

Ukraine – Trying to build a future beyond the past

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On 25 May Ukrainian businessman Petro Poroshenko became Ukraine's fifth President, winning in the first round with some 54% of the vote, far ahead of Yulia Tymoshenko. While Poroshenko has been involved in Ukrainian politics for several years, including a short stint in the government of disposed President Viktor Yanukovich, his support and involvement in the EuroMaiden anti-government protests, along with the decision of Vitali Klitschko to drop out of the presidential race and support Poroshenko's candidacy, were key to his success.

The result has provided Ukraine with a legitimate, democratically elected leader and underlined that Ukrainians overwhelmingly support a united country. Given that Poroshenko ran a pro-European, pro-reform campaign, it also demonstrates that Ukrainians want a European future in a peaceful, democratic, law abiding state. The high turnout (some 60%), including some thousands of voters traveling from occupied Crimea, and others risking the violence in the East, has debunked the narrative that Ukraine is a divided state.

While Poroshenko's election offers Ukraine a chink of hope for the future, the challenges are enormous, with the country occupied (Crimea) and crisis-ridden. For the last quarter of a century Ukraine's political elites and oligarchs have systematically worked to consolidate their power and wealth, turning some regions into fiefdoms and creating self-serving power structures that have drained the state and left many ordinary Ukrainians destitute. To all intents and purposes Ukraine needs to be rebuilt from scratch. This will require delivering on a number of key issues related to democracy, security, corruption and economic development.

Stabilising the country

Poroshenko's first task must be to stabilise and secure the country; ending the insurgency in the East which has been supported by Russia and some local businessmen/politicians. With the eastern-most regions – the Donetsk and Luhansk oblasts - still partially under the control of armed pro-Russian separatists, there is a serious risk of it becoming a lawless territory. While Ukraine will continue its "anti-terrorist operation", the fact that the Ukrainian military is broadly corrupt and incompetent has had a serious impact on its ability to produce quick results and recapture seized territory. With society having little or no confidence in the military, so-called people's 'self-defence units' have been increasingly mobilised over which the authorities have no control. While security sector reform is crucial, under the present circumstances there is little that can be done in the short term. Furthermore, it is impossible to secure and stabilise these regions by military means alone. It will only come through political dialogue, compromise and inclusive democratic governance. Consequently there are a number of other key steps that need to be taken: constitutional reform, national dialogue, early parliamentary elections, fight against corruption and far-reaching economic and political reforms.

Elections and reform

Early Parliamentary elections which should take place by the end of the year will hopefully produce a parliament that reflects the new realities in the country. In the meantime it is very probable that the Cabinet will be shuffled which will help legitimise it – which may mean the removal of a number of allies of Tymoshenko which are presently a dominant force in the current set up. This is something which Poroshenko would need to reach an agreement over with Prime Minister Yatsenyuk, with the exception of the Foreign and Defence Ministers, which he is legally allowed nominate and change alone. Having done a good job of holding things together during the crisis the Prime Minister Yatsenyuk will almost certainly stay. However, creating a more representative parliament will require changing the electoral law including returning Ukraine to a proportional system rather than a proportional-majoritarian one and with open party lists which will make the process more transparent and accountable. A cap should also be put on the amount of money allowed to be spent on electoral campaigns, together with the creation of a fully independent monitoring agency to oversee the financing of political parties and campaigns.

A new Constitution

The process of constitutional reform covering areas such as division of power, accountability of the public administration and decentralisation, has begun and the revised document is expected for September. An Interim Special Committee was established on 4 March composed of 15 MPs, although the majority comes from Tymoshenko's *Batkivshchyna* party, including the head of the committee, Ruslan Knyazevych. Decentralisation will be of particular importance as it will allow the regions to have more control over their own affairs including those related to language, education, economic and cultural issues and allow them to elect and control their own governors.

Three drafts have been sent to the Venice Commission for comment. There are also ongoing public debates and discussions with three rounds of an all-Ukrainian national unity dialogue and two extended sessions on decentralisation reform having taken place in different cities so far. Bringing the decision-making process closer to citizens is crucially important, hence the process of public consultation needs to be all-inclusive and transparent otherwise the legitimacy of the final document may be called into question.

A zero tolerance approach to corruption

A further priority must be the fight against corruption and establishing a genuine rule of law, something which Ukraine has never had. Until now Ukraine has had a sort of legal anarchy: whoever controls power largely controls the legal system.

Corruption is a fact of life. It reaches into big business, law enforcement, education, the police and even the smallest transactions between people on the street. Transparency International's Corruption Index for 2013 put Ukraine at 144 out of 177 countries. Serious measures to eradicate corruption, with a top down approach need to be implemented. This will not only demonstrate to society that the new authorities are serious, it will also help Ukraine start to attract the sort of foreign investment that it needs to turn the country's economic woes around.

Signing the economic part of the Association Agreement with the EU, which is due to take place in the coming weeks, will give a strong impetus to establishing a robust rule of law and curbing corruption. Nevertheless it will be a far from easy task because at the heart lies the economy controlled by the oligarchs. With business and politics so firmly linked together it may take a decade or longer to break them apart.

Relations with the EU and Russia

Poroshenko has made deepening ties with the EU a priority. Following the signature of the economic part of the Association Agreement in June, Ukraine will move to implementation and this will not be an easy task requiring painful and expensive reforms. However, with such strong support for democratic change, it seems society is ready to bear the pain - at least in the short term – in improve the country's perspectives. However, the process should not be elite driven and civil society must have a big stake, working side-by-side with the government, helping to set the reform agenda and monitoring implementation.

In the aftermath of the Presidential election, the President of the European Commission, José Manuel Barroso, pledged that the EU “will continue to give its full support to stabilise the country and increase its resilience to external threats”. Delivery of a comprehensive assistance programme of 11 billion Euros is already underway, while the EU is also supporting the country in issues related to its energy security. Ukraine's economic resurrection and political stability should become a strategic goal for the EU offering strong support for rebuilding key institutions, including the army. Furthermore, given the EU is not ready to give Ukraine a membership perspective, it is important to rapidly move ahead with visa liberalisation once the country has completed part two of its Visa Liberalisation Action Plan which is expected in the first part of 2015.

Russia remains key to the future stability of Ukraine. Poroshenko has already indicated that he is ready to meet with Putin and compromise over everything but Crimea and Ukraine's decision to pursue economic integration with the EU. While Putin has recognised the will of the Ukrainian people, Russia is unlikely to change its approach, despite the fact that Moscow has lost ground, failing to garner the support it wanted in either Eastern or Southern Ukraine. The West should never forget the importance of Ukraine to Russia, and as long as Ukraine remains weak and fully dependent on Moscow in areas such as gas supply, Russia remains a significant threat. Putin is unlikely to make any meaningful concessions. Rather Moscow will probably expect the West to make concessions as part of a diplomatic solution. This may include renewed talks about a common economic zone that would allow both Ukraine and the EU to have an FTA with the Russian led Customs Union.

A new chapter in Ukraine's history has opened and there is a unique window of opportunity to build a united, strong, democratic country. However, it will be insufficient without strong teamwork (all key actors moving in the same direction) and national consensus within the country and the political elite. Personal interests and party revanchism must become a thing of the past. Ukraine's politicians and other key players must embrace this opportunity, while the EU must do everything in its power to support Ukraine, because they may never have such an opportunity again.

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