

Ukraine: Zelensky's anti-Russian move?

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On 19 February, Ukraine's President, Volodymyr Zelensky, approved the decision passed by the National Security and Defence Council (NSDC) to impose sanctions on 19 corporate entities and eight individuals. This includes Viktor Medvedchuk, one of the leaders of the pro-Russian party Opposition Platform – For Life. At the same time, the law enforcement agencies have been obliged to investigate the rulings under which Medvedchuk had taken control of the PrykarpattZahidtrans company in 2015. The company owns the product pipeline which is one of the main routes for importing diesel oil from Russia via Ukraine. The government has also been instructed to use all means to bring the pipeline back into state ownership. This is the second decision against Medvedchuk passed by the NSDC over the past few weeks – on 2 February, the TV signal of three news channels which he controls was blocked. Zelensky has made these moves in order to deal with the continuing decline in support for himself and the Servant of the People party, while the popularity ratings of the Opposition Platform – For Life and the European Solidarity party led by the former president Petro Poroshenko have been growing. As regards foreign affairs, they may suggest that Zelensky has adopted a more assertive policy towards Russia and that he is willing to adjust the format of the Donbas negotiations; this has so far been ineffective. The Kremlin responded to the restrictions by accusing Kyiv of unlawful actions aimed at silencing the political opposition and distracting the public from the failure of Zelensky's policy.

Medvedchuk's comeback to the political scene

Medvedchuk has been present in Ukrainian politics since the mid-1990s. In 2002–2005, he served as the head of Leonid Kuchma's Presidential Administration and was among Ukraine's most influential people. Proof of his high position can be found in his close friendship with Vladimir Putin and Dmitry Medvedev (Putin and Medvedev's wife became his daughter's godparents in 2004). Since the Orange Revolution at the turn of 2004/2005, he spent ten years in the political shadows. He has been managing the pro-Russian social project Nash Vybir, but has not been particularly successful.

Medvedchuk's return to the first league, first in business and later in politics, took place after Poroshenko's victory in the presidential race in 2014. There are many indications that not only did Poroshenko make no attempt to prevent his return, but even favoured it (this also might be a part of his informal deal with the Kremlin). One proof of this is the case of the PrykarpattZahidtrans company, which owns the Ukrainian section of the Samara – Western Direction pipeline. After many years of court disputes for control over the company, the court in Rivne passed a controversial verdict in 2015. As a result, the ownership of the pipeline was transferred to the Russian state-owned company Transneft (the National Anti-

Corruption Bureau initiated an investigation into this case in 2017). In 2016, Transneft sold PrykarpattZahidtrans to the Swiss company International Trading Partners AG (its shareholders included people linked to Medvedchuk). Diesel oil was imported via the pipeline from Russia: in 2018 imports reached 2.1 million tonnes, falling back to 1.2 million tonnes in 2019. Another example of assistance which the oligarch received from Poroshenko were the measures taken by the SBU against LPG traders at the turn of 2016 and 2017, enabling companies controlled by Medvedchuk to take over about 40% of the Ukrainian LPG market.

It is likely that his fortune built on fuel imports enabled Medvedchuk to buy two news channels (112 and NewsOne) in 2018 and another one (ZIK) at the beginning of 2019. The viewership of these stations in the television news segment was around 45%, which was an important instrument of the oligarch's influence on public opinion and was also used to strengthen the position of the Opposition Platform – For Life. The predominant themes on these TV stations included presenting him as a politician capable of ending the armed conflict in Donbas, uncompromising criticism of the government, and promoting openly pro-Russian content. It seems that Poroshenko's main motivation was electoral calculations. He wanted to strengthen the pro-Russian party, because only with support from its candidate did he have a chance to win the presidential race.

Since the beginning of the conflict with Russia, Medvedchuk has acted as an unofficial intermediary in Kyiv's talks with representatives of the self-proclaimed republics established in eastern Ukraine, and actively promotes Moscow's goals, including for Kyiv to recognise the so-called Donetsk People's Republic and Luhansk People's Republic as independent states and for Ukraine to enter into direct negotiations with representatives of these 'republics'. On the initiative of President Poroshenko, starting from December 2014, he conducted negotiations on the exchange of prisoners of war between Ukraine and the separatist republics and Russia, and acted as a special representative of Ukraine during the peace talks in Minsk. Medvedchuk resigned from these functions after Zelensky took office. Since then, he has criticised the new president's policy for showing no respect to the "will of the Donbas people" by ignoring the need for direct dialogue with the self-proclaimed governments of Donetsk and Luhansk.

The causes of the sanctions: the domestic context...

Zelensky and his party, Servant of the People (SP), have been regularly losing support in the polls. Although the president is still leading the electoral ranking, the distance to his two most serious competitors (Opposition Platform – For Life's Yuri Boyko, and Poroshenko) has been steadily shortening. According to a survey by the Razumkov Centre published on 8 February, 23.1% of respondents would be ready to vote for Zelensky, 19.9% for Boyko, and 17.8% for Poroshenko. The situation is similar as regards support levels for the political parties they represent. SP may expect a support level of 22.2%, For Life 21.9%, and European Solidarity 18.1%. According to some public opinion polls, the Opposition Platform – For Life has an advantage over SP.

Therefore, it seems that the most important reason behind the sanctions imposed on Medvedchuk is the attempt to protect SP from losing more of its electorate to its key rivals. The overriding goal is to weaken the media and business circles supporting the Opposition Platform – For Life, and to make it play the role of the main opposition party. This is based

on the calculations that it is unlikely that the support levels for this pro-Russian group and its leader exceed 30%. Furthermore, Zelensky's decision will deepen the conflicts inside For Life since it will strengthen the rival group that has formed around Boyko and Serhiy Lyovochkin. The group has its own media and sources of financing, and is increasingly concerned about Medvedchuk's growing position.

The sanctions are also intended to affect the image of Poroshenko, who chose not to impose them during his presidency. They are expected to undermine the credibility of the former president, who uses patriotic and anti-Russian slogans. By continuing to discredit Poroshenko by accusing him of collaborating with Medvedchuk, including facilitating the illegal privatisation of the oil pipeline, Zelensky is attempting to attract at least some anti-Russian voters away from European Solidarity and its leader, especially given the fact that Zelensky's moves are not limited to attacking For Life. Another example of the pressure on pro-Russian circles may be the SBU's announcement that it will present a motion to initiate proceedings in connection with the suspected crime (high treason) committed by Anatoly Shariy, a blogger and leader of the Party of Shariy.

...and the international one

It seems that the choice of the moment of imposing the sanctions on Medvedchuk was influenced by the international situation, since the EU and the USA have been increasingly criticising the Kremlin (for example, for the poisoning and imprisonment of Alexei Navalny). The Ukrainian government decided that, in the present situation, the international community will not believe any accusations which Moscow could make that Kyiv is violating the freedom of speech and using repressive measures against its political opponents. The US Embassy has expressed a positive opinion on the sanctions, emphasising that Medvedchuk has been on the American sanctions list since 2014. At the same time, the restrictions imposed by the Ukrainian government have not caused any negative reactions in the European Union, which may indicate that this decision was consulted with Ukraine's key Western partners.

The sanctions against Medvedchuk also fit in with other moves by Zelensky, which may mark a shift in the policy towards Russia and in the approach to solving the conflict in Donbas. Moscow has been obstructing the peace process. It has, for example, refused to launch the next stages of the exchange of prisoners of war, to withdraw the armed forces and heavy equipment from the agreed sections of the so-called demarcation line, and to open new points to cross it. Due to this, Kyiv is becoming increasingly critical about the previously functioning negotiation format and has appealed to the US to take an active part in the conflict resolution. Increasingly frequent cases of shelling and mines by pro-Russian armed groups along the so-called demarcation line have caused a significant increase in the number of casualties among Ukrainian soldiers since the beginning of the year and may effectively break the ceasefire that has been in place since the end of July. The order issued by the president at the beginning of February to assess the combat efficiency of Ukraine's armed forces in the east of the country is a demonstration of Kyiv's readiness for a possible intensification of the military operation in Donbas.

Outlook

Zelensky's moves seem to suggest that he is thinking more and more seriously about his re-election, although he announced during the election campaign that he would only serve as

president for one term. The most convenient opponent for him would be Boyko, who has little chance of winning a runoff. Nevertheless, it seems that Zelensky's adoption of a more anti-Russian approach – if this is meant to improve his support level – must be only one of the elements of a broader scenario which above all includes improving the government's effectiveness and the use of more effective measures to curb corruption. Moreover, a direct attack on Medvedchuk, who has a close, personal relationship with Putin, poses the risk of a harsh response from Russia, for example in the form of a re-escalation of the conflict in Donbas.