
How to Effectively Fight Corruption in Ukraine

COALITIONS OF THE LIKE-MINDED CAN DEGRADE ENTRENCHED INTERESTS

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Nearly two years after the Euromaidan protests chased Ukrainian President Viktor Yanukovich from power, corruption remains among the top internal problems hindering the country's development. Although the Euromaidan protests brought about a change of government, they did not change how the system works. Entrenched interests from the old system remain in place and continue to dictate what happens in the country. Despite this unfortunate reality, some things in Ukraine have changed, and it is possible to see a path toward a better future.

This, however, requires popular action. It is the only way to overcome the elite interests that continue to support the status quo. Ukraine's politicians have demonstrated time and time again that they will not initiate change on their own. The way to promote anti-corruption reform is through increased and persistent people power.

Ukraine's Anti-Corruption Record since the Euromaidan

Most Ukrainians see little progress in cleaning up their political and economic systems since the dramatic events of late 2013 and early 2014. An oligarch now serves as president and many other oligarchs remain influential. No high level officials have been arrested for participating in corrupt activities and there has been little investigation of the old regime, much less a good faith effort to restore the assets looted by the previous leaders. Additionally, there has been little practical reform of the courts. A continuing series of scandals has rocked the General Prosecutors' office, which employs approximately 20,000 officials and is frequently portrayed as the center of corruption. Despite frequent criticism, the president refuses to give the chief prosecutor the independent authority to investigate and root out corrupt practices.

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That said, there have been some advances. The Euromaidan revolution removed the corrupt Yanukovich regime and stopped the rampant theft of state assets by his “clan.” Presidential and parliamentary elections brought new leaders to power. President Petro Poroshenko appointed a number of foreigners to ministerial and gubernatorial positions. He shook up old networks of cronies and imposed best practices from other countries. The Central Bank and key financial ministries are in the hands of professionals. The legislature now has a core of reformers, including some of Ukraine’s most prolific investigative journalists, who were elected on the president’s party platform but continue to criticize his policies.

In October 2014, Poroshenko signed into law a package of anti-corruption reforms. These innovations, which moved Ukraine beyond anything it had achieved after the Orange Revolution, include a new National Anti-Corruption Bureau (NABU), which was established to investigate crimes committed by high-ranking public officials, and the National Agency for the Prevention of Corruption (NAPC), which will make public the income of civil servants, design a codes of ethics, and engage in anti-corruption outreach to the population. After a well-publicized search for a NABU director, in which candidates had to submit to public interviews scrutinized by ordinary citizens, a commission appointed the relatively obscure Artem Sytnyk. He has hired about 70 new investigators. Both NABU and NAPC are still in the process of formation. All in all, Ukraine has at least five agencies tasked with fighting corruption; it remains far from clear how they will all work together or whether they will achieve real results.

Perhaps the most visible changes in Ukraine have been to the police. Ukraine began the process of disbanding the thoroughly corrupt traffic police by hiring former Georgian official Eka Zguladze as deputy minister of internal affairs, hoping to benefit from her experience carrying out similar reforms in Georgia. The new police are now at work in Kyiv, Odessa, and Lviv and there are plans to roll out similar forces in other cities.

Finally, Ukraine has implemented reforms under heavy pressure from the IMF in exchange for loans. Some of these efforts target the energy sector, which is considered a major center of corruption in Ukraine. The country has started to raise domestic natural gas prices for residential customers, a painful process that will ultimately increase the efficiency with which users consume energy and provide greater transparency in the sector itself. Of course, as these reforms start to bite into the lucrative practices of entrenched interests, they are fighting back with increasing vigor. By early December, some were even arguing that Ukraine could get by without the IMF’s advice, thereby sacrificing the loans as well.

The Four Cores: Entrenched Interests, Civil Society, Media, and the Public

An examination of the four key actors in Ukraine’s anti-corruption policy efforts provides a basis for understanding the prospects for reducing corruption in the country.

Entrenched Interests

Oligarchs, significant layers of bureaucracy, and organized crime groups (and some citizens who routinely pay bribes to avoid dealing with officialdom) have an interest in maintaining the status quo in Ukraine. These groups oppose anti-corruption reforms because any change means, simply, less profit.²

Oligarchs have lost some of their clout since 2013. The fall in commodity prices hit several magnates hard. There are fewer subsidies to oligarchic enterprises alongside growing public scrutiny of public procurement. Several figures associated with the Yanukovych clan are under U.S. and EU sanctions, natural gas trader Dmytro Firtash is stuck in Austria and constrained by U.S. extradition requests, and Donetsk businessman Rinat Akhmetov is severely compromised by the fighting in the Donbas.

Of course, some oligarchs are faring better than others. Poroshenko himself has not followed through on his campaign promises to divest himself of his confectionary and media assets—and there are [reports](#) that his wealth has even grown since he took office. Quite a few oligarchs continue to control Ukraine’s main media outlets and fund specific political parties. Recent local elections demonstrated that vested interests are willing to use electoral funds to buy voters.

Mid-level bureaucrats continue to use their positions to extract bribes from the population. A hierarchy of corruption pyramids, in which lower level officials pass a cut on to their superiors, implicates almost the entire civil service. Existing laws make it difficult to fire officials, and a lack of funds means that salaries are low.

Finally, quite a few ordinary citizens often turn to corruption as a way to get things done, which adds resistance to any change in the system. According to an August 2015 Transparency International report, one third of Ukrainian citizens believe that corruption is justified.

Civil Society

By all accounts, a key advance in Ukrainian society after the Euromaidan has been the development of a stronger civil society. Today’s civil society organizations have learned from the fate of the Orange Revolution; today’s activists have not relaxed in pressing for reforms. This changed atmosphere is palpable. A strong coalition of civic groups has emerged that is focused on fighting corruption, with the most visible being the Anti-Corruption Action Center, Transparency International-Ukraine, and the journalist collective Our Money. Some Ukrainian civil society groups are implementing projects

² For more on this topic, see: Stanislav Markus, [Property, Predation, and Protection: Piranha Capitalism in Russia and Ukraine](#), Cambridge University Press, February 2015.

similar to the influential Indian website ipaidabribe.com, which is a public “clearing house” for anti-corruption reporting. While these groups and initiatives have achieved some policy successes, including pushing for the legislation that established the new anti-corruption agencies, the problem is that initiatives and successes are not widely known to the public. Efforts by these organizations to spread the word to ordinary citizens and channel popular desire for change upward are crucial for making further progress.

Media

Like civil society organizations, the media is a critical actor. Investigative reporting creates the impetus for both politicians and civil society organizations to reduce corruption. While there are plenty of reports about corruption in the Ukrainian press, the authorities often fail to follow up on investigative accounts by arresting perpetrators or introducing measures designed to block corruption schemes. This inaction is demoralizing and demobilizing for the citizens; it makes people aware of extensive corruption while suggesting that there is little that can be done about it. Foreign assistance in support of the media, which in Ukraine is still mostly controlled by oligarchs, creates new opportunities for independent reporting.

The People

Ultimately, the key to change will be through greater public pressure on Ukrainian politicians to take action. Anti-corruption crusaders frequently call for “political will” in taking on entrenched interests. Two examples of leaders with such “will” are longtime Singaporean prime minister Lee Kuan Yew and, to a lesser extent, former Georgian president Mikheil Saakashvili.

But while politicians like Poroshenko and Prime Minister Arseniy Yatsenyuk came to power promising radical change, they have not demonstrated sufficient commitment to reform. Since they benefit from the existing system, they are unlikely to make much effort to change on their own. Accordingly, ordinary Ukrainian citizens must drive any anti-corruption efforts. In fact, many citizens say that they feel like the people have changed while the political system and their day-to-day life remains the same. The problem is how to translate the popular desire for a new way of life into practical progress.

While civil society organizations and the media are important, Ukraine’s two revolutions have shown that the people themselves are a frequent actor in the political process. They can channel their activism into concrete change by supporting the new anti-corruption institutions that have been created. For example, when the new agencies begin to work and identify corrupt officials and practices, the people can pressure local and national politicians to ensure that investigations lead to trials. Popular pressure can

also be brought to bear in specific court cases to ensure that decisions are not simply “bought.” Public pressure can be unwieldy and difficult, but in the absence of effective democratic institutions, it is the only powerful way to generate reform.

Ukraine is not the only society in the world to deal with pervasive corruption. Numerous other countries have achieved some degree of success and they have often relied on using popular pressure to force politicians to do what is necessary. The experiences of Indonesia and Slovenia are particularly relevant; in those countries, coalitions formed between civic activists and politicians in order to support anti-corruption agencies.

Conclusion

Even after the Euromaidan, Ukraine has been unable to uproot the entrenched interests that block anti-corruption policies. To succeed, Ukrainian reforms need to find more mechanisms to channel popular pressure for change into the political system. The establishment of new anti-corruption agencies can help this process by giving ordinary citizens specific targets in the form of investigations of corrupt individuals and identifying corrupt practices. The masses have no choice but to stand up for change because the elites will not do it on their own.