

Denys Shmyhal is the new Prime Minister of Ukraine

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On 4 March, the Ukrainian parliament accepted the resignation of Prime Minister Oleksiy Honcharuk, and with him the entire government (353 votes for the motion). Speaking before the vote, President Volodymyr Zelenskiy thanked him for his work, while blaming the government for conducting an inefficient economic policy, overseeing a decline in industrial production and customs revenues, and of poor communication with local authorities and the public, as well as failing to prepare for further reforms, and ineffectiveness in the institutions of force's activities. Next, the parliament approved Denys Shmyhal, the current deputy prime minister and minister for the development of regions and territories, to become the new head of the council of ministers. His candidacy was supported by 291 deputies, including 242 from the pro-presidential Servant of the People party, 35 from the oligarchic Confidence and For the Future factions, and 14 independent deputies.

A new cabinet was also voted through, with some changes being made to its structure. The most important include the following: reserve general Andriy Taran becomes minister of defence; the current foreign minister Vadym Prystaiko becomes deputy prime minister for European integration; the deputy prime minister for European integration Dmytro Kuleba becomes the head of diplomacy; and new positions of deputy prime minister and minister for reintegration occupied territories have been created, both filled by Oleksiy Reznikov. The formation of the new government was unprepared, chaotic and carried out in great haste. This is evidenced by the fact that in the cabinet as appointed there are still four ministerial positions (including the deputy prime minister for economic affairs, the minister of agriculture and the minister of energy) which are still vacant, and some of the other names were changed during the voting day.

Commentary

- Honcharuk submitted his resignation under pressure from President Zelenskiy, as according to the law, the prime minister can be dismissed only at his own request before one year of parliamentary approval of the government's programme (which took place in October 2019) has elapsed. Zelenskiy's goal is to make the government's operation more effective, and to reverse (or at least slow down) the rise in the negative ratings which the public has given its government. Nine months after the presidential election, and six since the formation of the previous cabinet, the pace of decline in support for the government has started to accelerate. In February this year over 40% of voters declared a lack of confidence in the President, and over 60% in the government, while six months

earlier these percentages had been 13.5% and 22% respectively. Moreover, only 25% of voters believe that the country is heading in the right direction (compared to 53% who think it is going in the wrong direction).

- The new prime minister Denys Shmyhal has many years of experience working in mid-tier regional administration. However, his career accelerated after Zelenskiy came to power; in August 2019 he became governor of the Ivano-Frankivsk oblast, and in February this year he was made deputy prime minister and minister of regional development. At the same time, he can boast of having worked in managerial positions in business (for more, see the Annex). However, Shmyhal's previous business activity may become his greatest burden. The DTEK Zakhidenerho and the Burshtyn thermal power plant, where he worked as a vice-president and director, are part of the SCM group which belongs to the oligarch Rinat Akhmetov, the richest man in Ukraine. Shmyhal has claimed that he took these positions as a result of an open selection procedure, although the nature of his link to the oligarch may come into question.
- The make-up of the new council of ministers indicates that Zelenskiy has at least partially gone back on his promises to completely replace the elites and promote people without political experience, which (according to his earlier declarations) was supposed to have guaranteed that the state would function better. The President has decided to bring people into government who are more mature and have been tested in administrative positions, in the hope that they will make the state's operations more efficient and take greater control over bureaucratic processes. That is why the new cabinet consists of ministers who have proven themselves in the previous government, as well as new people; of the latter, important positions have been taken by people with experience at government level (the heads of the finance and health ministries). At the same time, it is noteworthy that some of the previous government's ministers who had been offered the chance to remain at their posts (Tymofiy Mylovanov at economic development, Anna Novosad at education, Volodymyr Borodianskiy at culture) refused to do so. Several other experienced officials decided not to join the government, which may indicate that they do not have any great hopes for it.
- The reasons for the resignation of Honcharuk, who last August became the youngest head of government in the history of Ukraine and had the reputation of being a professional, are numerous. Although his cabinet could be considered the least corrupt since 1991, it was also one of the weakest. Honcharuk was unable to find a strong position for himself within the ruling system, or to gain influence in the Servant of the People group. This made it hard for him to cooperate effectively with parliament; for example, he was unable to provide the necessary number of votes for specific laws (the presidential grouping is heterogeneous, and is divided into various groups whose interests are not always convergent). According to calculations by the Committee of Voters of Ukraine NGO, in the six months of its operation the parliament only adopted 25 government bills, 12 of which were purely technical (ratifications of international agreements, etc.). This weakness, especially in recent weeks, resulted from the fact that the disciplining of the Servant of the People deputies was mainly the work of Andriy Bohdan, who until 11 February this year had also been the head of the President's Office and Honcharuk's mentor. Bohdan's resignation further weakened the prime minister's

position, while the new head of the President's Office, Andriy Yermak, had already expressed scepticism about whether it was desirable to keep Honcharuk in his post.

- It also seems that despite his many declarations of loyalty to the head of state, Honcharuk lost the confidence of the President himself. In addition to his ineffectiveness, he was also harmed by a wiretapping scandal; in January this year audio recordings went online in which the prime minister assessed the head of state's economic knowledge in unflattering terms. Honcharuk had also failed to win authority among the public; according to opinion polls, both his personal support and support for the activities of his cabinet shrank fastest among the most important representatives and organs of the government. There was thus a concern that Honcharuk's inefficiency would increasingly become a burden to the President himself, who has so far managed to retain the support of just over half of the voters.

Annex. Biography of the new prime minister

Denys Shmyhal (born 15 October 1975 in Lviv) is a Ukrainian economist, manager and politician. In 1995 he graduated from the Faculty of Economics of the Lviv Polytechnic (specialising in production management), and in 2003 he defended his doctorate at the Institute of Regional Research of the National Academy of Sciences (his doctoral topic was the development of the production infrastructure of enterprises in market-economy conditions). He took scientific internships abroad, including in Aachen under a programme run by the German Economy and Energy Ministry, as well as in Finland, Canada and Belgium. From 2000 he held managerial positions in private enterprises (including the Lviv Bus Factory). In 2009–13 he worked in the Lviv regional state administration, including as an advisor to its chairman, head of the main economic department, and director of the department for economic development, investment, trade and industry. In 2014, he unsuccessfully stood for election to the national parliament as a non-party member (he won 188 votes), and in 2015 he joined the Lviv regional council on behalf of a small group called *Narodny Kontrol*. In 2014, he was elected in open competition to the post of deputy head of the tax service in the Lviv region, where he initiated a campaign called 'Bribe-takers to jail'. In 2015–17 he was general director and a member of the supervisory board of the Lvivkholod company (one of the largest supermarket chains in Ukraine). In 2017–19 he held managerial positions in the DTEK Zakhidenerho company (belonging to the oligarch Rinat Akhmetov), including that of director of the Burshtyn thermal power plant.

After Volodymyr Zelenskiy won the presidential election, Shmyhal was considered as a candidate for chairman of the Lviv regional state administration, but in August 2019 he was appointed chairman of the Ivano-Frankivsk state administration. He held this position until 4 February 2020, when he took the position of deputy prime minister and minister for the development of regions and territories in the government of Oleksiy Honcharuk. As part of the tasks entrusted to him, he was primarily responsible for introducing reforms to decentralise the state.

Shmyhal is seen as a technocrat, an effective manager and civil servant. He has no political background, which makes him completely dependent on the President and his circle. Shmyhal has denied any connection with Rinat Akhmetov, emphasising that he was elected

to his position in the oligarch's business in an open tender, and has never met him.

He feels much more comfortable speaking on economic than political issues. In his opinion, counteracting Russia's aggression in the east of the country should be based on attempts to resolve the conflict through diplomatic means (including primarily through support from Western partners), while increasing Ukraine's military capabilities. He considers corruption to be the state's main problem, and sees the fight against it as one of the main tasks of his public activity. He believes that a key tool in reducing corruption is to create conditions for transparent free-market competition, with the state having the smallest possible share in the economy. Some journalists consider him to be devoid of charisma or a political personality. He is considered to be a conciliatory person whose nature is to seek compromise.

He has stated that he knows the English and Polish languages. He has spoken positively about Poland's economic transformation, and said that the state reforms carried out in Poland are an example for Ukraine to follow. His views on historical topics are unknown.

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