

A mixed record: Assessing Ukraine's domestic reforms under Volodymyr Zelenskiy



The so called 'Normandy Four', incorporating the leaders of France, Germany, Russia and Ukraine, met on 9 December in Paris to discuss the conflict in eastern Ukraine. [Ryhor Nizhnikau](#) and [Arkady Moshes](#) write that alongside the conflict resolution process, it is also vital to assess how Ukraine's domestic situation has developed since the election of Volodymyr Zelenskiy as President earlier this year. They argue the record on domestic reform has been mixed so far, with Zelenskiy maintaining the old system of personalist governance and reliance on cadres instead of institutions.

While most recent attention has been drawn to the diplomatic effort to achieve progress in the conflict resolution in Ukraine's Donbas, which culminated in the [summit of the Normandy Four](#) earlier this week, the process of internal change in the country has somewhat slipped out of focus. It might be high time to bring the issue back into the limelight.

Ukraine's President Volodymyr Zelenskiy, elected in April on a wave of anti-establishment sentiment, popular demand for reforms and the promise of a 'new era', has been in office for more than half a year. Furthermore, the pro-presidential party, 'Servant of the People', has enjoyed a comfortable absolute majority in parliament since elections in July, enabling the President to handpick and appoint a technocratic government. Arguably, the constellation of political factors has been more favourable for reform than ever before and might only become more complicated in future. This is why drawing some initial conclusions and observations is appropriate.



The Normandy Format Summit on 9 December 2019, Credit: [kremlin.ru](https://www.kremlin.ru)

Zelenskiy's term started promisingly. Commentators and analysts, including Vox Ukraine's authoritative 'iMore index', have recorded [positive changes in a number of areas](#). Yet, the current concentration of power, which exceeds the formal constitutional prerogatives of the presidential office, combined with the aspiration to offer quick solutions and keep popular support, creates a risk that [systemic political and governance challenges](#) will not be addressed and certain checks on executive power will be further eroded.

These contradictory developments are especially apparent in the area of the rule of law and law enforcement. On the one hand, a new prosecution law reorganised the structures and streamlined competencies of the earlier highly toxic General Prosecutor's Office (GPO). The new reform-minded leadership of the GPO subsequently announced drastic personnel cuts. Meanwhile, the dysfunctional and scandal-prone State Bureau of Investigations (SBI) was also rebooted in November.

On the other hand, the Ministry of Interior remains under full control of a political heavyweight, Arsen Avakov, who has stayed in this position since 2014 and is reportedly expanding his political and economic interests. The State Security Service (SBU) adamantly rejects any limits on its broad powers, such as disbanding the notorious "Directorate K", which is supposed to investigate economic crimes but is believed to be involved in underhand activities. As a result, the unreformed SBU, although it is now headed by the President's old personal friend and collaborator, Ivan Bakanov, continues to repel potential investors. Characteristically, one of the first criminal investigations the SBU opened under president Zelenskiy was against the major foreign investor ArcelorMittal. It is also worth mentioning that while the new laws on the GPO and SBI significantly increase the mandate and powers of heads of agencies, they also make them more politically dependent on the President.

Mixed results are recorded in the fight against corruption as well. On the positive side, the leadership of the key anti-corruption body, the National Agency on Corruption Prevention (NACP), has been changed and its governance structure was modified in line with the demands of civil society. A new law on NACP also opened the income declarations of top officials of the SBU and the Office of the President up to the public while removing the requirement for activists to declare assets and incomes. A law on illicit enrichment, repealed by the Constitutional Court in February this year, was adopted anew. The National Anti-Corruption Bureau (NABU) finally received the right to wiretap its suspects. The mission of the High Anti-Corruption Court, which started its work in June this year, was limited only to cases of top-level corruption. As a result, hearings began on cases, which had been blocked for a long time.

On the negative side, the new authorities retained a highly controversial Specialised Anti-Corruption Prosecutor (SAP), Nazar Holodnitskiy, who was previously embroiled in some important corruption scandals. As before, judicial reform has so far been used to increase control over the courts and fill key judicial positions with dubious figures and loyalists.

The same ambivalence is apparent in the economic sphere. On the one hand, the Minister of Economy, Timofey Milovanov, and his team are ambitiously preparing for the launch of the Ukrainian land market and a large-scale privatisation. The Ministry of Finance and National Bank are continuing with monetary reforms and so far, have efficiently resisted the return of Privatbank, nationalised in 2016, to its previous owners. The State Customs Service is introducing a new electronic documentation system, which should help with curbing widespread corruption.

However, on the other hand, the influence of oligarchic groups persists. President Zelenskiy has not been able to convincingly show his independence from such oligarchs, who continue to take over key economic assets. The state energy regulator, which favoured Rinat Ahmetov's business group during the presidency of Petro Poroshenko, now increasingly prefers Igor Kolomoyskiy, whose media played an important role in Zelenskiy's campaign. Even if Kolomoyskiy's influence on Zelenskiy should not be exaggerated, the former has recently received control over Centrenergy, a lucrative energy generating company, and benefitted from new electricity, coal and oil schemes.

Much in these contradictory developments can be explained through Zelenskiy's own style and previous business experience. Like his TV character Vasily Holoborodko, he relies on personal and informal networks, sees a problem in 'wrong' people and not the system, and prefers popular quick fixes to structural solutions. Thus, President Zelenskiy continues the tradition of his predecessors of governing through cadres, appointing his friends and trustees to key state positions.

He and his team widely apply informal mechanisms to undermine formal institutions. Numerous sources demonstrate the vast informal influence of Andriy Bohdan, [the former corporate lawyer of Igor Kolomoyskiy](#) and currently the head of the Office of the President, over law enforcement and the judiciary. Leaked records specifically show how he gave orders on criminal investigations to the SBI Director. Oligarch Valeriy Horoshkovskiy informally 'supervises' customs. Key state policies (whether it is on Donbas, gas talks with Russia or Privatbank) are formed non-transparently and are communicated post factum.

President Zelenskiy has yet to learn to act differently from his predecessors, to appreciate the role of institutions and to listen to civil society, independent media and the political opposition. If the old system of personalist governance and reliance on cadres instead of institutions is preserved, the window for destructive influence from inside and outside will be kept wide-open.

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Note: This article gives the views of the authors, not the position of EUROPP – European Politics and Policy or the London School of Economics.

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