

## A pillar of the system? The political phenomenon of Arsen Avakov

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The change of government in Ukraine in 2019 has boosted the political position of Arsen Avakov, the longest-serving interior minister in the history of independent Ukraine (he has been in five consecutive governments since February 2014). He was the only member of Volodymyr Hroysman's cabinet to remain in office following Volodymyr Zelenskiy's presidential victory. Zelenskiy came to power demanding that the political class should be renewed and the 'old politicians' removed, among other things. According to some Ukrainian politicians and media outlets, Avakov is an essential and highly influential politician, a guarantor of internal stability and a possible candidate for prime minister. Over the last six years, the interior minister has built up a strong position for himself in the internal security sector (for example, he supervises the National Police and the National Guard) and has successfully neutralised attempts by other politicians to limit his power. Moreover, any talk of his dismissal is frequently viewed as a threat to the country's stability. Avakov has a big media presence and positions himself as an experienced official, a statesman and a guardian of justice and order above the divisions that run along party lines. While maintaining control of the Interior Ministry agencies, he has become politically independent and has built up an exceptionally strong position for himself. However, it seems that his media image as an omnipotent and increasingly influential politician does not correspond completely to his actual status. His attempts so far to extend his influence beyond the Interior Ministry (in politics in general, as well as in numerous institutions of the judiciary) have had less impressive results than he had expected. Alongside this, Avakov is among Ukraine's least popular politicians; he has no political party base, no sufficient funds and no media assets that could enable him to have any effective influence on the work of the government and parliament.

### A businessman turned minister: what is Avakov's background?

Avakov is a typical representative of his generation, an individual who started his business career in the *perestroika* period and then made a smooth transition to politics in a newly created state.

A similar situation was found with other Ukrainian politicians who are more popular than Avakov, including Yulia Tymoshenko, Serhiy Tihipko and Petro Poroshenko. The future minister was born in 1964 in Baku, to an Armenian family who settled in Ukraine two years later. He has a degree in engineering. In 1990, he established his first



company, Investor, which was involved in buying up certificates of companies undergoing privatisation. Two years later, in Kharkiv he established the Bazys bank; this provided banking services to Investor, which had by then been transformed into a holding company including businesses active on the property market, in the energy sector and in the food industry. Although it was one of the major local companies in Kharkiv and the Kharkiv region, it could not compare with the biggest business groups formed by Ukrainian oligarchs. Avakov has repeatedly featured on the list of Ukraine's richest people, although his assets have gradually been decreasing. In the ranking compiled by the Focus weekly in 2008, he placed 76<sup>th</sup>, and his assets were worth US\$385 million. The last time he featured in this ranking was in 2018. His assets were estimated at US\$52 million, which ranked him 90<sup>th</sup>.<sup>1</sup> In its ranking, the Focus weekly listed Hraelit-21, a company involved in selling natural gas extracted by Energia-95, as Avakov's main asset.

## » Avakov is a typical example of an individual who made a smooth transition from business to politics.

His intention to develop and protect his business undertakings led Avakov to get more actively involved in politics. In 2002, he was appointed member of an executive committee on the Kharkiv city council; ahead of the 2004 presidential election he sided with Viktor Yushchenko, and following Yushchenko's victory he was appointed governor of the Kharkiv region. In the 2010 presidential campaign, he supported Yulia Tymoshenko, a rival of Viktor Yanukovich, who won the election. In 2011, Avakov had to emigrate to Italy due to his conflict with the Party of Regions (the ruling party at that time), and more specifically with this party's increasingly influential politician Hennadiy Kernes (the mayor of Kharkiv after 2010). As a consequence, Avakov was forced to sell a portion of his assets (including the Energia-95 company), while his other assets were effectively confiscated from him, in-

cluding Bazys bank, which at that time provided banking services to Turboatom (a major industrial company), and was closed by the state regulator.

In 2012, Avakov was elected as a deputy to the *Verkhovna Rada* (VR, the Ukrainian lower house of parliament) on *Batkivshchyna* party list, and was granted parliamentary immunity, which enabled him to return to Ukraine. He took part in the Euro-maidan protests, during which he was responsible for infrastructure and provisions. Following Yanukovich's escape from Ukraine in February 2014, he was appointed interior minister. In the same year, he left *Batkivshchyna* and became one of the founders of the People's Front, which formed a coalition with the Petro Poroshenko Bloc and ruled the country from 2014 to 2019.

Within his first two years in office as interior minister, Avakov allegedly managed to recover his former assets.<sup>2</sup> The size of those assets is difficult to estimate because some of them registered as belonging to his family members and business partners. According to the former deputy Serhiy Leshchenko, Avakov's wife owns a solar power station which generates a revenue of around 50 million hryvnias (around US\$2 million) annually.<sup>3</sup> Avakov's major business partner of many years is Ihor Kotvitskyi (his former driver and People's Front deputy), which prompts the assumption that he too controls a portion of the assets belonging to the interior minister. 2015 saw a scandal involving Kotvitskyi siphoning off US\$40 million to a bank account in Panama. However, an investigation launched into this matter was discontinued (for reasons including actions carried out by the Interior Ministry). It is also likely that Avakov is earning undisclosed income from bid-rigging in tenders organised by the Interior Ministry, and also from protection offered to illegal businesses, mainly those involved in gambling. However, the size of this income is difficult to estimate.<sup>4</sup> Regard-

<sup>1</sup> Е. Шаповал, 'Кто самый богатый в Украине. Рейтинг ТОП-100 Нового Времени', *НВ Бизнес*, 25 October 2018, [www.nv.ua/biz.html](http://www.nv.ua/biz.html).

<sup>2</sup> И. Верстюк, 'Внутренние дела министра. Как расцвел бизнес главы МВД Арсена Авакова при новой власти — расследование', *НВ*, 23 October 2016, [www.nv.ua](http://www.nv.ua).

<sup>3</sup> С. Лещенко, 'Сговор олигархов! Украинцы спасают почти банкрота Ахметова', 4 May 2020, [www.youtube.com](https://www.youtube.com).

<sup>4</sup> 'Нелегальные игорные бизнесмены снова подняли головы', *Цензор.НЕТ*, 7 May 2020, [www.censor.net.ua](http://www.censor.net.ua).

less of the doubts as to how big the assets owned by the minister and his family members really are, by Ukrainian standards Avakov can at best be categorised as a regional oligarch. It is therefore unlikely that it is his own financial assets, rather than his role in the government, that enable him to play an important part in Ukrainian politics.

## Avakov's place on the Ukrainian political scene

At present, Avakov's position reflects the confidence placed in him by Zelenskiy, who views Avakov as one of the most effective ministers in the Ukrainian government.<sup>5</sup> It was the president rather than the prime minister who decided that Avakov should remain in office, not only in the government headed by Oleksiy Honcharuk (August 2019 – March 2020) but also in the current cabinet under Denys Shmyhal (formed in March 2020). This happened regardless of the president's initial statements which suggested that Avakov should continue his job as interior minister, but only temporarily. Avakov won favour with Zelenskiy back in 2019 during the presidential campaign, when he declared his readiness to act to ensure a fair election procedure and publicly spoke out against Poroshenko, Zelenskiy's main rival. Although Avakov had been in conflict with Poroshenko over the supervision of the internal security agencies, it cannot be ruled out that he had agreed on his stance with Zelenskiy's campaign team, resulting in Avakov remaining in office as interior minister following the presidential election. In the post-election period, the interior minister was one of several major figures (alongside Andriy Bohdan, the former head of the President's Office) who introduced the new president to how Ukrainian politics and the state administration operate. Avakov managed to win favour with the president's close collaborator Serhiy Shefir (who is also a co-founder and co-owner of Studio Kvartal 95, the base of Zelenskiy's acting and producing career before he became president). Avakov is said to still be on friendly terms with Shefir.

<sup>5</sup> 'Зеленский назвал Авакова одним из самых эффективных чиновников', Українська правда, 3 March 2020, [www.pravda.com.ua](http://www.pravda.com.ua).

Avakov knows how to win people over and is capable of forming *ad hoc* political alliances, although his relationships with key figures on the Ukrainian political scene are difficult to define. Little is known about his contacts with the oligarchs Rinat Akhmetov and Viktor Pinchuk. With regard to Ihor Kolomoyskiy, according to media reports<sup>6</sup> Avakov has consulted some of his political steps with him, although there is no evidence to prove that their cooperation is permanent. When voting on issues of key importance for the country's leadership, the deputies associated with Avakov rarely vote in concert with those of Kolomoyskiy, e.g. against the solutions proposed by the government. The interior minister has influence on several deputies, mainly from the Trust and the For the Future parliamentary groups composed of deputies elected in single-member constituencies, as well as on several Servant of the People deputies (including Denys Monastyrskiy, the head of the parliament's Committee on Law Enforcement). However, these deputies do not form a solid group which could vote in unison on each major issue. It seems that Avakov also maintains his high potential for cooperation with the *Batkivshchyna* party and its leader Yulia Tymoshenko, which results from the fact that he had been a member of this party at the beginning of the last decade, and likely also one of its sponsors.

## ” Avakov's position reflects the confidence placed in him by President Zelenskiy.

Avakov continues to be in conflict with Kharkiv's political and business elite, mainly with Hennadiy Kernes. He has also criticised the pro-Russian opposition focused around the 'For Life' Opposition Platform, which results both from his conflict with the mayor of Kharkiv and from his likely political views: throughout his career he has been associated with camps that have supported (or at least declared their support for) Ukraine's pro-Western orientation. Nevertheless, it should be assumed that the interior minister is using his position

<sup>6</sup> '«Говорили про життя»: Коломойський про свої візити до Авакова, які зафіксували «Схеми»', Радіо Свобода, 8 November 2019, [www.radiosvoboda.org](http://www.radiosvoboda.org).

to maintain favourable relations with most of Ukraine's oligarchs and major politicians (excluding Poroshenko). He likely views these relations as a promising investment, and does not want to identify with any of these people separately.

## The pillar of law enforcement

The key source of Avakov's political position is the power he consolidated in his hands when he was appointed interior minister. He supervises the system of institutions responsible for law enforcement, and has the final word in determining the tasks of the National Police, the National Guard, the State Border Service, the State Service for Emergency Situations and the State Migration Service (which employ a total of more than 200,000 armed officers and civilian employees). Moreover, Avakov was the author of the reform to the traffic police, modelled on a similar Georgian reform and carried out under pressure from the West. The reform resulted in the establishment of a new, well-equipped Patrol Police with considerably younger personnel. Corruption in the Interior Ministry agencies has also been curbed. The creation in 2014 of a new service, the National Guard (60,000 soldiers), modelled on the structures of the Interior Ministry's Internal Troops, was another success. The Guard's establishment enabled the government to deal with the situation concerning the proliferation of volunteer armed groups formed on an *ad hoc* basis when the conflict with Russia broke out. Most of these groups were incorporated into the Armed Forces of Ukraine; four groups were incorporated into the National Guard and their volunteer status was maintained.

The Azov regiment, which for example fought in the battles of Ilovaysk and Mariupol, is one of the groups which are said to be heavily influenced by Avakov. The incorporation of this regiment into the National Guard gave Avakov a tool to put pressure on Andriy Biletskiy, the regiment's former commander turned politician, and the leader of the nationalist party known as the National Corps and of the so-called Azov movement. The movement includes well-trained fighter groups known as

National Teams whose activity is said to be influenced by the interior minister and, in some situations, coordinated with the ministry's agencies.<sup>7</sup>

” **Avakov's position has been boosted by his supervision of the law enforcement institutions.**

The Interior Ministry has also been involved in supporting organisations grouping veterans of anti-terror operations carried out in eastern Ukraine (ATO). This support enables Avakov to maintain his influence in these groups, which have been unfavourable towards successive presidents and governments. This makes it increasingly likely that the Interior Ministry under Avakov is involved in forming various 'grassroots' units to maintain public order, such as the National Teams, as well as the 'municipal militias' which are often composed of local demobilised participants in fighting in eastern Ukraine. These structures are typical of the Ukrainian public security system because they have the status of units supervised by the authorities of a specific city and are funded by that city. Nevertheless, they are required to obtain a licence authorising them to offer security and public order services. This licence is issued by the Interior Ministry. The funding, or at least the toleration of groups involved in the 'display of force', which operate outside of the Interior Ministry structures, is a potential boost to Avakov's informal position, and helps him build favourable relations with regional governors and mayors of big cities.

## Avakov's attempts to expand his power

The only institutions in the law enforcement system that could threaten Avakov's political position are the Security Service of Ukraine (SBU) and the National Anti-Corruption Bureau of Ukraine (NABU). Avakov's numerous actions and statements lead to the conclusion that he is trying to influence the procedures for personnel selection applied by these institutions. His activity in this

<sup>7</sup> Both Biletskiy and Avakov officially deny that they are working together; however, there seems to be a consensus among Ukrainian political scientists and journalists that Avakov does have influence over Biletskiy and the Azov movement.

field is a major reason for the delay to the end of the SBU's reform programme. One of the main assumptions of this reform is that the Service should be stripped of its powers to carry out economic crime investigations and combat organised crime. These powers are to be taken over by the Financial Investigation Service (SDF) and the Interior Ministry respectively. If this reform is implemented, it will increase Avakov's importance, especially if he is allowed to install his own people in the SDF and to seize control of the measures to combat organised crime. The appointment of Vladislav Bukhariyev as Avakov's advisor is one signal that Avakov is forming an economic crime investigation team. Bukhariyev is a former deputy head of the SBU, and was responsible for the Service's economic crime investigation department. According to unofficial reports, Bukhariyev was dismissed from the SBU in the aftermath of a violent conflict with the SBU's head Ivan Bakanov, resulting from Avakov boycotting Bakanov's orders.

**” The interior minister intends to exert influence on the procedures for personnel selection applied by other law enforcement bodies.**

Avakov is said to have initiated an investigation into an economic offence committed by Artem Sytnyk, the head of NABU, who had been seen as a public servant with an untarnished reputation. The investigation is focused on whether Sytnyk accepted a bribe from a businessman he knew, involving the latter paying for Sytnyk to stay in a leisure centre for six days (costing around US\$1000). This incident undermined Sytnyk's credibility, although he only received an administrative penalty. The Sytnyk case is likely an act of personal revenge because it was NABU that carried out an investigation into irregularities surrounding the procurement of backpacks for the National Guard, in which Avakov's son was suspected. Deputies associated with Avakov and Kolomoyskiy demanded that Sytnyk should be dismissed. Parliament has drafted amendments to the law on NABU, which – once passed – will make it possible to dismiss the institution's head for committing a financial offence as well (and not only for a fi-

ancial offence). The draft law has come under criticism from the International Monetary Fund (at present Kyiv is negotiating a financial support agreement worth around US\$5 billion with the IMF) and ambassadors from the G7. Alongside this, despite Avakov's failure to extend his influence to NABU and the SBU, there are indications that he has managed to find an ally in the Office of the Prosecutor General. According to information obtained by investigative journalists, Avakov is likely to wield informal influence on decisions taken by the Prosecutor General Iryna Venediktova, whose brother was involved in Avakov's business undertakings in 2008–2016, and whose husband is an Interior Ministry employee.<sup>8</sup>

Since Zelenskiy was elected president, his team has made two attempts to weaken Avakov's position. This can be viewed as a signal to Avakov suggesting that his position within the system of power should not be boosted any further. Indeed, it may even be reduced. The first attempt involved the president assuming control of the National Guard, which had been supervised by the Interior Ministry. The other attempt involved surrounding the minister with deputies who were expected to take over some of his responsibilities. Both of these attempts failed; however, they forced Avakov to focus on maintaining control of his ministry.

### **Avakov's political prospects**

Avakov's political position is without precedent in Ukrainian politics. Never before has a high-ranking official, who was appointed rather than elected, filled a key office in the state administration for so long. At the same time, Avakov has several serious weaknesses. His major weakness is his modest power base. The People's Front, which in 2014 put forward his candidacy for interior minister, is now effectively non-existent. Although Avakov has influence on several MPs in parliament, they come from various parliamentary groups and do not form a solid group. Another important factor

<sup>8</sup> О. Чорновалов, 'Ірина Венедіктова: білі плями в декларації та неафішовані бізнес-зв'язки родини нової генпрокурорки (розслідування)', Радіо Свобода, 23 April 2020, [www.radiosvoboda.org](http://www.radiosvoboda.org).

preventing Avakov from increasing his political significance is his lack of popularity. According to polls, at least 73% of Ukrainians dislike him<sup>9</sup> (the only politicians with an even higher level of distrust expressed by the respondents are Viktor Medvedchuk and Petro Poroshenko). This is mainly due to Avakov's involvement in corruption scandals (the so-called Avakov backpacks) and the lack of progress in investigations into the shocking killing of activist Kateryna Handziuk (in 2018) and journalist Pavel Sheremet (in 2016).

It seems that Avakov's status as a highly influential figure has been determined not so much by the fact that he has major private assets at his disposal as by the position he holds in the current political configuration. His phenomenon results from his ability to adjust to changing government line-ups and to demonstrate to them that he is indispensable and irreplaceable. During Poroshenko's presidency (2014–19), Avakov entered top-level politics as a minister put forward by a party which was the presidential party's coalition partner. Over the five years during which this coalition was in place, he gained a sufficiently strong position to be able to hold onto his office following Zelenskyy's rise to power. Zelenskyy likely took the decision to retain him because of the former conflict

between Avakov and Poroshenko over influence in the Ukrainian law enforcement sector.

Avakov's actions confirm that he not only intends to maintain his strong position for as long as possible, but that he also wishes to increase his power, albeit informally. His ambitions are reflected in his statements regarding the need to declare a state of emergency in Ukraine due to the development of the COVID-19 epidemic. This would help to bolster his influence on how the state is governed and on the local authorities. Moreover, Avakov initiated a series of actions which exceeded the powers of the Interior Ministry. These included the so-called 'small steps' plan to recover the Donbas proposed in 2018, as well as an action plan devised in March 2020 with the aim of preventing an economic crisis and combating the consequences of COVID-19. Neither of these proposals was accepted, and Avakov did not have sufficiently strong political, media or financial instruments to push them through and further increase his influence. Nevertheless, Avakov continues to be a politician with an above-average level of independence in government. His control over the Interior Ministry, which is crucial for the state's security, forms the basis for this independence. However, at present there is no desire in the President's Office to let him increase his influence any further.

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<sup>9</sup> 'Оцінка громадянами діяльності влади, рівень довіри до соціальних інститутів та політиків, електоральні орієнтації громадян (лютий 2020р.)', Разумков Центр, 24 February 2020, [www.rozumkov.org.ua](http://www.rozumkov.org.ua).