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Adam Reichardt, Tomasz Stępniewski, Paul D'Anieri,
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Zelenskyy's Ukraine One Year Later: A Western Perspective

Edited by
Adam Reichardt, Tomasz Stępniewski



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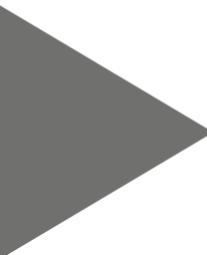
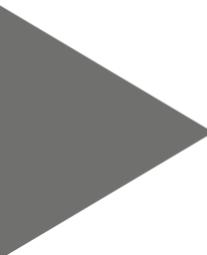


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Executive Summary

The huge success of Volodymyr Zelenskyy's presidential election in April 2019 and his Sluha Narodu (Servant of the People) party's landslide victory in the early parliament elections in July 2019 brought high hopes and expectations to Ukrainians and observers alike. In analysing Zelenskyy's first year in office, our experts have summed it up as mixed results – highlighting both accomplishments and challenges that remain or have emerged.

Accomplishments

- A series of domestic reforms that can be seen as a positive step for the country include: the removal of parliamentary immunity; criminalisation of illicit

enrichment of state officials; a seminal land-reform bill; and the banking-sector reform.

- In foreign policy, Zelenskyy and his team managed to negotiate a prisoner swap with Russia and separatist forces in Donbas.
- Despite some scandals and setbacks, Zelenskyy's support remains relatively high (higher than Petro Poroshenko's after a similar time in office).

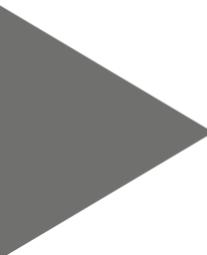
Developments and challenges

- The March 2020 reshuffle of the Cabinet of Ministers has been poorly received; in particular his decision to replace Prosecutor General Ruslan Ryaboshapka was strongly criticised.
- Despite promises of achieving peace, the war in the occupied territories of Donbas continues to rage.
- The Sluha Narodu has not been able to define a clear and consistent political programme. Many members are inexperienced and this has led to factionalism of the party.

Pandemic and uncertain future

- The COVID-19 pandemic has tipped Ukraine into a serious recession, leaving it in desperate need of international assistance.
- The economic recession will have a strong impact on Zelenskyy's ability to develop his domestic programme further.

- The October 2020 local elections will be crucial to build Zelenskyy's power base. They will be seen as both a referendum on Zelenskyy's performance and an indicator of his future influence.



Adam Reichardt, Tomasz Stępniewski

Ukraine under President Volodymyr Zelenskyy: Year one

Volodymyr Zelenskyy won the presidency of Ukraine with 73 per cent of the vote in April 2019 against the incumbent Petro Poroshenko. This victory can be seen as an “election revolution” – a subsequent one following the 2013/2014 “Revolution of Dignity”. In April 2020, one year has passed since Zelenskyy was elected to the office of President of Ukraine. Over this period of time, he was faced with several challenges concerning domestic affairs: combating corruption; diminishing the oligarchs’ influence; and the pursuit of a solution to the ongoing conflict in Donbas. In addition, the situation was further complicated by relations with the United States as Zelenskyy became entangled in the impeachment of US President Donald Trump. Surely, this latter

situation has not helped Zelenskyy pursue an active foreign policy. One may even argue that beyond negotiations with Russia regarding the war in Donbas, the president does not pursue any serious foreign policy whatsoever. That is why his first year in office was marked primarily by attempts at managing issues on the home front.

At the beginning of 2020, it seemed that the economic situation for Ukrainians had improved and the country would have an opportunity to experience much-needed economic growth as well as pursue a difficult domestic reform agenda. Unfortunately, the COVID-19 pandemic brought on an economic recession in the country which has all but reversed many of the economic gains achieved over the last half of 2019. Nevertheless, those reforms which have already been implemented do give Zelenskyy and his team an advantage, e.g. the ground-breaking land reform or the banking law (so-called the Anti-Kolomoisky Law) which was passed under the pressure of the International Monetary Fund. Further positive developments pertain to the gas industry and consecutive tax rewrites which brought hope for domestic developments, arguably at a slower pace than necessary.

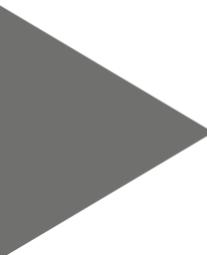
One area that needs special attention, which was also one of the signature policy areas of Zelenskyy's presidential campaign, pertains to the solution to the war in eastern Ukraine. Progress can be observed in the matter. Prisoner exchanges took place and the Normandy Format peace talks were restarted, with a meeting held in Paris at the end of 2019. However, one underlying problem is the fact that the European Union as a whole remains absent in the negotiation talks and Russia's position concerning the conflict is unlikely to change. In addition to the ongoing military

conflict, Ukraine also faces economic pressure and an information war orchestrated by the Kremlin.

At present, Zelenskyy and his team not only have to deal with domestic reforms, Russian pressure, factions emerging within the Servant of the People party, but also with the growing public pressure for further and faster changes. The COVID-19 pandemic and the economic decline as a result will only make these issues even more pressing and difficult to address. In the end Zelenskyy's second year will be a significant test for him and his power base, as he tries to deal with these issues. Local elections which will take place in October 2020 can be seen as the first referendum of Zelenskyy's policies and will define the trajectory of Ukrainian politics for the rest of his presidency.

This special series of IES³ Policy Papers is the result of collaboration between the Institute of Central Europe in Lublin, the *New Eastern Europe* journal, and international researchers from American and British universities such as Harvard University (George Soroka), University of California Riverside (Paul D'Anieri), University of Manchester (Olga Onuch) and University College London (Andrew Wilson). We would like to give our special thanks to our authors for providing their input and analysis on the first year of Zelenskyy's presidency. We hope that this series of IES³ Policy Papers will be well received by readers and will encourage experts who study this issue to continue their research.

Adam Reichardt, Tomasz Stępniewski
Kraków and Lublin, June 2020



Paul D'Anieri

Hope and reality in Zelenskyy's first year

When Volodymyr Zelenskyy won the 2019 presidential election in an unprecedented landslide, he spoke to two hopes shared by many Ukrainians and observers. The first was that he would bring dramatic domestic reform to Ukraine, in particular by tackling the country's persistent corruption. The second was that he would somehow manage to end the war with Russia on terms that are favourable, or at least acceptable, to Ukraine. The resounding victory of his Sluha Narodu (Servant of the People) party in last year's parliamentary elections reinforced the belief that the government had gained the necessary authority to tackle Ukraine's challenges. Despite this, one year into his presidency, Zelenskyy has not been able to deliver on either of these aims and this is affecting his popularity. The COVID-19 pandemic now adds a dramatic new challenge on top of the difficult situation already facing Zelenskyy.

High hopes

In order to evaluate Zelenskyy's first year, it is important to consider both his promises and the constraints he has faced. From the very beginning of his presidential campaign, Zelenskyy's rhetoric has focused on promoting hopeful messages rather than any realistic proposals. This is clear with regards to both Zelenskyy's promises to his voters, as well as what his voters expected from him. While Zelenskyy should not be spared criticism for over-promising and under-delivering on his political programme, it is equally important to acknowledge the difficulty of solving many Ukraine's problems. Unless these underlying issues change, a familiar pattern will repeat itself.

The path of Zelenskyy's presidency is following a trajectory that is familiar in Ukraine (and elsewhere). Frustration with previous governments in the country often leads to high hopes for a new force to dramatically improve things. Support for a new president subsequently increases as elites jump on the bandwagon, hoping to gain influence in a new system of patronage. However, the new leader then finds that various issues lie in the way of solving Ukraine's problems. The president's supporters want reform, but they also want to take advantage of their positions. They want to use their power to hinder their political adversaries. Oligarchs want reform, but not the reforms that endanger their particular interests. Citizens too want change, but not reforms that will raise their gas prices or allow farmland to be bought by large corporations or foreigners. Of course, they also do not want to pay high taxes. The result is the same as every other time political change occurs in Ukraine. Whilst support for the general concept of reform remains high in the

country, many groups soon emerge to oppose particular changes that may negatively affect them. Invariably, then, reality cannot meet the country's expectations and the president's popularity plummets. The president fires the prime minister, trying to deflect blame, but this tactic quickly loses its effectiveness. As re-election looms, so does a dilemma for Ukrainian presidents. Indeed, only Leonid Kuchma has managed to win a second term and this corresponded with Ukraine's slide toward authoritarianism in the late 1990s. This is the dilemma Volodymyr Zelenskyy will face as his honeymoon period ends and thoughts of a re-election campaign loom larger.

These challenges even exist separately to issues such as the war with Russia and the COVID-19 pandemic. The war is sustained by the Kremlin and can only be ended when the Putin administration chooses to end it. The terms for peace that Russia continues to insist upon are unacceptable to the vast majority of Ukrainians. Again, what is hoped for remains far from what is possible. COVID-19 will expose further weaknesses in Ukraine's health care system, damage the economy and further undermine Zelenskyy's popularity. Even beyond the human cost of the pandemic, the virus is making all of Zelenskyy's challenges much less manageable.

Mixed record

Zelenskyy's most important promise was to tackle corruption. Frustration with corruption is, by most accounts, what prompted Ukrainians to reject the existing political elite in favour of a total political outsider. During his campaign, Zelenskyy took advantage of the belief that corruption is

solely the result of Kyiv's actions and can be eradicated if leaders simply choose to do so. In office, his record has been mixed. After winning a parliamentary majority, Zelenskyy promised a "turbo regime" of fast-tracked legal change in order to combat corruption. There were some genuine achievements, such as the removal of parliamentary immunity. This notable move has proven to be highly popular.

In other areas, there has been much less progress. Oligarchs remain powerful and their influence over members of parliament and other government officials often rivals that of the president. For example, Ihor Kolomoisky, an oligarch who has supported Zelenskyy's candidacy from the beginning, delayed a banking reform law that would prevent him from regaining control of PrivatBank. Beforehand, PrivatBank was the subject of nationalisation following Kolomoisky's illicit seizure of funds from the group. This case is a good illustration of the challenges faced by Zelenskyy. People want to see oligarchs punished and IMF support is crucial for economic stabilisation. However, Kolomoisky's power still allows him to make things very difficult for Zelenskyy.

Similarly, the IMF insists upon a land reform that many regard as being decades overdue. Despite this, creating a market for farmland, for all of its benefits, has implications that many oppose. These issues include the increasing likelihood of foreign ownership and of concentration of control among oligarchs. In this case, what elites and international donors mean by "reform" contradicts what many voters want.

Zelenskyy's decision to replace Prosecutor General Ruslan Ryaboshapka with Iryna Venediktova during his March

2020 cabinet reshuffle is seen as a sign that anti-corruption measures have taken a backseat to immediate political needs. Ryaboshapka was widely seen as being independent and committed to the cause of anti-corruption. At the same time, Venediktova's appointment is seen as a move back to the tradition of placing presidential loyalists in this role in order to protect allies and punish enemies. To summarise, the dramatic attack on corruption that many hoped for has not materialised.

Pursuit of peace

In foreign policy, Zelenskyy has also encountered serious constraints on his ability to deliver results. In dealing with the conflict in Donbas, Zelenskyy was similarly unrealistic in promising that he would bring peace. While this optimism may have made for good electoral politics, it has potentially undermined his bargaining position with Russia. This is because he is perceived as being desperate for progress. Instead, he has encountered obstacles both at home and in Russia.

In his first year, Zelenskyy has attempted to offer two dramatic concessions in order to jump-start negotiations with Russia. His strategy appears to be more nuanced than many critics believe. By making concessions, he seems to be not merely trying to appease Russia, but to strengthen the view in the EU, whose support is essential but wavering, that Moscow is the obstacle to peace. His acceptance of the "Steinmeier formula" regarding the organisation of elections in Donbas was welcomed in the EU. However, it resulted in no noticeable concessions from Russia and encouraged charges

of capitulation at home. Similar concessions regarding the presence of DNR and LNR representatives during negotiations were appreciated in Europe, but not reciprocated in any way by Russia. This action also prompted cries of treachery at home and even divided the Sluha Narodu party. Zelenskyy has now ended his first year with a parliamentary majority that exists in name only.

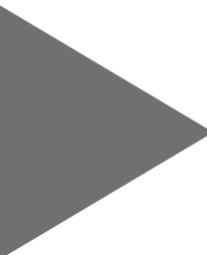
The underlying problem for Zelenskyy regarding peace is that there is a huge gap between what the majority of Ukrainians considers acceptable and what Russia is willing to agree to. While a settlement of the conflict has remained beyond reach, Zelenskyy has had more success with smaller symbolic steps. These include prisoner exchanges and facilitating movement across the line of contact. Even these have not been without opposition, but he has probably accomplished as much as can be hoped for under the current circumstances in both countries.

Zelenskyy found himself facing a totally unexpected foreign policy challenge when he and Ukraine were dragged into a political row between the Trump administration and Democrats in the United States Congress. While Zelenskyy did not come out of this affair looking great (he sounded embarrassingly obedient in transcripts of a key phone call with President Trump), this affair was really about the US, not Ukraine. However, this troubling situation revealed two potential threats to Ukraine. The first is the danger that support for Ukraine could become a partisan issue in the US. So far, Democrats and Republicans have remained united in their support for Ukraine, even as they argue about almost everything else. If Ukraine becomes a partisan issue, US support for the country will be undermined regardless

of who is in power in Washington. Second, the lingering impact of the Trump-Ukraine scandal seems to have reinforced the idea in the US that Ukraine is synonymous with corruption. As the presidential election in November approaches, it is almost certain that these ideas will continue to be a key topic of debate.

Overall, foreign policy continues to create intractable dilemmas for Ukraine. Zelenskyy, like his predecessors, knows that he needs Western support to avoid economic collapse and to contain Russia. But Western donors insist on measures that would alienate both the country's voters and oligarchs. This, of course, could severely undermine the basis for Zelenskyy's power in Ukraine.

Zelenskyy's second year in power will be focused mainly on combating COVID-19, as well as addressing the economic consequences of the pandemic. Amidst this crisis, local elections that are crucial to his power base will take place. These elections will be seen as both a referendum on his performance so far and as an indicator of his future influence. In the longer term, Zelenskyy will also be faced with the various underlying contradictions that have confronted all of Ukraine's presidents.



George Soroka

Laughing with him or at him? Zelesnkyy's first year

When Volodymyr Zelenskyy won the presidency of Ukraine in April 2019 in a second-round landslide that saw him take 73 percent of the vote, an acquaintance of mine observed that her fellow Ukrainians must be the most optimistic people on earth, having just elected a comedian-actor with no previous experience of governing to the highest office in the land. The events that brought Zelenskyy to power were indeed a quixotic example of life imitating art. A talented entertainer known for his variety show and the television series *Sluha Narodu* (Servant of the People) – in which he plays a schoolteacher who against all odds becomes president – Zelenskyy was, and remains, an improbable political figure. Previous career aside, he was just 41 years old when he was elected, young by the standards of national leaders. Zelenskyy is also of Jewish background (belying the often-heard canard that antisemitism runs rampant in Ukraine), and decidedly more comfortable speaking Russian than Ukrainian, as he himself readily admits.

Profound disillusionment

In some important respects, however, Zelenskyy's rise to power was not all that surprising. After the Maidan protests ousted the kleptocratic Viktor Yanukovich from office in 2014 and replaced him with Petro Poroshenko, expectations ran high that the comprehensive reforms needed to address the endemic corruption and bureaucratic inefficiencies that have plagued Ukraine since the collapse of the Soviet Union would finally take hold. Yet Poroshenko – a diabetic billionaire ironically dubbed the “Chocolate King” in recognition of his confectionary empire – proved less of a reformer than many had hoped. Incremental progress was made during his tenure as president, but the stranglehold imposed on Ukraine by oligarchic business interests and their political representatives remained unbroken, even though these networks' geographic centre of gravity shifted away from eastern Ukraine. Nor was the stalemated conflict in Donbas resolved; despite the Minsk and Minsk II ceasefire protocols having been ratified, a steady campaign of attrition continued to grind on, claiming the lives of innocent civilians as well as combatants.

This situation gave rise to profound disillusionment in Ukrainian society, which has endured not only decades of collective privation and broken promises, but also, more recently, Russia's ignominious annexation of Crimea and the outbreak of secessionist violence within the country's borders. Given this context, it is understandable why Ukrainians would be desperate to try something, or someone, new.

Zelenskyy's campaign was based on an ambitious if vague formula that called for stamping out corruption, reforming the economy, and bringing peace to the war-ravaged terri-

tories. Whether it was the appeal of this message or merely weariness with Poroshenko's status quo, Zelenskyy not only received the overwhelming majority of the votes cast in the presidential contest, but his newly created Sluha Narodu party also managed to capture 254 of the 450 seats in the Verkhovna Rada (Ukraine's unicameral legislature) during the July 21st 2019 parliamentary election. The victory of this political outsider and his associates, a startling number of whom, like him, had never before held public office, represented the triumph of hope over experience for Ukrainians, who have developed a tradition of hanging their hopes on the ballot box only to be frustrated time and again (ever the pragmatist, the ideologically rudderless Leonid Kuchma was the only post-Soviet Ukrainian president to serve two terms).

So how has this self-styled "servant of the people" performed? One year later, the record is decidedly mixed. Corruption remains prevalent in Ukraine, well-connected businessmen continue to operate with more than a modicum of impunity, wide-ranging socio-economic problems persist and the situation in Donbas has not been resolved (to say nothing of Crimea, which is a lost cause for Ukraine, at least for the foreseeable future). Still, there are positive achievements to point to, and, although Ukrainians' exuberance for Zelenskyy has been tempered by the experiences of the last twelve months, the charismatic and self-effacing president remains genuinely popular, with a recent poll finding that 68 per cent of Ukrainians approve of his first-year performance. Most surprisingly is that survey results show consistent levels of support for Zelenskyy and his party across all major regions of Ukraine.

Key accomplishments

Let's begin with the accomplishments. Zelenskyy oversaw several prisoner swaps with Russia and separatist forces in Donbas that allowed more than a hundred Ukrainians to return home (though this was not without controversy, as some of those released by Kyiv were implicated in the killing of Maidan protestors in 2014). Additionally, in November 2019 Russia finally returned the three Ukrainian navy vessels it had seized as a result of the 2018 Kerch Strait incident. Consequential laws were also passed or amended during this period, including legislation that stripped parliamentarians of their immunity from prosecution, re-criminalised the illicit enrichment of state officials (the Constitutional Court had struck down a prior statute to this effect in February 2019), and imposed protections for public whistleblowers.

Zelenskyy and his allies were also able to push through a seminal land-reform bill, which the Verkhovna Rada approved on March 31st 2020. This legislation has been long supported by the IMF and other international agencies. It will permit Ukrainian citizens to buy and sell plots of land up to 100 hectares as of July 2021, with the limit increasing to 10,000 hectares in 2024, when the market will open up to Ukrainian-owned companies as well. Initially, the plan was to allow foreigners to likewise eventually buy land, but, confronted with considerable opposition, Zelenskyy has promised to hold a referendum on the matter.

Another important piece of legislation passed by Rada deputies on May 13, 2020 involves banking-sector reform. Among other things, his law ensures that embattled oligarch Ihor Kolomoisky will not regain control of PrivatBank, which was nationalised in 2016 after he and a business as-

sociate were accused of defrauding the financial house of 5.6 billion dollars. Its passage was widely seen as a litmus test of Zelenskyy's independence from Kolomoisky, who, among his other holdings, controls Ukraine's 1+1 Media Group, which is affiliated with Zelenskyy's production company, Studio Kvartal 95 (During the presidential campaign, the oligarch deployed his considerable resources to promote Zelenskyy, leading Poroshenko to disparage his opponent as "a puppet of Kolomoisky"). Zelenskyy's critics, however, complain that the latter laws should have been passed sooner, implying that it was the promise of large-scale foreign aid and loan guarantees rather than a principled commitment to change, which guided their eventual adoption.

Serious challenges

As for the conflict in eastern Ukraine, Zelenskyy did succeed in reinvigorating diplomatic efforts to find a resolution. Most significantly, the Normandy Format Talks, involving Ukraine, Russia, France and Germany, were restarted on December 9th 2019 in Paris after a three-year hiatus. Many worried that Zelenskyy's first face-to-face encounter with Russian leader Vladimir Putin would end with Putin dominating his far-less-experienced adversary, but this was not the case. However, the meeting produced no major breakthroughs and Zelenskyy failed to accomplish all that he had set out to do. Specifically, on October 1st 2019, the Ukrainian president announced his acceptance of the "Steinmeier Formula" (named after Frank-Walter Steinmeier, currently Germany's president) – the terms of which specified that elections, held in accordance with Ukrainian law, would

take place in the breakaway regions, overseen by the OSCE. If the results were certified as free and fair, these territories would then be granted special autonomous status. However, in Paris Zelenskyy was adamant that foreign troops had to be withdrawn and Ukraine's border with Russia secured prior to any voting taking place. Long accused of being too accommodating of Moscow even by some of his supporters, he could not afford to back down on his demands. Predictably, Putin countered him on these issues, with the two men also disagreeing about the future status of the Donbas. Meanwhile, a follow-up meeting, originally scheduled for April 2020, was postponed due to the COVID-19 pandemic.

On the negative side of the ledger, the release of the cringe-worthy transcript of Zelenskyy's phone call with US President Donald Trump in July 2019 marked a notable low point in his presidency. Nonetheless, the Ukrainian leader was able to find some humour in the situation, quipping in a May 20th 2020 *New York Times* article that the one positive to come out of this imbroglio was that "many more Americans and Western Europeans can now find Ukraine on the map!"

Certain personnel decisions have likewise been poorly received. Zelenskyy has, for example, been accused of circumventing Ukraine's post-Maidan lustration law by appointing Andriy Bohdan his first chief-of-staff. Bohdan, who was finally dismissed in February 2020, had previously served as Commissioner for Anti-Corruption Policy from 2010 to 2014 under the government of Yanukovich's prime minister, Mykola Azarov. Equally controversial was the acknowledgment by Kolomoiskyy that Bohdan happened to be his personal attorney.

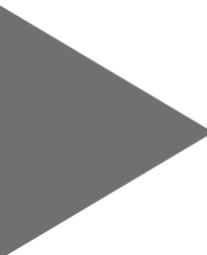
Zelenskyy, who complained during a May 2020 press conference that he “cannot find many people who are both professional and not corrupt” to staff key positions, also engineered a controversial and thorough-going cabinet reshuffle in March 2020, tarnishing his political cachet in the process. Particularly disturbing to many was his decision to replace Prosecutor General Ruslan Ryaboshapka, widely regarded as an independent-minded anti-corruption campaigner, with Iryna Venediktova, who is seen as a political loyalist.

There is no doubt that Zelenskyy faces serious challenges going forward. Among the most consequential of them is the situation in Donbas, which shows no signs of normalising in the near future. Ukraine also continues to suffer from inadequate social spending and welfare provisioning, problems exacerbated by a culture of widespread graft and bribe-taking (according to 2018 data, the country ranks 88th in the world on the United Nations’ Human Development Index, while Russia is in 49th place). Meanwhile, Sluha Narodu is a big-tent party without a clear or consistent programme. This, coupled with the inexperience of most of its members, makes it prone to factionalism and co-optation by special interests, evidence of which is already apparent.

All of these problems, moreover, stand to be exacerbated by the ongoing global health crisis. Ukraine, which went into lockdown on March 12th, has so far been spared the harrowing experiences some other European states have faced (at the time of this writing, Ukraine, with a population of 42 million, had around 20,000 reported coronavirus cases; Spain, in comparison, with a population of just under 47 million, had 280,000). Nevertheless, the antiquated and

inadequate Ukrainian healthcare system may face a real crisis if a sudden spike in infections occurs (according to the most recent [2017] figures from the World Health Organization, Ukraine, in purchasing power parity-adjusted terms, spends \$585 per capita on healthcare, as compared to the \$1404 spent by Russia).

In conclusion, Ukraine, like its president, faces monumental challenges moving forward. Nonetheless, both also have some advantages on their side, chief among these being the fact that Ukrainians are more unified in their national identity after the Revolution of Dignity than at any previous point in history. But Ukraine's president still has a lot to prove to his critics regarding his ability to govern independently and efficaciously if he intends to win them over. Zelenskyy is no doubt smart and ambitious; he may even be genuinely reform-minded, but he is not yet politically wise.



Olga Onuch

A year of somehow getting things done

On the one year anniversary of Volodymyr Zelenskyy's presidency, it is difficult to forget the various crises now affecting Ukraine and its people. Aside from the new threat of COVID-19, the war in the occupied territories of Donbas continues to rage and economic inequalities and poverty continue to plague the country (approximately four per cent of the population now lives on less than \$5.50 a day (2011 PPP) according to World Bank (counting GDP per capita, Ukraine is Europe's poorest country and the UNDP has estimated that up to 60 per cent of citizens live in poverty, a finding that our own MOBILISE¹ and IBIF² data confirms). If this gener-

¹ Nationally representative (face to face) surveys of the 18+ population of Ukraine, conducted by the Kyiv International Institute for Sociology for the MOBILISE project. Pre-Presidential election wave: 17 – April 1, 2019 (N= 2000, margin of error no greater than 3.7%) and Pre-Parliamentary election wave: July 5-18, 2019 (N=2001 margin of error no greater than 3.4%). And a nationally representative (telephone omnibus) surveys of the 18+ population of Ukraine, conducted by the Kyiv International Institute for Sociology for the MOBILISE project on April 22-25, 2019 (N= 2024, margin of error no greater than 2.4%).

² Nationally representative (telephone omnibus) surveys of the 18+ population of Ukraine, conducted by the Kyiv International Institute for Sociology for the IBIF project on April 22-25, 2019 (N= 2024, margin of error no greater than 2.4%).

al situation was not complicated enough, the country has been forced to deal with the shooting down of a Ukrainian Airlines passenger plane by Iran in January 2020, as well as a medical system that is nearing bankruptcy due to the ongoing pandemic. Despite this, time after time Zelenskyy and his rather inexperienced administration somehow manages to pull through and get things done.

Of course, much criticism (mostly from partisan supporters of Poroshenko, who affectionately call themselves the 25 per cent), has been directed at Zelenskyy. This has particularly focused on his connection with oligarchs such as Ihor Kolomoisky and Rinat Akhmetov. At the same time, his team's divisive internal politics, open disdain for the press and inexperience have also been topics of great debate. However, even Zelenskyy's staunchest critics must acknowledge that he has managed to get a number of things done.

Impressive victory

Ukraine's recent parliamentary campaign was marked by great division and hostility, with Poroshenko even using his and his allies' television stations to host a "Revanche Marathon". In spite of this, Zelenskyy's Sluha Narodu (Servant of the People) party was still able to recruit dozens of young, western educated and ambitious policy makers (in addition to a few controversial figures from the Yanukovych and Kuchma eras) who managed to secure yet another landslide victory. It has been nearly a year since the election, but we should reflect on the significance of Sluha Narodu's impressive victory. This has now afforded Zelenskyy and his team the ability to push through laws at a rapid pace.

In the current context it is indeed difficult to talk of success, but these various political moves must be acknowledged. These successes include a historic land reform bill, the end of parliamentary immunity and a critical anti-corruption bill which prohibits the state from returning nationalised banks to their former owners. Simultaneously, Zelenskyy has been able to restart the Normandy Format talks without crossing any red lines and holding firm against Russia, which also participated in various prisoner exchanges. The new president also expertly managed the country's diplomatic channels during Iran's downing of Ukraine International Airlines Flight 752.

For this reason it is perhaps not surprising that Zelenskyy's approval rating is now at just over 50 per cent (this is a combined number of those who fully approve and tend to approve of the president). A year into his presidency, Zelenskyy's support is already higher than Poroshenko's after a similar time in office, with only 32 per cent of Ukrainians fully approving or tending to approve of the then president (according to UCEPS³ data). These high ratings for Zelenskyy may be the result of the fact that Ukrainians have found ways to cope with a generally improving economic situation. This is despite the fact that the country is still in the midst of a crisis. In 2014, UCEPS data found that seven per cent of the population did not have enough money even for food, 29 per cent had enough to buy basic necessities

³ A three wave nationally representative (face to face) panel surveys of the 18+ population of Ukraine, conducted by the Kyiv International Institute for Sociology for the UCEPS project. Wave one: May 16-24, 2014, (N=2010); wave two: June 24-July 13, 2014, (N= 1405); and wave three: November 24-December 30, 2014 (N= 1,373). Margin of error no greater than 3.3%.

and 35 per cent had enough money for essentials but found buying clothing difficult. Consequently, 74 per cent could be considered to be struggling financially in 2014. By 2019, however, this combined number appears to have dropped to 57 per cent. Around nine per cent reported not having enough money to buy food, 27 per cent could only afford the most essential items and 22 per cent said that they found it difficult to buy clothes.

Moreover, when the same IBIF project asked Ukrainians how they would vote should elections be held today, we found that a large plurality (28 per cent) would vote for Zelenskyy again, whilst the next three competitors (Poroshenko, Yuri Boyko and Yulia Tymoshenko) are nearly statistically tied for second place with 8.6, 7.7 and 5.8 per cent respectively. It appears, therefore, that a year on from his landslide win Zelenskyy would again come out on top. Taking into account the persistent attacks made against Zelenskyy by the opposition as well as a majority of intellectual elites in the country, his ability to deal with competition is remarkable.

It seems also that the COVID-19 crisis has only given Zelenskyy a boost, even if it may be temporary. Despite the fact that 57 per cent of Ukrainians reported that they are very or somewhat afraid of contracting the disease. When we asked Ukrainians “to appraise how well has Zelenskyy handled the COVID crisis so far?”, 55 per cent reported that Zelenskyy has done “very well” or “on balance well” (57 per cent said the same about their local head of city/village/OTG). The majority of Ukrainians, then, are seemingly satisfied with Zelenskyy’s management of the crisis even if its effects on the economy have been severe.

Moreover, it suggests that his support among ordinary citizens is not partisan in nature. For example, if you consider that 27 per cent say they would vote for Zelenskyy but 55 per cent approve of the job he is doing today, this clearly means that appreciation is also found amongst supporters of other political groups. This suggests that he has wider appeal beyond his core supporters or “generation Ze” followers.

Chaotic decisions and missteps

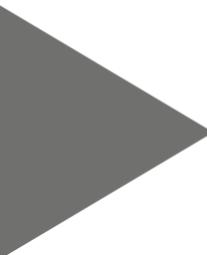
But this is of course not the whole story. There is a lot for Zelenskyy to worry about, as well as a lot for us to worry about regarding Zelenskyy and his presidency. These aforementioned criticisms (no matter how partisan they might seem) are very important. Zelenskyy is still yet to prove his independence from various oligarchs and has failed to take action in relation to some of the more controversial and unruly figures in his administration and party. The sudden and chaotic decision to replace the Cabinet of Ministers in January, as well as the appearance of the rather unknown Denys Shmyhal, took many by surprise and has derailed some reforms. This sudden and seemingly amateurish move has even left a power vacuum in some ministries and departments, with many posts still vacant due to the refusal of candidates to take up offered positions. This is particularly true in the Ministry of Culture, which saw its budget dramatically cut to support COVID-19 related measures.

If this is not bad enough, a variety of targeted attacks have also occurred against Poroshenko affiliates. This has involved the raiding of homes of those responsible for nationalising Kolomoisky's bank. Most recently, a case (closed

for lack of evidence) against journalist and activist Tetiana Chronovol was re-opened. Chronovol is now being charged with the death of a Party of Regions employee in 2014 after their headquarters was set on fire by Euromaidan protesters. The case, which was assigned to a pro-Party of Regions and Yanukovych judge, is not clear-cut and its dismissal was also politically motivated. Nevertheless, it is an evident move by figures connected to the Yanukovych administration and the now collapsed Party of Regions to seek revenge under the cover of the COVID-19 crisis.

Zelenskyy is clearly not loved by all of Ukraine's population. A small but highly vocal group – mostly made up of Poroshenko supporters – is ready to highlight his every mistake. Whilst this group is a minority and not enough to bring one million people into the streets of Kyiv, just like in 2004 or 2013, they comprise a core of active and engaged opponents who now have experience of at least three major Maidans. Zelenskyy, however, should be more worried about a much larger group in the population that will appear should he or his team infringe on basic civic rights. Three times between April 2019 and 2020 the MOBILISE project has surveyed Ukrainians and found that one-third of Ukraine's population is ready and willing to protest against the government. What is more puzzling is that this number has not declined with the imposition of quarantine. Even when Ukrainian respondents report being "very afraid" or "somewhat afraid" of catching COVID-19, 45 per cent of them are still willing to take part in street protests. Just like in the past, Ukraine still has a core group of protesters keeping a watchful eye on the president.

Zelenskyy's team is clearly divided into two factions. The first group is made up of new faces who are educated, professional and want to see major reforms. At the same time, the existence of an "old guard", which is made up of figures connected to previous administrations and oligarchic clans, should not be forgotten. The future of Zelenskyy's presidency, as well as how he will be remembered in Ukrainian history, will be determined by which faction he listens to more. He can prove all his detractors, who mocked the very idea of a comedian becoming president, correct, or he can continue to surprise us. The potential for both scenarios is great. The question, however, is which road will he take?



Andrew Wilson

Zelenskyy's first year: Reforms, revanche and COVID-19¹

In Ukraine a new government pushes reform, but is blocked by regime insiders and runs out of steam. Revanchist forces take over. We have been here before, in 1995, 2006 and 2016. Volodymyr Yermolenko has written eloquently about this cycle. However, this time Ukraine has also been hit hard by the coronavirus and tipped into a serious recession, leaving it in desperate need of international assistance. Yet, if Ukraine's response to the virus has been swift and reasonably effective, its political response has been ponderous. It took until May 13th 2020 to pass the banking bill that was a precondition for an IMF loan. By then it had been downgraded from a long-term Extended Funding Facility for assisting reform to a smaller, short-term Stand-By Arrangement, which is confined to budgetary support. Instead of up to eight billion

¹ A shorter version of this piece first appeared at www.ecfr.eu/article/commentary_ukraine_and_the_oligarchs_endless_delays_to_reform

US dollars, Ukraine was looking at \$1.9 billion up front, and \$5 billion in total.

On the one hand, Ukraine got there in the end. On the other hand, there is little sense that the new government is sufficiently behind the IMF option to make it a success.

The end of Zelenskyy's "multiverse"

Volodymyr Zelenskyy's first government actually contained both trends – reform and *revanche* – from the beginning. There were enough reforms to keep up the hopes of supporters for change, particularly the European Union. There was enough backsliding in other sectors as to confirm pessimists' worst fears – a triple threat of restored Russian influence, the return of some of the most controversial figures from the Viktor Yanukovich regime, and leading oligarch Ihor Kolomoisky's cashing in his growing influence.

Rumours circulated over the winter that Prime Minister Oleksiy Honcharuk might get sacked. Some rebalancing of the government would not have been a disaster. Yet Kolomoisky's TV and social media projects, Telegram channels in particular, led a much broader campaign against all the reformers and pro-reform NGOs, dubbed *Sorosyata* – "Soros's piglets".

Having been lauded as a "Jewish Bandera" Ukrainian nationalist when he helped finance battalions at the height of the war in East Ukraine in 2014-15, much of Kolomoisky's rhetoric now overlaps with the increasingly strident pro-Russian propaganda of Viktor Medvedchuk's media empire. Kolomoisky certainly used Russian methods: fake grassroots organisations campaigning against reforms he disliked, ju-

dicial capture, paying demonstrators that doubled as mobs, as well as using media as “drain pipes” of information. Andrian Prokip and Mykhailo Minakov at the Wilson Center have compared Ukraine to a ‘leakocracy’ – whose shadowy politics are increasingly steered by online information wars.

The idea was floated of a reprise of the 2011-13 era. Back then, Yanukovych won the presidential election in February 2010 and made some initial reforms that won IMF approval. But once he had consolidated power at home, he chose to rely on international bond markets instead. Domestic corruption and selective prosecutions worsened in the lead up to the Maidan demonstrations in November 2013; but money markets cared little and the EU was caught in the middle. In the winter of 2019-20 a repeat of this strategy may have looked feasible: GDP growth was improving to near 4%; and there were successful bond issues at interest rates steadily improving from 10% to 6%. But international markets this time had already been digesting bad news that undermined that plan.

Zelenskyy missed several key opportunities to distance himself from Kolomoisky, most notably when Kolomoisky's mobs tried to storm the National Bank in November. Kolomoisky pushed hard on “compensation” for Privatbank which was nationalised (taken from him) in 2016, with a \$5.6 billion hole in its balance sheet. This would have torn an even bigger hole in Ukraine's economic credibility. Some thought it was a feint, while other Kolomoisky-controlled businesses like Ukrnafta and Centrenergo raked in government favours. The markets, however, noticed that too. The government opened corruption cases, but seemed to concentrate on Kolomoisky's enemies from the National Bank of Ukraine and the inter-linked leadership of ICU (Investment Capital of Ukraine, often

dubbed “Poroshenko’s bank”). Judicial reform announced in October was sabotaged. Kolomoisky proxies campaigned against land and banking reform.

The markets gave a red light to the new government. Interest rates shot up even before Ukraine was hit by the coronavirus. After COVID-19 finally hit, the problems were compounded. Leading reformers continued to be removed even as Ukraine was trying to restart talks with the IMF. The Chief Prosecutor Ruslan Ryaboshapka was dismissed on March 5th. Absurdly, he is now himself threatened with prosecution. Customs Minister Maxim Nefyodov, architect of the successful Prozorro state procurement reform, was sacked on April 24th. On April 28th, the parliament backed a bill to allow it to fire the head of NABU – the National Anti-Corruption Bureau – without a critical audit. Health service reforms are being rolled back just when Ukraine needs a decent health service the most. Controversial Interior Minister, strongman Arsen Avakov, on the other hand, has held on to his post.

Not everything has gone as Kolomoisky would have wanted. There were some signs that Zelenskyy has been trying to rebalance the oligarchy and promote people linked to rival oligarch Rinat Akhmetov. That has hardly helped in terms of international opinion. Markets were particularly unimpressed by the loss of Finance Minister Oksana Makarova and the ongoing attacks on the National Bank.

Plan B?

On March 30th, Zelenskyy seemed to signal a dramatic reversal by pushing through two key prerequisites of a deal with the IMF: a long-term project of privatising agricultural

land to unlock Ukraine's under-used farming potential, and a banking bill so specifically designed to block any backsliding on Privatbank that it was dubbed the "anti-Kolomoisky bill". Yet, a closer look at the parliamentary arithmetic shows things are not so simple. Zelenskyy's party Servant of the People is increasingly divided and alternative coalitions are unstable.

Structure of the Verkhovna Rada (Ukraine's parliament)

Servant of the People	248
Kolomoisky group	20-40
"Democratic Platform"	40-60
Zelenskyy's Core	180
Opposition Platform – For Life	44
Fatherland (Tymoshenko)	24
European Solidarity (Poroshenko)	27
Voice (Vakarchuk)	20
For the Future (Palytsya-Kolomoisky)	22
Faith	17
Independents	22

Ukraine's parliament has 450 members. Twenty six seats in Crimea and the Donbas are empty, but 226 votes are still needed for a majority. In theory, the Servant of the People has this easily, with 248. Yet, Kolomoisky has many MPs on his side, tellingly dubbed his "bayonets". This includes the "For the Future" faction led by his ally Ihor Palytsya, and a group in Servant of the People led by Oleksandr Dubinsky, whose hard core is around 20 MPs. That number is enough to threaten Zelenskyy's majority, especially since a more amorphous group has opposed Zelenskyy's "peace" con-

cessions to Russia. It is sometimes called the “Democratic Platform”; but it also overlaps with the civic movement “No to Capitulation”. It is in favour of some reforms, but also exists because many MPs are worried that Zelenskyy’s mainly unilateral “peace” concessions have only sharpened Russia’s appetite for more.

The land law and first reading of the banking law, for example, were passed with only 206 and 198 Servant of the People votes respectively. The rest came from an alliance with the pro-European parties: European Solidarity, grouped around the former President Petro Poroshenko, and Voice, the new party led by rock star Svyatoslav Vakarchuk. European Solidarity, however, is not loyal in the long-term if its leaders continue to be prosecuted. Former Prime Minister Yuliya Tymoshenko’s Fatherland party is joining in with parliamentary disruption tactics and anti-European rhetoric. Zelenskyy has also had to fish for votes from the “Faith” faction – a motley crew of independent “businessmen”. There was no majority for the surprise proposal to appoint former Georgian President Mikheil Saakashvili as deputy prime minister. He now heads the powerless Executive Committee for Reforms instead; which looks even more like a gimmick to distract attention from revanche.

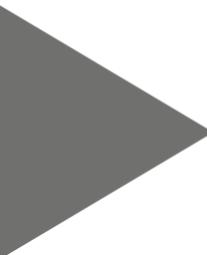
And there is also an alternative coalition. Ryaboshapka’s dismissal won only 179 Servant of The People votes: the rest came from the Opposition Platform, with For the Future, Faith and most independents showing their instability by joining the vote. Viktor Medvedchuk’s media empire backs the Opposition Platform and is increasingly aggressively anti-western; and enabled so long as Zelenskyy puts off a putative final showdown with Kolomoisky. The *Sorosyats*

anti-western rhetoric has continued unchanged, as if the world itself had not been completely changed by coronavirus (see some examples here).

IMF Deal in Slow Motion

“Legislative spam”, which includes thousands of amendments proposed by Kolomoiskyy’s “bayonet” MPs, threatened to overwhelm the banking bill. A vote on April 30th successfully fast-tracked the process; but ‘fast’ meant another two lost weeks. The bill was only finally passed on May 13th, but with only 200 Servant of the People votes; and Kolomoiskyy’s supporters may still end take it to the Supreme Court or even the Constitutional Court.

Meanwhile, Ukraine’s economy is already in recession. The only good news is that borrowing rates have fallen from their peak in March, and some limited international finance might be possible. However, ordinary Ukrainians in lockdown do not have resources to fall back on; migrant labour previously provided a one billion dollars a month remittance lifeline to the country’s GDP, but many migrants have now come home. Unemployment has already doubled to 14%. Ukraine’s GDP is already forecast to drop by more than 7%, followed by an L-shape: low-growth recovery, rather than V-shape sharp bounce-back. The budget deficit is set to triple, from \$3.5 billion to \$11 billion. If even Zelenskyy’s apparent change of heart on March 30th has not been enough to turn things around, a few billion from the IMF will not do so either.



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The huge success of Volodymyr Zelenskyy's presidential election in April 2019 and his Sluha Narodu (Servant of the People) party's landslide victory in the early parliament elections in July 2019 brought high hopes and expectations to Ukrainians and observers alike. In analysing Zelenskyy's first year in office, our experts have summed it up as mixed results – highlighting both accomplishments and challenges that remain or have emerged. This special series of IEŚ Policy Papers is the result of collaboration between the Institute of Central Europe in Lublin, the New Eastern Europe journal, and international researchers from American and British universities such as Harvard University (George Soroka), University of California Riverside (Paul D'Anieri), University of Manchester (Olga Onuch) and University College London (Andrew Wilson). We would like to give our special thanks to our authors for providing their input and analysis on the first year of Zelenskyy's presidency. We hope that this series of IEŚ Policy Papers will be well received by readers and will encourage experts who study this issue to continue their research.

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