraine. But nor should it consign Ukraine to a Russian sphere of influence, particularly against the will of the vast majority of Ukrainian citizens. The EU should focus on protecting its own interests in a prosperous, democratic Ukraine that is able to make its foreign policy choices independently.

Even with Zelenskiy's mandate and his *Rada* majority, reform in Ukraine is likely to be slow, patchy and prone to setbacks. If Ukraine is going to continue to evolve in a positive direction, however, its new government will need sustained Western political attention. The incoming European Union ambassador to Ukraine, former Estonian deputy foreign minister Matti Maasikas, will need to keep Ukraine on the agenda of the new European Commission and the new EU foreign policy chief, Spanish foreign minister Josep Borell. Member-states should establish contacts with new ministers and their teams once Zelenskiy appoints them, and offer to second experts to ministries to provide advice, particularly in areas crucial to the progress of reform.

The top priority for the West should be supporting judicial reform and strengthening the rule of law in Ukraine. Economic reform, though much needed, can always be derailed as long as the court system is more responsive to the influence of oligarchs than the letter of the law. Kolomoiskiy has been able to win a number of dubious court cases in relation to the government's nationalisation of Privatbank. A new anti-corruption court will begin work in September; the judges were selected with the help of international advisers (who rejected a number of candidates). But the process of examining the conduct of judges in other courts should continue, with international advice wherever possible.

A second priority should be support to the *Rada*, and especially to first-time MPs. 'Servant of the People' has organised a crash course in economics and law-making for its new MPs – useful, but not enough to ensure that the new *Rada* is more effective than its predecessor. A long-time Western observer of Ukraine says privately that the party's MPs have been "thrown together", most not knowing each other, and will need time to learn how to operate in the *Rada* and become a team. The EU is already involved in a UN Development Programme project on parliamentary reform. The UK's Westminster Foundation ran a project in the last *Rada* to provide accessible financial and economic data for MPs (which the new *Rada* is expected to continue), and has supported exchanges between British and Ukrainian MPs, as well as training for *Rada* committees and staff. Given the enormous number of novice MPs in the new *Rada*, such programmes should be stepped up.

A third priority should be support to 'de-oligarchisation'. Ukraine's oligarchs often shelter their wealth in the West, with ownership concealed behind layers of shell companies. If Zelenskiy is serious in wanting to reduce the influence of powerful and often corrupt economic interests in Ukraine's governance, he needs European countries' help, for example to make beneficial ownership of assets transparent – even if the primary responsibility for tackling corruption still lies with Ukrainian prosecutors and courts. Ukraine's future progress depends on making it harder for the old guard, including Kolomoiskiy, to act in the old way – an aim that the West should support. Zelenskiy now has a mandate for change, and a *Rada* that should back him. He needs to show that he is now in charge, with no off-stage direction.

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