



*Sergii Leshchenko*

## **Ukraine's puppet masters**

### **A typology of oligarchs**

**Published 15 May 2014**

Original in **Russian**

Translation by **Irena Maryniak**

First published in **Eurozine (English version); Transit 45 (2014) (German version)**

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It'll be a long haul, but it can be done. Having systematically charted the careers of the people who drove Ukraine to the brink of destruction, Sergii Leshchenko grapples with the question of how to shake Ukraine free of the oligarchs' grip.

For nearly 20 years, oligarchic clans have contributed significantly to building contemporary Ukrainian society. They emerged as Soviet state property was transferred to new ownership, and replaced the traditional “red directors”. Different groups of oligarchs have alternated in achieving positions of power, and must be held responsible for the disintegration of Ukrainian politics, leading to the bloodbath in Kyiv in the winter of 2014. Yet without the clans opposing Viktor Yanukovich, public protest would probably not have stood so much chance of success.

In Ukraine oligarchs are characterized by a heterogeneous variety of attributes that define their status and influence. These consist, among other things, of parliamentary mandates and assets in the media as well as in the form of football clubs, church connections, private jets and art collections. Combined with considerable financial resources, all this allows them to exert influence on the politics of the country and thereafter to earn money through politics, creating a closed circle for the acquisition of personal wealth.

Oligarchs prefer litigation in London because they do not trust the judicial



system in their own country, even though they themselves have corrupted it over the course of many years. They send their children to the Institut Le Rosey in Switzerland and the London School of Economics in the British capital, because they do not trust the education system in Ukraine. They surround themselves with dozens of bodyguards because they do not trust security in a society that they have corrupted and destroyed. They spend their summers on yachts in the Mediterranean, in Sardinia or on the Cote d'Azur, and their winters in Courchevel in France. Stars of the Soviet stage or yesterday's western idols perform for them on their birthdays. As the former US ambassador in Kyiv, John Herbst, put it so well in a conversation with me: "The best place to enjoy the wealth you have stolen from your compatriots is not in Ukraine, but in Paris, London or New York."

Perhaps the most prominent Ukrainian oligarch is **Oleksandr Volkov**, who helped forge the victory of Ukraine's second president Leonid Kuchma in the 1994 elections. At the time, Kuchma was an opposition candidate with no loyal media of his own. Volkov owns Gravis, one of the first private television channels in Ukraine, and offered this platform to Kuchma - subsequently to be rewarded with the post of presidential advisor. As he later boasted, he came to the presidential administration in a Mercedes 600, wearing a Rolex watch on his wrist.

Volkov's reputation was ambivalent. He had been indicted under Soviet rule and, after the fall of the USSR, went into various kinds of business. A criminal case was opened against him in Belgium. Although, in time, Volkov lost his job as presidential advisor, he continued to be involved in politics for many years. In 2004 he mediated between Boris Berezovsky and Yulia Tymoshenko, and helped to finance the Orange Revolution. Even now, 20 years after Kuchma's election, he remains a Ukrainian parliamentary deputy, and is vice-chairman of the budget committee.

The second oligarch associated with the early days of capital accumulation was **Vadim Rabinovich**, who was influential in the TV channel 1+1. However, he did not register his interest as a shareholder in the television company and officially remained an advertising salesman. Consequently, he lost his influence with time. A book entitled *Der Oligarch* by the German author Jurgen Roth exposed Rabinovich's links with the criminal underworld and the arms trade, as well as his role as a middleman. But even this kind of compliment did not help him preserve his god-like status.



Oligarchs can be classified only in a provisional way, because theirs is a social status that is informal and not based on any kind of official documentation. In Ukraine, three categories of oligarch seem to have emerged in the contemporary social environment. They are: regional oligarchs; oligarchs from the gas industry; and oligarchs related to the family of the president.

## **Regional oligarchs: Akhmetov, Kolomoisky, Zhevago**

The richest Ukrainian, **Rinat Akhmetov** (valued at 15.4 billion dollars and 47th in [the Forbes list](#)), is of Tatar origin. He is a close ally of ex-president Yanukovich, who fled Ukraine for Russia in February 2014.

Akhmetov is rightly considered “king of the Donbass”. His word carries enormous weight in the region, and hundreds of thousands of local people work for his companies. The story of how Akhmetov made his money may astonish people in the West. In 1995, his friend, the criminal boss Alik Grek, died following a bomb attack on a football stadium. The body of one of the most powerful figures of that time was identifiable only by his watch, which remained on a hand torn away from the rest of his body. Akhmetov took the clan’s business into his own hands and, over a decade-and-a-half, accumulated capital with a value exceeding that of the total assets owned by Rupert Murdoch and Ronald Lauder combined.

In the current Ukrainian parliament, Akhmetov controls about 50 deputies of the Party of Regions including its former leader, the head of security guards, and the family lawyer and *consigliere*. This group supported, to the very last, all the dictatorial whims of former president Yanukovich, which ended in the deaths of over a hundred Ukrainian citizens.

While despatching his own country into some kind of Asiatic hell-hole, in his personal life Akhmetov seems to demonstrate a preference for western countries. He is the owner of the most expensive flat in the world: he paid more than 200 million dollars for a three-storey apartment in London. His wife and two sons live in London. One of his sons is a student, the other already runs Akhmetov’s London company. In addition, Akhmetov has offices in The Hague and in Geneva, and he recently bought a chalet for 30 million dollars in the French ski resort of Courchevel – a favourite holiday spot for



*nouveau riche* Russians. Due to his shady past, Akhmetov is on the list of those denied entry to the USA, but he has nevertheless managed to acquire a coal company in the state of West Virginia, for which he paid a billion dollars.

Akhmetov became an oligarch during the presidency of Leonid Kuchma. In 1996, another influential businessman from the Donetsk region, the parliamentary deputy Evgeny Shcherban, was killed. Then the restructuring of the coal and metallurgy industry market began. In order to appease local elites, the prime minister at the time, Pavel Lazarenko, appointed Viktor Yanukovich, a figure close to Akhmetov, as first deputy for the Donetsk administration. A year later, in 1997, Yanukovich was running the region. In the five years that followed, the Akhmetov clan built up reserves of financial and political power under Yanukovich's patronage.

In 2002, the power bloc took a mere third place in parliamentary elections – and that thanks only to a high level of support in Donetsk. The Akhmetov clan decided that their influence was significant enough for them to propose that the president of the time should appoint Viktor Yanukovich as prime minister. Despite his criminal record (Yanukovich had been in court twice for robbery and assault), the Ukrainian parliament confirmed his candidacy. This marked the beginning of the future Ukrainian dictator's political career.

Akhmetov's "golden years" began once Yanukovich had taken prime-ministerial office. Using the influence of his protégé, alongside the voices of his parliamentary deputies, Akhmetov succeeded in having a law on the privatization of mining assets passed, in accordance with which, all iron ore deposits passed without challenge into the hands of just a few people. Akhmetov acquired a massive resource base for his metallurgical factories. In 2004, a few months before president Kuchma's presidency ended, Akhmetov also bought the huge metallurgical industrial complex Krivorozhstal, making the son-in-law of the president, Viktor Pinchuk, his partner. A year later, it became clear that the 800 million dollars they paid for the complex had been laughable. After the Orange Revolution, it was sold on at an above-board auction to Lakshmi Mittal for 4.2 billion dollars.

Under Tymoshenko's rule from 2005 to 2010, Akhmetov lost Krivorozhstal, but became a joint-owner of a company that was tapping gas from the Vanco Prykerchenska shelf in the Black Sea. After Yanukovich took over the post of president, the good times began for Akhmetov. At dubious tenders,



he privatized a series of regional energy companies, the two heat energy giants Dniproenergo and Zapadenergo, and joined the founders of the Ilyich metallurgical industrial complex in Mariupol. Akhmetov also bought up the telecommunication giant “Ukrtelekom” from a fictional Austrian owner and maintained his relations with representatives of the new regime, particularly the serving prime minister, Arseny Yatsenyuk, who did nothing to curtail Akhmetov’s business activities.

The second oligarch with a regional power base is **Igor Kolomoisky**. He has interests centred in the Dnepropetrovsk region. After the collapse of the Soviet Union, he traded in computers, and named one of his first companies in honour of the island of Sentosa in Singapore. He shares his business empire with another businessman from Dnepropetrovsk, Gennady Bogolyubov. Its cornerstone is Privatbank, which Kolomoisky founded in the early 1990s. Today, it is the biggest bank in Ukraine, a fact that protected Kolomoisky from the repressions of the Yanukovich regime. In the event of any challenge, he was in a position simply to bring down the financial system of the country.

Apart from the bank, for many years now, Kolomoisky has controlled Ukrnafta, a company that extracts oil and gas, processes it and sells petroleum products. Although the state has controlling shares in the company, the government always agrees to appoint a management team that represents the interests of Privatbank.

When the protests began in the Maidan in Kyiv, Kolomoisky openly took sides with the opposition. As a leader of the Jewish community in Ukraine, he gives lie to the myth of the dominance of nationalists and anti-Semites in the new government. Despite external pressure, his TV channel 1+1 supported democracy, and his people – men like Gennady Korban and Boris Filatov –, buoyed up the Maidan in Dnepropetrovsk.

Kolomoisky warmed to the opposition side so openly because, after taking over the presidency, Yanukovich treated the interests of local elites with contempt. He appointed a manager from Akhmetov’s Donetsk corporations as governor of Dnepropetrovsk. The elites of the region, which had run Ukraine for years, took this as an affront and looked out for opportunities to get their own back. After Yanukovich was overthrown, Kolomoisky took over as head of the Dnepropetrovsk region. His appointment to this position of power was explained in terms of a need to suppress the separatist mood in

the region.

Another oligarch and parliamentary deputy, **Konstantin Zhevago**, also secretly supported the revolution. His main company is in the Poltavskaya region. He has lived in London for half his life and his children go to school there. In order to strengthen his position in British society, he has even offered funding for projects to fight illiteracy in poor areas of London. During the revolution, Zhevago remained silent, but his personal lawyer, Anzhelika Labunska, appeared on the side of the protesters, and Zhevago's former manager, the mayor of the central Ukrainian city of Kremenchug, Oleg Babaev, supported a vote of no confidence in president Yanukovich at a meeting of the local council.

Zhevago is the owner of the Poltava mining and ore separating industrial complex whose shares are listed on the London Stock Exchange. This is the only visible example of a public floatation by a significant Ukrainian oligarch. In addition, Zhevago also owns Vorskla football club. He has no great resources in the media sphere, although he did help to fund the newspaper *Gazeta po-ukrainiski* and the journal *Kraina*.

Unlike many oligarchs who have refused to participate in politics directly, Zhevago is a parliamentary deputy – although his record of attending parliament is dispiriting. He has attended only five per cent of meetings during parliamentary sessions, has not introduced a single bill, and has never spoken from the podium. His role as deputy is a form of protection – in Ukraine members of parliament cannot be detained without the agreement of the majority of deputies, even if the MP in question is caught red-handed at the scene of a crime.

## **Gas oligarchs: Bakai, Tymoshenko, Firtash**

Gas supplies to Ukraine continue to prove lucrative for oligarchic clans. The money circulating in this branch of industry necessarily finds its way into politics. In the mid-1990s, a number of powerful groups appeared in Ukraine. They specialized in the export of gas from Russia and central Asia. One of the first gas oligarchs was **Igor Bakai** – an alumnus of a forestry technical college who founded the corporations Respublika, and Intergaz, which purchased fuel in Turkmenistan. Because of the economic crisis that followed the collapse of the USSR, payment for gas was made not in money but in kind. Within the framework of these barter arrangements, Baikai came



up with the idea of supplying central Asia not just with consumer goods but also with the galoshes that were gathering dust in Ukrainian warehouses. The supplies were despatched in quantities exceeding the population of Turkmenistan. The inflated list price of the goods in Turkmenistan made it possible for politicians supporting the scheme, as well as the oligarch, to make a good profit.

Having earned vast sums of money for those times, Bakai became the first head of the Ukrainian state energy monopoly, Neftegaz Ukrainy. In time, the newspaper *Segodnya* and the TV channel ICTV also came into his hands. But in 2000, Yulia Tymoshenko became deputy prime minister for fuel and energy. She was head of the corporation United Energy Systems of Ukraine, which had competed with Bakai while he was involved in the gas industry. Tymoshenko succeeded in arranging Bakai's dismissal. A few years later, he became president Kuchma's bursar and made his mark in the illegal alienation of state property. After the Orange Revolution, he escaped to Russia, where he was granted Russian nationality by president Putin.

The fate of the second gas oligarch, **Yulia Tymoshenko**, proved far more dramatic. In 1995, Pavel Lazarenko became the first deputy prime minister of Ukraine and Yulia Tymoshenko founded United Energy Systems of Ukraine. A year later, Lazarenko became prime minister, which strengthened the status of the corporation under his patronage. Under Lazarenko's sponsorship, the company supplied gas to several regions in Ukraine where there were existing solvent companies: to the Dnepropetrovsk region, which Tymoshenko and Lazarenko came from, for example. In exchange for his patronage, Tymoshenko paid Lazarenko half her profits. As the American FBI has established, she transferred at least 100 million dollars from an offshore company in Cyprus to his transit accounts. After the prime minister's retirement, Lazarenko and Tymoshenko went into high politics. They led the Gromada party, which declared its opposition to the incumbent president Kuchma, and set about preparing for parliamentary elections. In the traditional way, they also set up their own media. At this time, Lazarenko and Tymoshenko controlled or financed the Yutar TV station, the newspapers *Pravda Ukrainy*, *Vseukrainskie vedomosti* and *Kyivskie vedomosti*. They even bought a package of shares in the independent analytical weekly *Zerkalo nedeli*, although they proved unable to exercise influence on its editorial policy.

After Gromada got into parliament, they continued their oppositional



activities and began to prepare for presidential elections planned for the end of 1999. But before the elections took place, Lazarenko escaped to the USA, hoping to get political asylum there. Instead, he was accused of money laundering. In the end, Lazarenko was found guilty by a jury and sentenced to eight years in prison. He was released only at the end of 2012, after which he asked the American government not to return him to Ukraine, but to give him the right to remain in America with his young wife. She had worked as his translator during the court case and borne him three children during the five years during which he was under house arrest. At the time of writing, the decision of the US authorities regarding Lazarenko was still unknown. There was also no verdict concerning Lazarenko's 250 million dollars, frozen by the US judicial authorities in offshore zones.

While Lazarenko was entering his pleas in American prisons, Yulia Tymoshenko was rapidly making a career for herself in Ukraine. After her boss absconded, she disowned him, and became deputy prime minister in Yushchenko's government. She was arrested in connection with Lazarenko's bribes and released. Thereafter, Tymoshenko opposed president Kuchma and supported Yushchenko in the 2004 presidential elections. She became one of the symbols of the Orange Revolution and, as a result, was offered the job of prime minister in 2005. She came into conflict with another close ally of Yushchenko, Petr Poroshenko, lost her job, succeeded in bringing about early parliamentary elections and once again became prime minister. In 2010, she lost the presidential elections and was found guilty of arranging unprofitable gas contracts with Russia. She served two-and-a-half years in prison, and was released immediately after Viktor Yanukovich's flight to Russia, declaring thereafter that she intended to stand for the post of president.

Another influential oligarch from president Yanukovich's circle is **Dmitry Firtash**. He was arrested in March 2014 on the request of the FBI. A former fireman, Firtash was detained for smuggling, but managed to get to the top thanks to his links with Semion Mogilevich, who featured in the FBI's list of Top Ten most wanted criminals.

Firtash emerged into the big oil and gas industry just as Yury Boiko took the job of head of Neftegaz and Sergey Levochkin became first aide to president Kuchma. At that time, Eural Trans Gas, a dodgy company founded by Firtash, became the supplier of central Asian gas to Ukraine. The company was registered on Firtash's behalf in a Hungarian village, by the Israeli





lawyer Semion Mogilevich.

When the press kicked up a fuss about the fact that the accounts of this not wholly transparent office showed a margin that suggested the presence of a middle man, Eural Trans Gas was replaced by the company RosUkrEnergo, which not only successfully survived the Orange Revolution but, thereafter, actually strengthened its position. The company was permitted to continue to supply central Asian gas and, from 2006, it was also introduced into the internal Ukrainian market, replacing the state company Neftegaz.

Firtash experienced problems only when he was unable to find a common language with Yulia Tymoshenko, who removed him from the market in 2009. But after the victory of Yanukovich, who had been sponsored by the gas oligarch, he recovered what he had lost. Privately, Firtash himself admitted that Yanukovich owned 50 per cent of everything he, the oligarch, had acquired since Yanukovich's election to the presidency.

In recent years, Firtash has tried to regain his reputation in the West, despite his dubious past. He introduced Ukrainian Studies to Cambridge University and put aside 2.5 million dollars for a monument in Washington DC to the victims of the Holodomor. He even donated money to the British conservative party via his managers. In the Ukrainian parliament, Firtash controls over ten deputies, one of whom is in charge of his personal security guards. Not one of his allies opposed the will of Yanukovich until his downfall. The biggest television channel in the country, named Inter, belongs to Firtash. During the Maidan protests in Kyiv, this was under the complete control of the regime's propaganda machine.

In March 2014, Firtash was unexpectedly arrested in Vienna, at the request of the FBI. He spent over a week under arrest and was released on bail for the sum of 125 million euro, a record in Austrian history. The US government charged him with five crimes, including money laundering and racketeering. Firtash was accused of giving bribes of over 10 million dollars to Indian officials for a licence to extract ilmenite – a mineral used in the production of titanium. Subsequently, the resource was supplied to Boeing factories in the USA. It emerged that the criminal group included the former director of that dodgy gas company Eural Trans Gas, Andras Knopp, a Hungarian who had conducted talks about the supply of titanium and consulted on bribery issues. The American allegations carry a maximum sentence of 20 years in prison, a fine equivalent to the bribe paid, and the confiscation of Firtash's



assets worldwide. A list of associated companies alone takes up eleven pages. At the time of publication, the issue of Firtash's extradition had not been resolved.

## **Family oligarchs: Pinchuk, Poroshenko, Aleksandr Yanukovich**

Family ties offer a favourable environment for the emergence of oligarchs. A prime example is **Viktor Pinchuk**. Initially the partner, and later the husband, of president Kuchma's daughter, Pinchuk was a relatively important businessman when he met Elena Franchuk. She was already married to the son of a key official – the prime minister of the Crimean Autonomous Republic.

Independently, Pinchuk would never have been able to achieve the business success that became possible once he had joined the presidential family. A year before the end of Kuchma's presidency, Pinchuk bought a vast company producing ferro-alloys in Nikopol. He did so without challenge. Food stimulates the appetite. A few months before his father-in-law stepped down from his role as president, Pichuk bought the biggest metallurgical company in the country – Krivorozhstal – also without challenge. After the Orange Revolution, this was resold for a sum five times higher than the amount initially paid for it.

One of the most important problems that oligarchs face is reputation laundering. Not everyone has sought to address this, but Pinchuk was the first to tackle it on a global scale. He established connections at the highest level, becoming a donor to the Global Clinton Foundation, to which he gives a million dollars a year. The foundation of former British prime-minister Tony Blair also receives half-a-million a year from him, and the projects of Israeli president Shimon Peres get a comparable sum.

But knowing the world elite is not enough to defend a business. It is important that potential attackers should know about your connections and abandon their plans. This is the purpose served by Pinchuk's annual cultural events – the Yalta European Strategy world political conference or the Ukrainian Lunch in Davos during the World Economic Forum. Pinchuk has not bought a football club, but he is investing keenly in an eponymously named centre for contemporary art. His television holding



company protects him from attacks by the authorities. The company incorporates the TV channels STB, Novy and ICTV, Kui-TV, music channels, the newspaper *Fakty* and the business portal Delo.

The second oligarch supported by family connections is **Petr Poroshenko**. He is godfather to one of the children of the hero of the Orange Revolution, Viktor Yushchenko. Poroshenko was one of the founders of the Party of Regions but, in 2001, he supported the reforming prime-minister Viktor Yushchenko. They christened their children together. Poroshenko was the owner of the shipbuilding factory Leninskaya kuznitsa and the confectionary factory named after Karl Marx. As one can guess from the names, this is former state property that he undertook to privatize.

With enough money and with ownership of the opposition Channel 5, Poroshenko quickly established his position in Yushchenko's circle. He was one of two main candidates for the post of prime minister after the Orange Revolution of 2004. However, Yushchenko took a gamble on Yulia Tymoshenko. It may be that, during his first day as president, Yushchenko allowed himself to make a fateful mistake, giving powers to his political rival. Poroshenko became secretary of the National Security and Defence Council. Over a period of seven months Poroshenko put dozens of his own people in posts and featured in numerous corporate conflicts, while attempting to participate in the transfer of property rights.

In September 2005, Poroshenko was accused of extortion, after which Yushchenko dismissed both him and Tymoshenko from the government. A few years later, Poroshenko returned to power twice – he was foreign minister under president Yushchenko and finance minister under president Yanukovich. In 2013, Poroshenko supported Euromaidan and, in 2014, he runs as a presidential candidate with one of the highest ratings in the country.

The vilest of all the oligarchs bred on family ties was the son of the fourth Ukrainian president, **Aleksandr Yanukovich**. The eldest son of the president, Aleksandr Yanukovich, embodied the so-called “Family” of the president, which was comparable in certain respects to the Yeltsin family. He was by training a stomatologist but, according to [calculations by Forbes](#), Yanukovich's son owned capital worth half-a-billion dollars. Unofficial calculations suggest, however, that this figure may be six to eight times higher.



Aleksander Yanukovich's influence reached far beyond the role of simply earning money for the "Family". The president's son is said to have had control over the *siloviki* (politicians from the security or military services) and even over snipers who shot at protesters in Independence Square.

Yanukovich's family also had a "cashier", Sergei Kurchenko, in the image and likeness of early Roman Abramovich although, admittedly, he did not fly as high as Abramovich. Kurchenko's stratagems were built around the smuggling of petroleum products. His companies, which were registered in other people's names, transported petrol to Ukraine supposedly - as fictional documents indicated - for export abroad, meaning that duty did not have to be paid. In fact, the fuel was sold through a network of filling stations within Ukraine. Apart from this, Kurchenko was involved in ruses connected with liquefied gas. Among documents found in the house of the former prosecutor general Viktor Pshonka, there were some indicating that Pshonka had provided a front for this enterprise. In memoranda, subordinates said that Kurchenko got away without repaying debts while citing the patronage of the prosecutor general.

The Family succeeded in taking root in the West. Yanukovich's son opened companies in Geneva trading in Ukrainian coal, sometimes extracted from illegal mines, and Kurchenko bought a network of filling stations in Germany. This whole enterprise came under investigation after Yanukovich's escape. In addition, the Family acquired a series of media holdings, and became a partner of the American publication *Forbes*. Immediately after the Yanukovich Family came to power, censorship was introduced and over a dozen journalists dismissed.

After Yanukovich's escape, the European Union introduced direct sanctions against his son and against Kurchenko, and their accounts and assets were frozen. Kurchenko himself disappeared. He was declared wanted and it later emerged that he was in Russia, with plans to continue his activities under the protection of new authorities. Kurchenko's office in Kyiv was closed, and in rubbish bins journalists discovered documents concerning the finances of his corrupt empire, passed through a shredder.

## **The oligarch's influence on politics, people and media - and how to end it**



The oligarchic regime in Ukraine has created a closed circle at its heart. Big capital finances politics and, as a result, acquires the capacity to influence executive power. Oligarchs appoint their own placemen in the state administration, ensuring that social resources are redistributed in the interests of the clan.

The right to power or control over state property is granted through opaque processes and unchallenged tenders. Take for example, the widely reported privatization of Krivorozhstal, which benefitted Viktor Pinchuk and Rinat Akhmetov's holding company, or the privatization of Ukrtelekom, acquired in the interest of the Yanukovich family. Or consider the transfer of control over state property without a due privatization procedure – for example, the transfer of vast mineral deposits to Dmitry Firtash.

Financial resources may also be redistributed, as in the arrangement of state purchases in accordance with the interest of oligarchic clans. The purchase of coal for state-owned electric power plants from companies controlled by Rinat Akhmetov or the Yanukovich family might serve as an example.

Non-material assets such as TV frequencies or licenses can also be redistributed in a way that will bring profit to the clans. In this way, permission to extract gas from areas rich in natural resources was repeatedly given to protect the interests of the Yanukovich family clan. Television frequencies were also distributed to television companies under their control.

Oligarchs exercise their influence on politics through a number of channels. The most effective of these is to have a placeman as president within a presidential republic. This is how the empires of Viktor Pinchuk and Aleksandr Yanukovich were built. Rinat Akhmetov, meanwhile, made a push to develop his business group just as his creature, Viktor Yanukovich, was elected to the presidency. In a situation such as this, a parliamentary deputy's mandate or the presence of the oligarch is secondary. Indeed, Akhmetov refused to act as a deputy in 2012, and during the course of his five years in parliament he attended just one (!) meeting of the Supreme Council – the very first, when he was obliged personally to sign the text of an oath. For his part, Aleksandr Yanukovich never became a parliamentary deputy at all.

The second way of influencing politics is to installing your own



representatives in parliament. They can then defend the interests of the group in the legislative sphere, by lobbying for the passing of essential laws to be passed, and at the level of executive power – if the country is a presidential-parliamentary republic and has a functioning constitution at the time. Apart from ministers, it is important for oligarchs to have loyal people controlling the state’s regulation of the energy market, for example, or of telecommunications.

Equally, it is important for groups of oligarchs to have their delegates among the *siloviki*. Rinat Akhmetov had the first deputy of the general procurator Renat Kuzmin; Petr Poroshenko had Viktor Shokin; Pavel Lazarenko had Grigory Vorsinov.

The presence of football clubs is important not just as a way of satisfying the oligarch’s ambitions, but also as a means of influencing the public. Football provides a platform for communication, a base that can encourage local support for the oligarch’s personal image. Given that oligarchs control essential businesses that employ tens if not hundreds of thousands of voters, there is no difficulty in ensuring that the oligarch and his managers get into parliament.

The image of a football club owner can also be effective in manipulating public opinion. In people’s minds, it replaces the interests of a particular oligarch with the interest of a team, that is to say the interests of an entire region. It speculates on “regional patriotism”. Shakhter football club is a typical example of such methods. It belongs to Rinat Akhmetov, and he uses it to enhance his public support in the Donetsk region.

Influence on the regional authorities and the local population aside, there is a third factor: influence on the media. Mass media can be used to advance the interests of a particular political force. In 2009, for example, Inter channel emerged as an instrument in Viktor Yanukovich’s battle for the presidency. Apart from this, the media can be used to defend a particular oligarch’s business interests. In 2005 for example, the television channel ICTV was used by Viktor Pinchuk to defend the Nikopolsky ferro-alloy factory from attacks by the government led by Yulia Tymoshenko, who was attempting to renationalize the company.

A combination of control over the authorities, the mass media and the regional population is the most effective way of advancing the personal



interests of an oligarch.

One effective way of putting an end to oligarchic influence might be the formation of an Antimonopoly Committee, and of a National Bureau for Investigation that would fight against corruption among high and middle level officials.

The struggle against oligarchs could also be helped by the creation of an indispensable infrastructure to defend the media space from abuse by clans. It would be a matter of creating public service television, independent from centres of interest within the corridors of power or within big business. Transmitting objective information, public television would act as an “orderly” for the media, forcing oligarchic media as well other outlets to maintain journalistic standards. In the presence of an independent broadcaster, oligarchic media would simply lose audiences if they continued to disseminate biased news.

The list of possible measures to curb the power of oligarchs would also include the passing of laws on the transparency of media property that would ensure audiences were informed about the ultimate owner. For example, in the course of the last year of Yanukovich’s presidency, several newspapers and television stations with shadowy owners appeared on the media market. The newspaper *Kapital* is one example; channel 112 is another. After the collapse of the Yanukovich regime, it was established beyond doubt that the first deputy prime minister and “cashier” of the Yanukovich family, Sergey Arbuzov, was behind *Kapital* and that the minister for internal affairs Vitaly Zakharchenko was behind channel 112.

The resolution of the problem of oligarchy demands a comprehensive approach and extended effort. The process may take several generations, but there are no alternatives if Ukraine wants to create a fair society governed by European values, rather than the interests of a few families.