POLICY BRIEF



REFORMATION NATION: WARTIME POLITICS IN UKRAINE

Andrew Wilson

December 2023

SUMMARY

- Politics in Ukraine remains lively in spite of the war, although the Ukrainian parliament's pre-war make-up means it cannot fully reflect changing society and public opinion.
- The war means it is impossible to hold elections; this mirrors the past practice of other European countries during wartime.
- In the absence of elections, the EU can help foster pluralism in Ukraine by pursuing strong reform conditionality and warning against the over-centralisation of power around the presidential administration.
- The war has diminished the influence of Ukraine's oligarchs; the EU should press the country to go further to reduce their residual influence and prevent a new oligarchy emerging.
- A mindset shift is needed among Ukraine's Western partners: no clear postwar situation is likely to emerge. The country will need to undertake as many reforms as possible even under conditions of war.

Politics in the absence of elections

In November 2023, the European Commission approved the start of EU accession talks with Ukraine. This was a sign of confidence in just how much Ukraine has changed – in the midst of conflict – since it received candidate status in June 2022.

Russia's war on Ukraine has consolidated Ukrainians around their leader, President Volodymyr Zelensky, and helped to break logjams that were blocking reform in many areas. However, power has also been massively centralised around the presidential administration and the security services. The main obstacles to reform are no longer declining oligarchs, but the securitised state, particularly parts of the presidential administration, the security services – reform of which is very much delayed until after the war – and the judiciary, which is currently in the process of reform.

In Ukraine there remains a strong public <u>consensus</u> of more than 80 per cent around key issues of support for the leadership, war aims, and opposition to a premature peace. Elections are due in 2024; but Kyiv would face enormous practical difficulties in organising them, and would have to suspend its war effort for the duration of the campaign. Whenever elections are eventually held, most parties will be utterly transformed – including Zelensky's own Servant of the People party. Indeed, there are some signs of potential post-war populism and a Gaullist pride in fighting alone. The armed forces are popular, and will play a role in post-war politics, most likely through high-profile individual commanders. As in other previous cycles, Ukrainian politics will be reinvented at the next elections.

Ukraine is set on its Western course and ambitions to join the European Union. To achieve this, the country needs to undertake key reform tasks that relate both to its EU journey and its ability to endure the war. A putative post-war safe haven may not arrive, or be hard to recognise. Reconstruction is already happening. Ukraine deserves more time to complete tasks, or in some cases even begin them. Some matters cannot be put off until the country is in a clear post-war situation. These include spending rather than tabulating international assistance; and difficult reforms that Ukraine is attempting under wartime conditions.

Politics in Ukraine is vibrant – yet already utterly altered by the war, even in the absence of elections. The principle for Europeans should be to help politics thrive even amid war rather than push Ukrainians to head to the polls prematurely. But Europeans will also need to ensure that this evolving ecosystem strengthens institutional pluralism, avoids an excessive concentration of presidential power and undue securitisation, and cleans up the judiciary. This will help both create and protect political processes that smooth the path of reform.

Ukraine in wartime

Transformation without representation

Serious internal political debate began creeping back to Ukraine within a few months of the February 2022 invasion. After initially working behind a security screen, parliament sits in person and for longer, and some ritualised party politics takes place. Parliament contains the old parties elected in 2019, except for the Opposition Platform – For Life, the successor party of the old Party of Regions that dominated Ukrainian politics under President Viktor Yanukovych. The Opposition Platform – For Life was banned just after the full-scale invasion. Some Opposition Platform elected members fled, while others have relabelled themselves the Platform For Life and Peace.

Unlike in Russia, where Vladimir Putin has been in power since 2000, Ukrainians have normally expressed their dissatisfaction by removing their leaders. Out of six presidents elected since 1991, only one has secured re-election. There is currently widespread confidence in Zelensky – and there exists greater confidence in state institutions, especially military and local bodies, than there was before the conflict – but the traditional Ukrainian desire for new faces is unlikely to disappear altogether. The return of politics is also visible in the number of Ukrainians telling pollsters that "it is necessary to criticise the erroneous and incorrect actions of the authorities" – which rose from a reluctant 26 per cent in May 2022 to 70 per cent in October 2023.

Servant of the People has gradually lost the comfortable majority of seats that it gained on the back of Zelensky's original 2019 popularity at the last election. (It holds 254 out of 450 seats, and many of its current 235 MPs are <u>loyal to oligarchs or other networks</u>.) The party now needs the votes of the For the Future and Faith factions, whose members are directly elected and less reform-minded, with a more clientelist or pork-barrel relationship with their constituents. Servant of the People needs to keep them happy to maintain their loyalty. Among other things, this means that plans to strengthen political parties by moving to elections held under a fully proportional system next time are far from certain.

The onset of war has changed the dynamics between political parties in numerous ways. For example, European Solidarity, the party of former president Petro Poroshenko, criticises Zelensky's alleged early naivety about Russia and questions whether he did enough to prepare for war. That being said, this has not – yet – translated into altered attitudes towards the president or towards European Solidarity.

Issues in different domains from the last election remain unresolved. For example, Zelensky wants to complete his rebooting of the political system; critics accuse him of usurping power. European Solidarity is in an informal alliance with Kyiv mayor Vitaliy Klitschko. Back in 2019, the government proposed a new law on the capital's status which would create a head of the Kyiv City State Administration appointed by the president to shadow Klitschko, whom the presidential administration considers too independent. The mayor is also head of the Association of Ukrainian Cities and has his own ambitions; and could rebrand his UDAR party in the name of his volunteer social movement, Ukrainian Team. The presidential administration has clashed with and removed mayors in areas where Servant of the People did not win in the last local elections in 2020 (in Odesa, Poltava, and Chernihiv), despite the success of post-2014 decentralisation reforms, arguing that local clan networks are a target for Russian influence and a black hole for Western aid. These machinations suggest the ways in which politics in Ukraine is transforming and the presidential administration is wielding its power.

Also waiting in the wings is former chair of parliament Dmitriy Razumkov, who is sympathetic to the priorities of former Opposition Platform voters and was briefly backed by some oligarchs as the main alternative to Zelensky in 2021. Former prime minister Yuliya Tymoshenko is interested in her own survival, so is pushing for elections as soon as possible, before she looks terminally outdated. Ukraine's tiny liberal party Voice split in 2021, and has yet to be replaced or reinvented. The playing out of old politics within strictures that are already unrepresentative of opinion today may limit the birth of new politics.

Second place in the 2019 election went to the Opposition Platform-For Life. During the election, it rebranded itself as "pro-peace" rather than pro-Russian. It won 13 per cent and 43 seats, before its ban in 2022. There is now no political space for a pro-Russian party, although some of their vote could at some point go to a future Ukrainian equivalent of the All-German Bloc of Expellees that gathered votes in West Germany in the 1950s. Former Opposition Platform members could also rebrand themselves with Euroscepticism, populism, and appeals to conservative east slavic values. Former Zelensky adviser turned opposition podcaster Oleksiy Arestovych's "russophone patriotism" combines support for a strong Ukraine with nostalgia for Ukraine's contribution to the strength of the Romanov and Soviet empires. In the short term, however, the relabelled Platform for Life and Peace has, ironically, switched to being a loyal supporter of the government in order to survive, helping it pass controversial measures such as changes to the labour code.

Overall, the current parliament has not caught up with the profound shifts in the country and social expectations since February 2022. In part it is stymied in doing so because of its pre-war

make-up. But existing members are also yet to reflect the mid-war predicament the country finds itself in.

Shifting geography

In contrast to parliament, the shape of the Ukrainian nation is altering profoundly. Huge numbers of people have moved internally, mainly to safer areas in western and central Ukraine. The population of the westernmost region of Transcarpathia near the Hungarian border has <u>increased</u> by 400,000 people. That of the main western city of Lviv more than <u>doubled</u> from 800,000 to 2 million, though then fell back because of a lack of absorption capacity. There has been a redistribution to central Ukraine too, with big growth in safer Ukrainian towns such as Uman, Vinnytsia, Cherkasy, and Poltava. Kyiv has the safest air defence, and its population stands once again at its pre-war figure of just under <u>4 million</u> people, but this masks a huge population churn of internally displaced persons. More people have moved to the capital since Russia started attacking more vulnerable areas. In contrast, liberated areas are under-populated and increasingly elderly. The city of Kharkiv's <u>population</u> is 76 per cent of what it was; Kherson's is only 30 per cent.

Internally displaced persons from the east and south will likely be influenced by their new communities in central and western Ukraine, which have traditionally been more patriotic and more Ukrainian-speaking. Internally displaced persons and host communities are likely to have divergent needs in terms of accommodation, employment, and state services. The government faces huge <u>questions</u> of which regions to invest in after the war; which trade routes to promote; which infrastructure to build. There should be no sense that the 'less Ukrainian' parts of Ukraine are less worth reconstructing, as some commentators <u>imply</u>; or that border areas will need "transformation into a frontier". Without the old oligarchy, there will be economic opportunities that were blocked before the war, including gas exploration, green energy, and supporting veterans' business.

Politics has yet to properly reflect Ukraine's changing geography. New elections will face enormous challenges in creating accurate voter registers. And the longer the war goes on, the less likely it is that all refugees will return – with implications for Ukraine's politics. By spring 2023, a <u>total</u> of 38 per cent of refugees planned to stay in Poland. More than half – 55 per cent – still wanted to return; but, of these, 82 per cent intended to do so "after victory". In neighbouring Moldova, migrants in the EU heavily support pro-European parties back home. Elsewhere in central Europe, high levels of emigration <u>undermine confidence</u> in home governments. Ukrainian political leaders are yet to contend with these emerging dynamics.

Economy in flux

Many wartime government decisions have been politically controversial. Ukraine's economy remains overwhelmingly based in the private sector and the country has not introduced as many wartime economic measures as Russia, which has imposed compulsory supply orders to the armed forces, introduced obligatory overtime, and even eased restrictions on child labour. Indeed, command management powers under martial law have been sparingly used, in the areas of in energy, transport, and reduced currency convertibility. The internal Ukrainian economy functions better than foreign trade, given the particular targeting by Russian forces of Ukrainian exports, even while the government works hard to widen opportunities for Black Sea trade.

The war has accelerated early efforts under Zelensky to grow the gig and zero-hours economy. Several measures deemed too controversial in 2019-21 have been pushed through since the invasion, with the government citing the need to keep the wartime economy alive. A new labour code has reduced the role of trade unions. Small and medium-sized businesses are now able to use minimal work contracts. Critics have <u>accused</u> the government of reducing the state's social provision and outsourcing it to international assistance.

In some areas of bureaucracy, Ukraine is still over-regulated. Ukraine has a large and well-developed internal market, with national brands and businesses which will pressure politicians to defend them from foreign rivals when it comes to EU competition policy and the *acquis communautaire*. There are growing lobbies in sectors such as IT and agriculture, where Ukraine actually has some comparative advantages. Together with Poland, it has absorbed much of the Belarusian IT industry since 2020. And its large-scale agriculture is often more productive than Poland's, which never fully collectivised farming under communism.

Ukraine's economy faces huge structural dilemmas. In terms of where Servant of the People would take the country's economy, the war has widened the gaps between populist and high-tech and libertarian elements in the party. There is much <u>talk</u> of building a new high-tech economy, but significant re-education and reskilling would have to take place over many years, requiring education sector reform. There will also be constituencies that want old businesses and areas restored. These currents will burst into the open when elections come but they will doubtless find political expression prior to then.

Changing society

Since the start of the war, there has been a growth in trust, in civil society activity and social

activism, in social resilience and self-organisation – and, through them all, greater national unity. This is slowly making Ukrainian politics less elitist. Manipulative political technology is in decline. New politics will have to reflect this civic activism, and new political forces will emerge from volunteer movements and NGOs.

In May 2022, <u>60 per cent</u> of Ukrainians were donating to the war effort, 32 per cent were doing volunteer work, and 8 per cent were in the armed forces and territorial self-defence. But by February-March 2023, a total of 67 per cent were donating, 42 per cent were volunteering, and 12 per cent were in the armed forces and territorial self-defence. Ukrainians <u>gave</u> \$1 billion to the war effort in 2022. Over 6,000 new charities were established.

Expectations of the quality of government have also gone up. Trust in the state and state institutions has risen, which is new. In a poll taken in May 2023, the armed forces were, unsurprisingly, extremely popular, with 93 per cent expressing trust in them, while 83 per cent trusted the president. Local and city mayors were <u>trusted</u> by 58 per cent and 55 per cent respectively. But 59 per cent also trusted the police, and parliament's rating had grown to 35 per cent. Tolerance for corruption has fallen: 81 per cent now <u>say</u> it is right to complain about corruption; the number of people ready "to stand up for their rights when interacting with officials" has risen from 26 per cent to 52 per cent.

A downside of increased national unity is that expectations are so high. "The country that emerges after the war will not be as perfect as people expect," warns one observer. [1] This may not come as such a shock in the end, though. In terms of those who <u>agree</u> that "the country is heading in the right direction", having risen to about 80 per cent, this fell to 61 per cent in the summer of 2023.

Ukrainian Gaullism

Ukrainian commentator Yevhen Hlibovitsky has argued that "the embryo of a future populist movement is being conceived right now;" [2] both in new political forces and in the changing tone of established parties. A new Ukrainian populism could exploit the previous electorate of the Opposition Platform, as well as the internally displaced, the marginalised, and those who have lost their jobs. According to the World Bank, just over 7 million Ukrainians have fallen into poverty since February 2022. More generally, Ukraine could win the war, but according to another commentator Valeriy Pekar emerge as a "nation of insulted winners". This sentiment could conceivably develop into a Ukrainian Gaullism. For the moment, it is widely recognised in Ukraine that the country would not be fighting without the help of the West. But Ukrainians could come to blame insufficient support from the West for the cost of victory, or even more so defeat or a failure to make progress in current or future counteroffensives. A

lurch towards a premature peace would meet massive pushback and revived criticism of the West's role in the 2014-15 Minsk Agreements and the 1994 Budapest Memorandum.

Ukraine is not there at the moment. Rather, there is a more specific sense that it is only Ukrainians who are dying in the war; that Ukraine is having to fight a type of war the West would not fight, and that the West has often been wrong, and has changed positions. Leading Ukrainian figures have argued, for example, that every conversation about arms supply started with reservations. [3] *The Economist* quoted the head of the armed forces, Valeriy Zaluzhny, as saying the West had provided enough weapons for Ukraine to avoid defeat, but not enough for it to win. "They are not obliged to give us anything, and we are grateful for what we have got, but I am simply stating the facts."

A nascent Ukrainian Gaullism would take pride in Ukraine's own efforts. Zelensky has already <u>described</u> a "Ukrainian Doctrine", to "realise Ukraine's historic chance for growth, won by our people's bravery". This would include a philosophy of victory, <u>place</u> the "global nature of Ukrainian security" at its heart, have a heroes' policy and justice policy for Russian war crimes, and foresee the historic transformation of Ukraine over ten years. Zelensky has also talked of "spiritual independence", referring to the Orthodox Church of Ukraine rather than its Russian rival, but with a broader meaning of defending and promoting national values. In foreign and security policy thinking, Ukraine is already combining the call for multilateral assistance and security guarantees with a search for more independent solutions. Defence spending for 2024 is projected to be a massive \$42 billion, 20.4 per cent of GDP. Domestic drone production is to be ramped up, to tens of thousands per month.

A political space for such new forms of national populism may yet emerge. But the philosopher Volodymyr Yermolenko has <u>argued</u> that the support base for such a movement is limited. There are no big and powerful conservative institutions. The Orthodox Church of Ukraine is new, and religion and state are separate. There are conservative small-town and rural <u>voters</u>, and some individualistic urban Russian speakers in the east and south who see the world in instrumental terms. Mainstream Ukrainian identity is tied to being European; but post-Soviet identities can take new forms. A more digital Ukrainian post-war economy would help grow the liberal middle classes, but also risk leaving behind unskilled workers – and regions – traumatised by displacement and war.

At the same time, another effect of the war on Ukraine's politics is likely to be towards parties of, or containing, the military. This would not be entirely novel: many veterans became MPs in 2014, although these were spread across several parties. They included new volunteers, often straight from the Maidan protests against Yanukovych, and some came from small nationalist groups. However, most were politically inexperienced, and ended up being

manipulated by more established groups. This time around, *kombrigi* (brigade commanders) are professional soldiers, with political and social media profiles. Well known figures include Zaluzhny, ground forces commander Oleksandr Syrsky, and joint forces commander Serhiy Naev. The Azov regiment, prominent in Russian propaganda for its far-right ideology, <u>may launch</u> a post-war party, focused on its practical fighting achievements, especially the defence of Mariupol, as might its left-wing opponents. There are also high-profile volunteers and entrepreneurs such as Serhiy Prytula, a television presenter and actor who now runs the Prytula Charity Foundation. Many civic leaders are more politicised, are skilled at raising money, and are used to substituting for government.

That said, society is split on military involvement in politics, despite the high regard for the armed forces. One <u>poll</u> in January 2023 found 47 per cent of Ukrainians in favour of their participation with 32 per cent against. Direct involvement in politics by military figures would contradict Ukraine's strong progress in adopting NATO standards of civilian control over defence, and potentially undermine the cohesion of the war effort, as would growing divergences between political and battlefield approaches to the war.

Can elections be held?

Elections were last held in Ukraine in 2019. The presidential election is due every five calendar years, which would mean this taking place in March 2024. The parliamentary election is held in the October of the fifth year of a parliament's life. So even though the last parliamentary election was held earlier than usual – new president Zelensky called an early election, which his party won in July 2019 – it should have been held in October 2023. Elections cannot be held under martial law (though the constitution is not perfectly clear on this question), which is currently being extended every 90 days.

Inside Ukraine, the question of elections does not figure highly in the political and public discourse. A poll in October 2023 showed 81 per cent of Ukrainians saying any such vote should only happen after the end of the war. In September 2023, civil society groups issued a joint declaration against premature elections, arguing that they would be divisive, distracting, and destabilising.

Outside Ukraine, the president of the Parliamentary Assembly of the Council of Europe, Tiny Kox, has <u>suggested</u> that Ukraine amend its constitution to enable elections. Veteran US Republican senator Lindsey Graham has <u>said</u> Ukrainian elections "would not only be seen as an act of defiance against the Russian invasion, but an embrace of democracy and freedom". But the energy this question draws is fundamentally about internal Republican politics. Donald Trump is still obsessed with the faux-scandal of the activities of Joe Biden's son Hunter in Ukraine, which is key to the Republican Biden impeachment project. A total of

71 per cent **of R**epublican voters now <u>say</u> that Congress should stop funding Ukraine while 59 per cent say that the "*US has done enough* to *assist* Ukraine".

The practice of Western states from the last century is more instructive on this question. The United States had wartime elections in 1916 and 1944, but the continental US was not under direct military threat in the first and second world wars. The United Kingdom, on the other hand, held no elections from 1910 to 1918 nor from 1935 until 1945. Elections due after five years in 1915 and 1940 were postponed. Germany's 1949 Basic Law actually forbids elections in wartime.

Practical conditions <u>matter</u> more than whether the war has formally ended. They might be safe if victory is in sight; there might need to be a "<u>transitional period</u>" if peace does not immediately guarantee voter safety. But current difficulties look insurmountable, and the conflict is currently too hot to suspend war efforts. Millions of people are refugees or internally displaced, and the voting register is completely out of date. Physical voting would be hard to organise in many parts of the country; and would simply put too many people in harm's way. The authorities could not guarantee voters' or election observers' safety, and Ukrainians in occupied areas would be denied a vote. An alternative online vote would be a massive security challenge. If the government app Diya was used, it would risk the integrity of the system Ukrainians now rely on for day-to-day services.

Still, politicians could come to different conclusions about how to proceed. For example, Zelensky may be tempted to win a new mandate before his popularity slips, and before alternative figures emerge. For the time being, with his high levels of trust the president would not only be highly likely to win re-election, but would almost certainly transfer his popularity to a parliamentary victory for his party if the two elections were held simultaneously. There is talk of Servant of the People being <u>rebranded</u> as Diya (which means "action" – suggesting actions not words). There is also the <u>possibility</u> that Servant of the People may run satellite projects to maximise its support.

Ultimately, the question of whether Ukraine should hold elections is not one that is preoccupying the country, and practice from other countries suggests it is not unusual to suspend elections for the time being. The bigger questions for European supporters of Ukraine include how to ensure politics remains plural and vibrant, and to guard against political overcentralisation.

Ukraine, Europe, and reform

Ukraine deserves credit for persisting with reform in wartime. But there are still many

institutional obstacles to reform, and even outright opponents to these necessary processes.

Securitisation

The most powerful bodies in Ukraine are now the presidential administration and the security services. Neither have been reformed. Institutions such as the National Anti-Corruption Bureau (NABU), and Specialised Anti-Prosecution Prosecutor's Office (SAPO) – both established in 2015 – are relatively immune from oligarchs and network influence. But many parts of the presidential administration, the Security Service (SBU), and the courts are not. There was a missed opportunity to reform the SBU in 2021 when a draft law on reform was withdrawn. The bill's provisions would have downsized its post-Soviet empire and stripped it of its anti-corruption and organised crime departments. Since that time, the SBU has acquired even more power. A relaunch of the law was recommended by the US in September 2023.

The presidential administration has become more powerful because the president is popular, because of securitisation under martial law, and because other institutions and checks and balances are much weaker. Considerable power is also exercised by the National Security and Defence Council (NSDC), headed by the president, as almost a quasi-parliament. It was already leading Zelensky's campaign against oligarchs and Russian influence in the year before the February 2022 invasion.

The president also appoints the head of the SBU. Two laws on collaboration and a law on the seizure of Russian property, both passed in March 2022, have added to securitisation. Eleven allegedly pro-Russian political parties were banned in March 2022; five strategic companies were nationalised in November 2022 – in <u>both cases</u> by the NSDC. In August 2023 Zelensky <u>proposed</u> classifying wartime corruption cases as treason and shifting them to the SBU.

The presidential administration is huge; its power has grown and contains all the different aspects of Zelensky's presidency, including the president as communicator-in-chief to the country and the world. Beyond this, the presidential administration's power means that it will also have some role in overseeing post-war reconstruction. Its two chiefs of staff under Zelensky have both been controversial, however. The first was Andriy Bohdan, once lawyer to oligarch Ihor Kolomoisky. His successor since February 2020, Andriy Yermak, runs his own empire of influence and patronage; but he is the president's seemingly indispensable problem-solver. One deputy head of the presidential administration, Oleh Tatarov, has been accused of corruption, while another, Rostyslav Shurma, has been accused of seeking influence over the energy sector. It is often alleged that Tatarov and the SBU are frustrating the work of the key anti-corruption agencies, NABU and SAPO. In this respect, elements of a new oligarchy could emerge out of the presidential administration.

These centralising trends matter because Ukraine needs to be able to show not only that its politics are democratic but that its institutions are too as it moves towards the EU.

Reform and conditionality

In June 2022, the EU <u>set out</u> seven criteria for Ukraine to meet in order to begin accession talks. Although this was four months after Russia's full-scale invasion, the seven criteria had a distinctly pre-war feel to them. Five focused on aspects of corruption; none touch on the problems of securitisation or democratic revival. One, on national minorities, was unnecessarily <u>influenced</u> by Hungary. The EU's November 2023 decision on accession progress was made "without conditions". Four criteria were <u>deemed</u> "completed" and "some progress" was commended, but the decision noted further work to be done on minorities, deoligarchisation, and corruption.

Kyiv has been <u>evaluating</u> and reviewing its reform progress but the NGO sector wants the EU to be tougher and make greater use of conditionality. [4] This is backed up by public opinion: in one poll taken earlier this year, 53 per cent of Ukrainians <u>said</u> that international "financial assistance must be accompanied by demands for reform".

Of the seven EU reforms, a new media law has been approved. New heads of SAPO and NABU have been appointed and anti-money laundering measures are now in place. In a related measure, in August 2023 Zelensky vetoed an attempt by parliament to prolong by a year the suspension of compulsory asset declarations for state officials – a valuable tool in fighting corruption, but deemed likely to make officials vulnerable to Russian influence.

Hungary will not like the national minorities legislation, regardless of Ukraine's efforts. Kyiv

is prepared to give more rights in minority language secondary education, but does not want monolingual minority zones – a stance supported by the civic sector. [5] And Hungarian criticisms are in any case misguided. The Russian language is not a minority language – 41 per cent of Ukrainian citizens still <u>speak</u> either just Russian or Russian and Ukrainian at home. Ukraine offers more freedom to national minorities than Latvia, which in 2022 adopted a law to phase out education in minority languages by September 2025.

Among the other three conditions, one refers to the anti-oligarch law, which Zelensky signed in 2021, mere months before the invasion, with Ukraine asked by the EU to adapt the law according to the recommendations of the Venice Commission. This was not forthcoming until June 2023, shortly before Brussels was due to make its assessment. The Venice Commission considered that the law ill-advisedly combined a "systemic approach" and "personal approach". It recommended delaying its implementation until after the war, until proper judicial reform had taken place, and to analyse why existing institutions cannot do the job of resisting oligarchic influence. In the end, the EU asked for an additional law on the regulation of lobbying. EU conditionality is valued in Kyiv, but Ukraine is increasingly critical of the Venice Commission. The November 2023 European Commission opinion stated more broadly that "Ukraine has taken positive steps in a wider and systemic effort to address the influence of oligarchs."

That left two complicated but vital issues of judicial reform, where Ukraine is attempting a complete reboot. The Ukrainian judiciary is deeply corrupt – it is the one exception to the growth in trust for state institutions. Only 17 per cent of people <u>trust</u> the judiciary, and just 3.7 per cent do so fully. The government's chosen solution is to involve external international experts in the reform process in various ways. This started at the top, when the constitutional court provoked a systemic crisis in 2020-21 when it blocked key reforms. The head of the court was controversially removed by Zelensky, and ended up fleeing the country after February 2022. The constitutional court's integrity and constructive position will be vital when the country attempts to normalise politics, end martial law, and hold elections. The Venice Commission made factual errors in its report and spread confusion over whether an Advisory Group of Experts needed six or seven members. [6] The law finally signed by Zelensky in August 2023 envisages six experts, three of them international, but also a six-year transition period.

The final EU condition was for Ukraine to undertake structural judicial reform. In 2022 a special Ethics Council made up of three Ukrainian judges and three international experts nominated new members to the High Council of Justice (HCJ), which hires and fires judges. The HCJ was able to resume work in January 2023, after a year in suspension. Underneath the HCJ is the High Qualification Commission (HQC), which does the practical work of vetting

and nominating judges to the HCJ. A different Ethics Council nominated 16 candidates in June 2023. A majority vote is needed to approve judges, and in a tie the foreign experts' view prevails. But the process has gone much less well. Anti-corruption whistle-blower Larysa Golnyk was vetoed and Serhiy Horbatyuk, famous for the attempted prosecution of those who killed Maidan protesters in 2014, was not appointed. Yet colleagues of the notorious curator of judicial mafia, Pavlo Vovk, were appointed to the HQC. The restaffing of the HCJ and HQC is now supposed to unlock a third phase and undertake the appointment of judges to more than 2,000 vacancies. In theory, this is a vital opportunity to clean up the whole judiciary, but mafia networks have in the past proven immune to reform. The case of the head of the supreme court, Vsevolod Knyazyev, who was arrested in May 2023 for taking a \$2.7m bribe from an oligarch, was depressing precisely because he had been through the vetting process; informal networks proved strong enough to corrupt him.

The granting of EU candidate status for Ukraine in June 2022 was well timed, with the application –made as a consequence of war – four days after Russia's invasion. But the need to meet the seven initial criteria has given purpose to Ukrainian reform, and helped keep politics alive at a critical time. The European Council's decision in December 2023 on what to do next is also timely. It will help maintain momentum through a year without elections in 2024.

Oligarchy

The war has paved the way for deoligarchisation in Ukraine – much more so than the controversial 2021 anti-oligarch law, which left the designation of an oligarch and consequent action up to the NSDC. Leading oligarchs have lost almost half of their wealth, and several oligarchs' assets are disproportionately concentrated in eastern and southern Ukraine, or have been targeted by Russian attacks, meaning they have fared particularly badly in terms of maintaining their asset base. Ukraine's richest man, Renat Akhmetov, has seen his wealth shrink from \$13.7 billion to \$4.4 billion, with his Azovstal and Ilich iron and steel works in Mariupol having been almost completely destroyed. Another big loser has been Ihor Kolomoisky, to whom Zelensky was often said to be too close at the time of his election. Many of his key assets were nominally under state control. Now the state is in full control, including of Privatbank, television channel 1+1, and the Ukrnafta oil company. Kolomoisky is now effectively an oligarch without property, and in September 2023 he was detained as the state froze \$82m of assets in 307 of his remaining companies, and laid new charges of theft from Privatbank.

Oligarchs have lost the pocket banks they once controlled. Several have fled abroad, <u>mocked</u> as the "Monaco Battalion" or "Vienna Battalion". In November 2022, five of the large

companies were nationalised because of their importance to the war effort (or because their owners were deemed problematic) included AvtoKrAz (Konstyantyn Zhevaho), Motor Sich (Vyacheslav Bohuslaev), and Ukrnafta and Ukrtatnafta (Kolomoisky). Sense Bank, formerly Alfa, was nationalised in July 2023.

As well as losing assets, oligarchs have lost their main means of political influence. Their television companies have been included in Ukraine's national news collective – oligarchs can no longer use them to promote favoured or artificially created parties and politicians. The state is stronger than it was before the war, including at a local level where oligarchs often controlled key cities or regions. Of course, declining actors will invest to protect their power: oligarchs can still use networks in the judiciary or SBU to protect themselves.

The particular issue of oligarchic influence does not feature among the EU's requested reforms. To go further in this area, the state could deploy other instruments against oligarchy, such as anti-monopoly policy as part of a broader approach that aims to maintain and transform Ukrainian economics, policy, and society.

Politics in survival mode

Politics in Ukraine is surviving without elections – and it is surprisingly lively for a country at war. Yet, the shape and form of politics today do not fully reflect Ukraine's profoundly changed circumstances.

There is still a strong public and political consensus behind Zelensky, and a reluctance to create discord that Russia would predictably exploit. But there remains a danger that "democracy will be frozen in Ukraine if we don't get enough competition," as one former leader of Servant of the People has warned. [7] The most obvious way to address the problem would be to hold elections. But this would be much easier if the country was already in some kind of post-war situation, or at least one in which there were greater stability. A lot of politics has moved online, but there is no substitute for strong intermediary institutions such as parliament, media, and political parties – all of which now look sorely outdated.

Some policy recommendations follow for the West – the EU, the US, the UK, and Canada in particular. They relate to domestic politics specifically, although domestic, military, and security issues are all connected.

The first is to avoid hurrying Ukraine into elections until the country is ready. As examples from other countries show, the wartime norm is to preserve politics, not elections.

Ukraine is at real risk of again becoming the victim of US domestic Republican politics.

Trump will not change tack, but Democrats and moderate Republicans can together pursue strong cross-party cooperation.

Dialogue with civil society should be revived in all its forms, with the government and with Western diplomats.

At the same time, Ukraine's partners should continue to push strongly for reform of the judiciary. The current process is showing signs of promise and is a useful product of the seven EU accession negotiation conditions. Yet, while reform of the judiciary is ongoing, it is not even envisaged for the SBU. The EU should recognise the new challenges of securitisation that have arisen since the start of the war and start working on the possibilities for reforming the SBU, rather than waiting until a never-never post-war situation.

There are ways for both Ukrainian and EU decision-makers to make the decline of the oligarchy a permanent fact. To do so, the Ukrainian parliament should adopt anti-monopoly measures to break their remaining power. Meanwhile, the EU should give Ukrainian small and medium-sized enterprises competitive access to the single market.

It is also worth thinking about broader problems, including Ukraine's economy and how to fund reconstruction. The EU should take Ukraine's starkly altered demographics and new societal divisions into account when planning reconstruction efforts. The $\[\epsilon \]$ 50 billion Ukraine Facility from 2024 to 2027 is not normal accession funds, and can be disbursed in support of key political changes as much as fulfilling the acquis communautaire.

If Europeans set their sights on achieving these goals in the medium term, they will do Ukraine the service of easing its EU path, assisting its politics to remain healthy during wartime, and – even amid conflict – tackling the corruption and over-centralisation of power that risk undermining Ukrainians' struggle.

About the author

<u>Andrew Wilson</u> is a professor of Ukrainian studies at UCL School of Slavonic and East European Studies.

Acknowledgements

ECFR would like to thank the Swedish Ministry of Foreign Affairs for its support.

- [1] Face-to-face interview with Oleksandr Sushko, executive director of the International Renaissance Foundation, Kyiv, 4 July 2023.
- [2] Face-to-face interview with Yevhen Hlibovitsky, Kyiv, 5 July 2023.
- [3] Face-to-face interview with foreign minister Dmytro Kuleba, Kyiv, 6 July 2023.
- [4] Face-to-face interviews in Kyiv, July 2023.
- [5] Face-to-face interviews in Kyiv, July 2023.
- [6] Face-to-face interviews with NGO representatives, Kyiv, July 2023.
- [7] Face-to-face interview with Oleksandr Kornienko, first deputy head of the Verkhovna Rada of Ukraine and former leader of Servant of the People, 5 July 2023.

ABOUT ECFR

The European Council on Foreign Relations (ECFR) is the first pan-European think-tank. Launched in October 2007, its objective is to conduct research and promote informed debate across Europe on the development of coherent, effective and values-based European foreign policy. ECFR has developed a strategy with three distinctive elements that define its activities:

- A pan-European Council. ECFR has brought together a distinguished Council of over two hundred Members – politicians, decision makers, thinkers and business people from the EU's member states and candidate countries – which meets once a year as a full body. Through geographical and thematic task forces, members provide ECFR staff with advice and feedback on policy ideas and help with ECFR's activities within their own countries. The Council is chaired by Carl Bildt, Lykke Friis, and Norbert Röttgen.
- A physical presence in the main EU member states. ECFR, uniquely among European think-tanks, has offices in Berlin, London, Madrid, Paris, Rome, Sofia and Warsaw. Our offices are platforms for research, debate, advocacy and communications.
- Developing contagious ideas that get people talking. ECFR has brought together a team of distinguished researchers and practitioners from all over Europe to carry out innovative research and policy development projects with a pan-European focus. ECFR produces original research; publishes policy reports; hosts private meetings, public debates, and "friends of ECFR" gatherings in EU capitals; and reaches out to strategic media outlets.

ECFR is a registered charity funded by the Open Society Foundations and other generous foundations, individuals and corporate entities. These donors allow us to publish our ideas and advocate for a values-based EU foreign policy. ECFR works in partnership with other think tanks and organisations but does not make grants to individuals or institutions. ecfr.eu

The European Council on Foreign Relations does not take collective positions. This paper, like all publications of the European Council on Foreign Relations, represents only the views of its authors. Copyright of this publication is held by the European Council on Foreign Relations. You may not copy, reproduce, republish or circulate in any way the content from this publication except for your own personal and non-commercial use. Any other use requires the prior written permission of the European Council on Foreign Relations. © ECFR December 2023. ISBN: 978-1-916682-18-4. Published by the European Council on Foreign Relations (ECFR), 4th Floor, Tennyson House, 159-165 Great Portland Street, London W1W 5PA, United Kingdom.