

Ukraine's Semi-Managed Democracy on the March

PONARS Eurasia Policy Memo No. 482

August 2017

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Today, Ukraine has a coalitional-presidentialist political system that can best be categorized as a semi-managed democracy. This model has four main features: consolidation of power by President Petro Poroshenko, formation of a pro-presidential coalition in parliament, integration of former president Viktor Yanukovich's oligarchic representatives, and a rise in the importance of sub-national politics. This political system confirms the end of the post-Euromaidan era of political diversity, even though a consolidation of presidential power remains uncertain and the regime will probably face new tests in the coming months.

Poroshenko at the Pinnacle

The first feature of Ukraine's current system is that Poroshenko consolidated his powers in 2016. He now wields considerable influence over national and regional politics. He has personal legitimacy from popular elections and relative autonomy from all political parties (even his own parliamentary party is fairly weak). He uses a classic "carrots and sticks" method, bestowing elites with patronage rents or law enforcement investigations (blackmail). Poroshenko has also successfully expanded his formal control and informal influence over key political institutions, including the Cabinet of Ministers, Prosecutor's Office, Defense Ministry, security services, judiciary, and governors.

The president is the key "veto player" in government; he has the most power in the country to block initiatives. His April 2016 *blitzkrieg* to reconfigure the governing coalition demonstrated his semi-coercive political negotiation mechanism at work and marked the "return" of the presidency as the central player. When Arseniy Yatsenyuk resigned as prime minister last year, his People's Front party became a junior partner of Petro Poroshenko Bloc—"Solidarity" (BPP). The appointment of Volodymyr Groysman to replace him created the prerequisite for an increase of presidential influence on the Cabinet of Ministers and on the entire executive branch of power. In fact, Groysman's

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appointment significantly hinders the duality and competition among informal networks of executive power and integrates the premiership into the president's patronage pyramid. This situation recalls the historical tandems of Kuchma-Pustovoitenko, Yushchenko-Yekhanurov, and Yanukovich-Azarov, all cases where the prime minister was the direct representative of the presidential party.

Of note, a crucial factor that contributed to the strengthening of Poroshenko's power was the appointment of Yuriy Lutsenko as Prosecutor General of Ukraine in May 2016. This move allowed the president to maintain control over the Prosecutor's Office and use it as an instrument of influence.

Coalitional Cartels

The second feature of Ukraine's political development is the new composition of the pro-presidential parliamentary coalition, which consists of a political cartel involving the BPP and the People's Front. This configuration informally operates in a "two plus two" mode with key political decisions passed with the support of two oligarchic factions in the parliament: Vidrozhennya (backed by Dnipro oligarch Ihor Kolomoyskyi) and Volya Narodu (supported by several clans). Without these two factions, BPP-People's Front can secure a maximum of 221 parliamentary votes, or about 205 votes in practice. Currently, 226 votes are needed to pass a bill out of 450 (50 percent +1); Vidrozhennya and Volya Narodu can contribute up to 40 votes. Under some circumstances, Oleh Lyashko's Radical Party could add 20 votes.

Therefore, in order to implement his policies, Poroshenko has to rely on oligarchic factions. To get their votes, he needs to provide them with concessions and privileges, such as sources of rents and/or immunity from persecution. In contrast, most parties from the former 2014 democratic coalition, including Yulia Tymoshenko's Batkivshchyna and Andriy Sadovyi's Samopomich, as well as independent majoritarian MPs, have aligned to become the anti-presidential consolidated coalition.

It is likely that in the near future there will be a coalition recomposition into a "one-plus-one" involving a full-blown merger of BPP with the People's Front, and the formation of a new party, possibly called Nash Kray, which will consist of Vidrozhennya and independent majoritarian MPs. This new party could ostensibly become a partner of BPP (replacing People's Front).

Yanukovich's Reborn Representatives

The third major development in contemporary Ukrainian politics is the wide-scale integration of oligarchic representatives of the Yanukovich regime into the BPP-People's Front cartel. To a large extent, the expansion of the political, economic, and electoral base of BPP-People's Front is based on the re-integration of the regional

political machines of the former Party of Regions. The cooptation of these regional patron-client networks and local clans, as financial donors and organizational bases, allows the cartel to expand its electoral influences at local levels.

The relationship between politics and economy in Ukraine, thus, still has an oligarchic and neo-patrimonial nature. In the current system, the sources of rent in state corporations, ministries, and regions are controlled by BBB-People's Front via so-called *smotryashchie* – people who oversee shadow money flows and corruption schemes in regional entities. This type of rent allocation facilitates shadow investments into politics, making politics in Ukraine a highly lucrative business.

Active Local Politics

The fourth trend is the rapid development of sub-national politics in Ukraine. This process is substantially stimulated by Kyiv's partial loss of control over regional elites and the relative autonomization of local clans. This trend has resulted from the post-Euromaidan partial collapse of central authority coupled with decentralization reforms, leading to the transfer of financial resources to regional and local government. In fact, one may observe the formation of a new two-tier political system marked by the development of regional political regimes that have peculiar electoral compositions and which are very different from politics taking place at the national level. Sub-national political regimes are based on the dominance of relatively autonomous local patron-client systems and political machines that enter into various arrangements with national political players and the party of power. Oftentimes, however, these networks maintain forms of autonomy. This trend produces multiple configurations of political settlements at the local level and promotes the emergence of regional party projects and electoral blocs.

It is the formation, continuity, and durability of sub-national political machines in Ukraine that explains why the country can be called a "semi-managed" and not "fully managed" democracy. For the most part, sub-national political machines and patron-client networks rely on autonomous corruption sources and local sources of rent. As a rule, local sub-national political machines are incorporated into, or turn into, junior partners of the pro-presidential party of power. In addition, they may sometimes become recruiting, organizational, and financial cores of the presidential network. In the past, for example, this was the case with the Dnipro and Donetsk political machines. The best example currently is the west-central city of Vinnytsya, which is Poroshenko's original homeland. In most cases, local political machines can maintain political autonomy for a long time, as has happened in Zakarpattia, Odessa, Kharkiv, and Lviv.

The local elections of October 2015 illustrate these trends. In that election, the president's candidates had no success in the largest regional centers of Ukraine, including Kharkiv, Dnipro, Odessa, and Lviv, despite the active expansion of the presidential network at

many levels. BPP candidates failed to win most mayoral elections because local political machines successfully nominated their own candidates. Key examples include Hennadiy Kernes winning the mayorship of Kharkiv, Borys Filatov in Dnipro, Gennadiy Trukhanov in Odessa, and Andriy Sadovyi in Lviv.

The failure of upsprings by pro-Russian People's Republics in Kharkiv, Dnipro, and Odessa can be explained not by official policies or actions from Kyiv but by the rent-seeking interests of local and regional clans, many of which are part of Kolomoyskyi's regional belt network. Consequently, actors in these southern and eastern regions are beneficiaries of the post-Euromaidan system and stand as strongholds of the center's authority in these regions.

Key Issues that Will Test the System

There are several critical issues that may very well affect Ukraine's political arena in the short and medium term.

- *Reconfiguration of the political landscape due to (early) parliamentary elections*

This issue is on the horizon of the populist opposition (Batkivshchyna, Samopomich and, partially, the Radical Party) and the Opposition Bloc. All these forces want to expand their parliamentary presence and will seek to do so by criticizing the president, the government, and the current coalition's policies. The main objective, therefore, of the ruling BPP-People's Front cartel is to block or delay early elections. The People's Front will unlikely repeat its autumn 2014 success (at that time it won the party-list competition and successfully nominated Yatsenyuk for the premiership). The electoral promise of the BPP as a major parliamentary player at the moment is unclear.

- *Potential merger of the BPP and People's Front*

The instinct of political survival may push the People's Front to join a stronger partner, such as the BPP. However, the competition of business interests and power-sharing over rents makes certain that some influential players within the People's Front will want to maintain an autonomous status, which they would lose if the parties fully unify. The potential deal-breaker is control over the Ministry of Internal Affairs (MIA), the only power institution that is not yet under presidential control. Under the sufficiently skillful leadership of Arsen Avakov (a founding member of the People's Front), the MIA has become one of the main power centers in the post-Euromaidan system. It has control over many paramilitary groups and voluntary battalions, and has powerful leverage on political processes and rent sources. The People's Front's unwillingness to lose control over the MIA is one of the main obstacles to a merger of the two parties. As political bargaining plays out, it will be interesting to see if Avakov will keep hold of his office and if the MIA will succumb to presidential control.

- *Redistribution of the media market*

The largest national television networks, such as Inter TV and 1+1, are controlled by the groups of Firtash-Lyovochkin and Kolomoyskyi, respectively. One of the options within a potential Poroshenko-Kolomoyskyi trade-off arrangement presupposes the latter truly securing control over some of his own assets in exchange for him selling the 1+1 network to pro-presidential business structures. Similar negotiations are being held in relation to Inter TV, which was the target of intense attacks by the People's Front in September 2016, and to the popular news channels 112 Ukraine and News One.

- *Subjugation of independent political machines in major Ukrainian cities*

In the near future, one could observe a possible subordination to presidential authority or the destruction of the independent political machines in the major cities of Kharkiv, Dnipro, Odessa, and Lviv. Past pro-presidential attacks (using law enforcement structures and media) did not lead to the disruption of the status quo in these areas.

- *Informal subordination of the new anti-corruption bodies*

The new anti-corruption bodies like the National Anti-Corruption Bureau and the anti-corruption agency of the Prosecutor's Office could potentially lose their autonomy. In Ukraine, as in many other hybrid regimes, there is a tendency toward the selective use of anti-corruption investigations as a tool for suppressing political opponents and redistributing business assets. All Ukrainian presidents have been very successful in the art of selective justice. The success or failure of informal subordination and soft integration of the new anti-corruption structures into the presidential power vertical is a key test for Ukraine's democratic reform.

Conclusion

The 2016-2017 reconfiguration of Ukraine's political system yielded a semi-managed democracy. It marked the end of the post-Euromaidan divided rule system of 2014-2016, with an intense expansion of presidential control over key political institutions and the dismissal of Yatsenyuk as an independent power player. Poroshenko demonstrated apt usage of both formal and informal levers of patronal presidentialism to harness an effective coalition. His moves are part and parcel of the four change dynamics identified here:

- presidential consolidation;
- coalition recomposition;
- oligarch co-optation; and
- ascendant sub-national political machines.

However, consolidation of presidential control is not complete because competition and contention within the political system continue. There are parties and elites in the parliament and at the local level that can effectively impede the presidential agenda. Many prospective civil society political projects, such as the Democratic Alliance or Mikheil Saakashvili's New Forces Movement, plan to gain significant popular support and occupy more of a place in the political system. Taking into consideration the key issues raised when looking ahead, a test of the durability of the current system is in store.

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