



Political Dynamics in Ukraine

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How Zelensky Has Leveraged Oligarchs for the War Without Dismantling Ukraine's Patronal System

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The optimistic expectations for President Volodymyr Zelensky's de-oligarchization campaign remain largely unmet today. Neither his efforts nor the war have brought about the demise of oligarchy or the patronal system, where the president strives to be the chief patron. This chapter engages with a [recent work on the prospects of anti-patronal transformation](#) in Ukraine, arguing that Zelensky's objective has not been to dismantle the system but to coerce oligarchs into cooperation to achieve his goals.

Oligarchs have not turned into regular businesspeople but rather have adapted to the new legal and wartime constraints. While figures like Viktor Medvedchuk and Ihor Kolomoisky have lost assets and influence, others, such as Rinat Akhmetov and Viktor Pinchuk, have aligned with Zelensky and fared better. Meanwhile, Petro Poroshenko, a candy tycoon and former president, remains active in the political opposition, despite pressure from his political rivals. Ultimately, Zelensky's campaign has preserved rather than eradicated the patronal system, which will likely survive the war and beyond.

Although Zelensky's approach may resemble Vladimir Putin's crackdown on Russian oligarchs, it diverges in three key ways. First, while Zelensky likes to dominate the political arena, he does not seek to establish a single patronal network akin to Putin's authoritarian model. Second, Zelensky's strategy selectively rewards or punishes oligarchs based on their stance on the war with Russia, unlike Putin's systematic elimination of rivals for personal enrichment. Third, despite martial law and restricted political competition, Zelensky has not politically destroyed Poroshenko – an unthinkable scenario in Putin's Russia.

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Ukraine's political system differs significantly from typical Eurasian authoritarian regimes: It is not dominated by a single patronal network subordinating oligarchs to the president but features competing patronal networks, thereby preventing autocratic consolidation.

On the one hand, the resilience of patronalism will complicate Ukraine's effort to become an effective democracy; on the other hand, the revival of oligarchic competition in the postwar period will be an important safeguard against authoritarianism. With the shifting U.S. position on Ukraine, the European Union remains the paramount pole of democratic influence, and the prospect of accession to the European Union should keep Ukraine on the path of anti-patronal reforms.

Oligarchy and Patronalism in Ukraine

According to Bálint Madlovics and Bálint Magyar, oligarchs wield formal economic power to influence politics informally, while polyarchs use formal political power to influence business informally. When the spheres of social action are not separated, politics and business become closely intertwined in countries like Ukraine, with interactions based on personalized hierarchical exchanges known as patronalism. Oligarchs and polyarchs are an integral part of such a system.

Like most post-Soviet states, Ukraine saw oligarchs emerge in the mid-1990s. They significantly influenced politics through private payments to politicians, a phenomenon known as [state capture](#). The natural reaction of the state, usually represented by the chief executive, was a desire to rid itself of oligarchs' influence, often through [business capture](#). However, Ukraine's divided executive power, elite competition, and active civic engagement led to what Henry Hale calls a [competing-pyramid system](#). In this framework, no single oligarch or polyarch has absolute control over the state—a hallmark of hybrid regimes and patronal democracies, as described by Madlovics and Magyar.

It was under the presidency of Viktor Yanukovich (2010–2014) when oligarchic influence peaked in Ukraine, which came to be dominated by the “Donetsk clan”—a group of oligarchs and organized crime figures from the Donbas. They controlled the central government four times (in 1993–1994, in 2003–2004 and 2006–2007 during Yanukovich's premiership, and in 2010–2014 during Yanukovich's presidency), overshadowing regional rivals like the Dnipropetrovsk and Kyiv clans. The aggressive expansion of the Donetsk clan's influence was a leading cause of the mass political protests in 2013–2014 that ousted Yanukovich and his circle, who were stripped of their power and a large part of their assets. The Revolution of Dignity then amplified public demand for de-oligarchization in subsequent electoral cycles.

Even Poroshenko, the businessman turned president (2014–2019), supported de-oligarchization, while appointing oligarchs Kolomoisky and Serhiy Taruta as regional administrators. Despite the demand for reforms, patronalism persisted as entrenched informal networks resisted change.

Zelensky's De-oligarchization Campaign

With Zelensky's victory in the 2019 presidential election and his party's subsequent triumph in the parliamentary election, Ukraine entered a unique moment where a single political actor could legitimately consolidate control over the country's executive and legislative branches. In Hale's terminology, this situation suggested a [shift](#) from competing-pyramid system toward a single-pyramid system. Nonetheless, oligarchs, including Zelensky's patron Kolomoisky, retained significant influence in politics and the media under the new president.

To respond to the public demand for de-oligarchization, Zelensky initiated a campaign targeting oligarchs. This included the passage of two key laws in late 2021: the "anti-oligarchic" law and a tax law. The former tasked the National Security and Defense Council (NSDC), rather than any of the anti-corruption agencies, with compiling a registry of oligarchs based on four criteria: wealth exceeding \$80 million; beneficial ownership of monopolies; political involvement; and media influence. Meeting any three of these criteria would result in inclusion in the registry and entail restricted participation in privatization tenders and party financing.

The law took effect in May 2022. In July of that year, then-NSDC Secretary Oleksiy Danilov [announced](#) that around 86 persons may be subject to the law. Following Venice Commission recommendations, however, the government postponed creating the registry until after martial law ends and reassigned responsibility for it to the Ministry of Justice. The commission also suggested Ukraine adopt a systematic rather than case-by-case approach to de-oligarchization, but the government has yet to act on this.

The tax law, which took effect in January 2022, increased the tax burden on oligarchs. Both laws were part of a broader 20-step [plan](#) to reduce oligarchic influence through measures such as strengthening the Antimonopoly Committee, regulating lobbying, reforming the judiciary, and enhancing energy security. Despite initial momentum, only [eight](#) steps have been completed, the others remaining stalled or irrelevant due to the ongoing war.

Zelensky adopted a strategy of coercion during wartime, presenting oligarchs with a stark choice: cooperate or face ruin. He demanded political loyalty and financial support for his initiatives in exchange for immunity from prosecution

and continued business privileges. This strategy reduced the influence of oligarch-affiliated parties in the parliament and diminished their sway over public opinion—something Zelensky is very sensitive to—as most TV stations now operate under the state-controlled United News telethon format. The war further legitimized asset seizures from disloyal oligarchs such as Medvedchuk, Kostyantyn Zhevago, Oleksandr Yaroslavsky, Vadym Novinsky, and Dmytro Firtash.

Unlike Putin's 2003 crackdown on Yukos and Mikhail Khodorkovsky, Zelensky's actions are motivated by state survival rather than personal enrichment. While his campaign has significantly curtailed oligarchic influence in politics and the media during wartime, it remains targeted at individuals rather than the systemic foundations of oligarchy. This personalistic approach risks allowing oligarchy and by extension patronalism to persist and resurge during postwar reconstruction.

Oligarchs' Survival Strategies

On February 23, 2022, the eve of Russia's full-scale invasion, Zelensky convened a [meeting](#) with the owners of Ukraine's 50 largest businesses, urging them to remain in the country and unite against Russian aggression. Many heeded his call, including Akhmetov and Pinchuk. Akhmetov pledged to set aside past grievances and [announced](#) a UAH1 billion (\$34 million) advance tax payment to bolster government finances.

Akhmetov, Ukraine's richest man, has suffered major financial losses during the war—[\\$9 billion](#) in the first year alone. Despite this, he has [closed](#) his media holding and donated \$300 million to military and humanitarian projects since 2022. His actions reflect lessons learned from his inconsistent and fundamentally anti-Ukrainian stance in spring 2014, a move that contributed to Ukraine's loss of control over the Donbas. If Akhmetov's support for Zelensky demonstrated the president's success in reining in oligarchs, it was also a winning bet for Ukraine's richest man.

According to Forbes Ukraine, Akhmetov reached an informal [agreement](#) with Zelensky early in the war: In exchange for supporting humanitarian efforts—such as evacuations, free electricity for medical and military personnel, and cofinancing the FreeDom TV channel—Akhmetov received favorable treatment in sectors like energy and metallurgy, where he still has operating assets. Forbes also [notes](#) that Akhmetov has a direct line of communication with Zelensky and the head of the Presidential Office, Andriy Yermak, although he has used it only a few times to pledge support for the president's initiatives.

Novinsky, Akhmetov's Metinvest partner, also agreed to the new rules proposed by Zelensky. However, unlike Akhmetov, Novinsky failed to keep his assets after

relocating to Europe following the outbreak of the war, even though he renounced his parliamentary mandate. In December 2022, the NSDC [sanctioned](#) him and nine Ukrainian Orthodox Church (Moscow Patriarchate; UOC) clergy for aiding Russia. Originally from Russia, Novinsky became a Ukrainian citizen in 2012 and a UOC deacon in 2020, and consistently backed UOC [subversive](#) activities in Ukraine. The Ukrainian Security Service (SBU) [seized](#) his assets in April 2023 and May 2023, in sums of \$83.5 million and \$202.0 million (UAH3.5 billion and UAH10.5 billion), respectively. In January 2025, the State Bureau of Investigation (SBI) [issued](#) Novinsky a notice of suspicion of high treason and incitement of religious hatred.

Meanwhile, Viktor Pinchuk, the son-in-law of former President Leonid Kuchma, has emerged as Zelensky's "[favorite](#)" oligarch thanks to his exceptional plianthood. Pinchuk attended the prewar meeting with the president and, after the start of the war, transferred control of his media holding's information policy to the Presidential Office. Like Akhmetov, Pinchuk kept his word and donated \$50 million in the first six months of the war to military and humanitarian efforts. With two thirds of his fortune tied to overseas real estate, Pinchuk's wealth [declined](#) only 15 percent—from \$2.6 billion to \$2.2 billion—in the first year of the war.

Pinchuk compensated for lost access to Russian markets by expanding metallurgical exports to Europe and the United States, including railway wheel exports made by his industrial company Interpipe. Following Donald Trump's introduction of 25-percent tariffs on steel and aluminum imports in 2025—a move that also affects Akhmetov's Metinvest—Pinchuk wants to [expand](#) the flow of railway wheels to the EU market. In 2024, Interpipe's European sales [surpassed](#) the level of 2021. In addition, the company is dominant in the domestic market, which is evidenced by its regularly winning tenders to sell wheels to the state railway company and pipes to gas companies. Despite 2022 allegations of inflated prices in state tenders [investigated](#) by Ukraine's Antimonopoly Committee, Interpipe has managed to come out largely unscathed.

Akhmetov, Pinchuk, and most smaller oligarchs (e.g., Taruta, Serhiy Tigipko, and Borys Kaufman) accepted the new rules and were allowed to keep their assets, while Firtash, Medvedchuk, and Kolomoisky faced investigations, losing significant holdings and influence. Poroshenko stands apart as the only oligarch openly opposing Zelensky politically while maintaining his business in Ukraine.

Firtash made his money in gas transit, having gained control over a network of gas distribution companies in Ukraine. Detained in Austria in 2014 at the request of the United States, he remains there, contesting extradition on bribery charges related to an Indian titanium mining permit. His influence in Ukraine's gas market has declined since 2021, with the SBI filing a \$35.5 million damage [case](#) and a court

transferring 26 of his gas distribution operators to the Asset Recovery and Management Agency in May 2022. In May 2023, the SBU and the Economic Security Bureau accused him of actions that cost the state \$429.29 million. Despite the loss of most of his gas assets, Firtash's [Group DF](#) remains a global player in the nitrogen and titanium markets.

The detention of Firtash, as opposed to Khodorkovsky's imprisonment, highlights the differences in relations with oligarchs in patronal autocracy versus patronal democracy. In Khodorkovsky's case, the legal system was used as a weapon against the Kremlin's political enemies. In contrast, the legal challenge against Firtash came because of competing political factions and with the help of external actors (the United States). His arrest was part of shifting political alignments after the Euromaidan revolution and the decline of pro-Russia forces in Ukraine.

Zelensky's approach to oligarchs is most evident in the case of Kolomoisky, whose relationship with the president has taken a dramatic U-turn. Once a key backer, Kolomoisky used his media empire to support Zelensky in the 2019 election. But their relationship [sour](#)ed after Zelensky blocked Kolomoisky's efforts to regain PrivatBank, nationalized under Poroshenko. In contrast to his active pro-Ukraine stance in 2014, Kolomoisky was passive after the full-scale war began, further straining ties with Zelensky. He was then stripped of his Ukrainian citizenship in July 2022 before being arrested in September 2023 on fraud and money laundering charges. He is currently held in a temporary detention facility due to the ongoing investigation. In May 2024, he was named a [suspect](#) in a decades-old attempted murder case, the culmination of his descent from patron to pariah.

Zelensky's relationship with Poroshenko is also telling. Since 2019, Ukrainian authorities have filed 58 cases against Poroshenko, including [treason](#) charges for allegedly allowing Medvedchuk to import coal from occupied Donbas in 2015. In December 2021, charges and an arrest warrant were issued against Poroshenko in the Medvedchuk case, with Medvedchuk charged earlier that autumn. Poroshenko's companies were fined \$10.3 million, and on Orthodox Christmas Eve 2022, a court [froze](#) his assets, a move the opposition called political persecution.

Poroshenko attended the meeting with Zelensky right before the war and agreed to resist the Russian aggression jointly. Yet the partnership quickly collapsed after Poroshenko's two TV channels were removed from the list of national free channels. Seeing this as a breach of their informal agreement, Poroshenko and his team launched a campaign criticizing the Zelensky administration. In response, the Presidential Office implemented restrictions on Poroshenko and his MPs from traveling abroad. Poroshenko, leveraging his EU connections, accused Ukrainian authorities of suppressing the opposition.

Despite their feud, Zelensky is unlikely to eliminate Poroshenko politically. As the leader of the largest opposition party, Poroshenko remains shielded from pressure by law enforcement, which stands in contrast to Russia, where no opposition figure is safe from arbitrary arrest. Their rivalry looks set to stay political. This is evidenced by Poroshenko's [ban](#) from parliamentary sessions and the latest round of [sanctions](#) against him, including capital withdrawal restrictions and an asset freeze; still, an outright arrest before the next presidential election is unlikely.

Poroshenko's case underscores that in a hybrid regime, an oligarch who leads the opposition retains significant autonomy, which can ensure his political survival.

Survival of the System

While the share of oligarchic capital in Ukraine's economy [declined](#) from 15 percent in 2010 to under 10 percent in 2022, Zelensky's de-oligarchization policy has not dismantled the system. Instead, his personalistic approach has turned oligarchs into contingent partners. After the war and elections, the system is likely to revert to polycentrism, with a revival of oligarchic competition and old practices.

New economic opportunities during and after the war – particularly in the [defense](#) industry, energy sector, and infrastructure reconstruction, all areas with minimal competition – will be attractive to aspiring oligarchs. These could become the foundation for new financial and industrial groups, whose leaders may claim "new oligarch" status.

A systematic approach is essential for lasting de-oligarchization. Echoing James Madison's notion, put forward in Federalist No. 10, that the competition of moneyed interests is the lifeblood of democracy, the focus for Ukraine moving forward should be fostering rule-based competition rather than simply removing oligarchs from the political arena. Strengthening the Antimonopoly Committee and all anti-corruption agencies is crucial to this effort.

Meanwhile, the Trump administration lacks a clear policy on oligarchs. It recently [disbanded](#) a task force created to confiscate Russian oligarchs' assets, potentially weakening efforts to curb their influence. Pressure could also be applied to Ukrainian oligarchs to push Ukraine toward a ceasefire, as Elon Musk [suggested](#) after the Oval Office dispute between Zelensky and Trump. While no sanctions on Ukrainian oligarchs have been introduced since normal communication resumed between Washington and Kyiv, this remains a possible tool.

Overall, preserving Ukraine's sovereignty and democracy aligns with U.S. strategic interests. The United States and the European Union ought to continue supporting Ukraine until a just peace is secured while pressuring it to strengthen

the rule of law, complete judicial reform, and advance EU accession. Encouraging non-oligarchic business and investment in historically monopolized sectors – metallurgy, chemicals, and minerals – will reinforce this transformation.

Only through these combined efforts can the public demand for de-oligarchization be translated into a lasting anti-patronal shift in Ukraine.