



Politics and Economy

Capital Mobility, Business Elites and Politics in Ukraine

INNA MELNYKOVSKA

Davis Center for Russian and Eurasian Studies
imelnykovska@fas.harvard.edu

Presented at the

12th Annual Danyliw Seminar

Chair of Ukrainian Studies, University of Ottawa
10-12 November 2016

Draft: Not To Be Cited Without Permission

Introduction

Oligarchic system of state governance persists in post-Maidan Ukraine. The patronal networks between the business elites and politicians constitute the core of the system. Preferment of government helps the business elites to establish big holdings and accumulate large fortunes, which they in return channel into political influence, usually by means of informal financial support to politicians. After the end of Viktor Yanukovych's presidency and re-establishment of a parliamentary-presidential system the big business elites rapidly adapted to a new political setting. The early parliamentary and local elections did not harm the representation of business interests in the parliament and local councils. Rather, under conditions of political uncertainty business elites increasingly looked for putting their representatives on parties' lists or winning direct mandates. Also, the new executive leadership, both the president and the government, engages into informal bargaining and agreements with the business elites. Hence, the mutually beneficial symbiosis remains the key mechanism in the post-Maidan political processes. Furthermore, neither hardship of the economic crisis, nor annexation of the Crimea, nor military conflict in the eastern regions has broken off the dominance of politically influential business elites in Ukrainian economy. Despite the establishment of new independent media outlets, Ukrainian big business kept their influence in the media landscape and still manipulates the public opinion.

The big business paradoxically has been a blessing and a curse at the same time. On the one hand, it still contributes to relative media plurality, political competition, and stability of state structures. During the Maidan-protests Ukrainian liberal opposition received significant financial and media support from major domestic business groups, which in turn enabled mass mobilization and undermined the consolidation of authoritarian rule by the former president Yanukovych. The rivalry between the business groups continues to ensure a certain level of political competition in contemporary Ukrainian politics. In addition, the post-Maidan governments have heavily relied on the big business to keep the southeastern regions of the country stable and under the control of the Ukrainian state. In this sense, the big business elites are the relative goodness, as they have safeguarded the Ukrainian sovereignty and democracy by default.

On the other hand, the big business is blamed for the uncompetitive business environment, weak state structures, and persistent corruption. The oligarchic rule, it is said, is the biggest obstacle to privatization, transparency and anti-corruption reforms, which are expected to bring Ukraine closer to the European Union (EU). Furthermore, under conditions of military conflicts and external threat, the oligarchic rule undermines military capacities and subverts public order. The big business utilizes the situation of the military conflict and the patriotic movement to improve its legitimacy and defend its rent-seeking activities. Thereby, it uses the media outlets in its ownership to undermine public trust in state institutions and to strengthen the populist sentiments. Also,

the big business elites, in particular the business group 'Privat' of Ihor Kolomoysky, (mis-) appropriates volunteer battalions to defend their business interests.

At present, the negative impact of the oligarchic rule outweighs its relatively positive effects. The big business becomes the main obstacle to sustainable economic development, full-fledged democracy, the effective rule of law and approximation with the EU; and it represents an internal threat to Ukraine's national security. Hence, 'de-oligarchization' ranks high on the reform agenda.

Contemporary policy and academic discussions about the fight against corruption and the 'de-oligarchization' in Ukraine demonstrate two pitfalls. First, they view the preferences of the big business as static and usually interpret them in normatively negative terms. Accordingly, the business elites are immutable rent-seekers and predators. Thus, the reform recommendations suggest the full elite replacement in political institutions and state administration and the prosecution of business fortunes (Abrams and Fish 2016). The evolution of the oligarchic rule and the (potential of) transformation of business preferences and strategies are neglected. Second, the policy suggestions target the domestic context of Ukrainian economy and politics, such as cutting ties between politicians and business elites through state financing of parties or closing sources of oligarchic rents through privatization of state enterprises (Lough and Solonenko 2016; Wilson 2016). However, the capital of Ukrainian business is mobile and their corporate activities also have an international dimension. Ukrainian holdings belong to the emerging multinationals in the global markets. In addition to trade with goods and services, they are active as investors and borrow money in global financial markets. Thus, they are exposed to the conditionality of the global economy, which in its turn has the potential to transform the business preferences and its behavior at home.

De-oligarchization efforts, I argue, should approach Ukrainian big business elites as rational actors with their costs-benefits calculations and incorporate the theoretical knowledge on business preferences and their transformation. Such norm-free approach can help to better understand the workings of Ukrainian oligarchy. Taking into account the international dimension of Ukrainian business activities provides the knowledge on the potential of the global economy to enhance the transformation of Ukrainian business elites from 'robber barons' to Western-like capitalists and thus promises innovative ideas about how to tame Ukrainian oligarchic rule.

With Ukrainian business elites in focus, I address the following research questions:

- How effective is the transformative power of the global economy in enhancing the transformation of Ukrainian business elites, in terms of their preferences and behaviors in Ukrainian economy and politics?

- What hinders or promotes the transformative power of the global economy? In particular, what and how shapes its power in post-Maidan Ukraine?

Contemporary research on the influences of the economic and financial globalization in the developing countries is limited to the mainly quantitative macro-analyses of the relationship between political regimes and globalization. In this paper, I follow the innovative mechanic (qualitative) approach to interrogate this relationship. I introduce the micro-agency of big business that plays the role of a transmitter in the link between the two macro-phenomena. Thereby, I unpack the process by which utility-maximizing business elites shift their preferences and implement them into economic behaviors and strategies towards a political regime as a result of the capital mobility and under influence of the economic and financial globalization.

Particularly, I concentrate on Ukrainian business groups who have a dominant position at least in one economic sector, who are represented in Ukrainian politics (and have the capacities to influence it), and who are integrated globally (in particular, in the global financial markets). To account for sectoral specifics, I include Ukrainian business groups that concentrate their assets either in energy, heavy and chemical industries or in agriculture. I rely on the data provided by capital market agencies, stock exchanges, media as well as Ukrainian holdings themselves.

Two Faces of Business Elites

Political Economy suggests that big business can behave as ‘roving’ or ‘stationary’ actors and have different economic preferences accordingly. The varying preferences of big business result in different economic behaviors and organizational forms of business companies.

Roving big business has short-term time horizon and is primarily interested in capital accumulation, which is often accompanied by rent-seeking activities and bad governance (e.g. access to state subsidies and concessional loans, preferred treatment in state bids). It strives to maximize its fortune (frequently by means of corporate raiding) as well as to enter and strengthen its positions in diverse economic sectors and business areas as much as possible – so that its business is organized into cross-sectoral financial-industrial groups.

Stationary big business has long-term horizons and concentrates on security of the accumulated capital and the preservation of its positions in the markets where it operates. In its economic activities, such business goes for profit-making, optimization of the production and management processes and complies with the standards of good

corporate governance. As a result, the business is organized into integrated companies & holdings business groups.

Furthermore, different economic preferences are associated with certain political strategies of big business. As big business is recognized to be a decisive actor in regime dynamics and state building, their political strategies eventually catalyze the establishment of different political regimes and states (Pleines 2016; Melnykovska 2015). While roving business is expected to support autocrats and predatory state, the stationary business is seen as a promoter of democratic institutions and developmental state.

Roving big business can transform into the stationary version, either endogenously in the process of its (economic) evolution or exogenously triggered by the context in which big business operates. Yet, the context of the Ukrainian partial economic reforms and patronal politics offers a great variety of rents sources and opportunities for further enrichment even under condition of the economic crisis and the military conflict. Hence, the domestic local context could hardly trigger such a transformation of Ukrainian business elites. However, the operational context of business groups has not been limited to the post-Soviet domestic markets. After the financial crises in the late 1990s, trade and credit capacities of the domestic markets were limited. Hence, Ukrainian big business was forced to (partially) relocate its economic activities and raise financial resources in the global economy. Consequently, it became increasingly exposed to the influences of the global economy.

Transformative Power of the Global Economy

The global economy, in particular global financial markets, provides a strong ‘conditionality’ for business groups to transform to ‘stationary’ actors. Being involved in the global economy, they become more sensitive to the international perception of their credibility (Haufler 2013) and have to adapt their (local) business structures and activities to global rules of doing business, such as good corporate governance, full accountability and transparency (Braithwaite and Drahos 2000; Heinrich 2003), which correspond with the preferences and economic behavior of ‘stationary’ business. In return for compliance with these demands, the global economy offers certain incentives such as trade deals, lower credit rates and growing investment (Jensen 2003).

Moreover, the global economy can increase the strategic risks for business elites, as it leads to increased competition in the local markets (Ozel 2012). It provides new opportunities for middle business to make money and to grow to big business status. Newcomers compete with the established business groups for market shares and political resources. In addition, the dependence on external financial flows triggers differen-

tiation of business preferences and increases contestation between business groups (Balmaceda 2013). Hence, compliance with the ‘conditionality’ of the global economy makes big business groups vulnerable and increases the risk of being overtaken by rival business groups. As a result, business groups are pushed to re-orient their preferences towards capital security.

In addition to the rational mechanisms of cost-benefit calculations, global markets may exert influence through conviction-based mechanisms. Business groups’ incorporation into transnational networks and the development of trans-corporate linkages are expected to persuade business groups to change their ‘moral world’ deliberately (Cowles 2001). Such conviction-based mechanisms request a long time to develop, but can also make rational mechanisms more effective (Way and Levitsky 2007). Thus, such sociological effects can hardly be isolated from the effects driven by strategic cost-benefit calculations.

Financial Internationalization of Ukrainian Business Elites and Its Effects

Ukrainian big business companies got involved into the global financial markets after the 1998 financial crisis. They usually attract funds through such international loans, as syndicated loans, issue of Eurobonds and IPO:

- *Syndicated loans* have been the most preferred tool of borrowing. Private external debt made up \$17.5 billion in 2003 (Talavera, Tsapin, and Zholud 2012). E. g., Donetsk-based Azovstal Iron & Steel Works, Ukraine’s third-largest metallurgical plant in terms of 2003 revenues owned by Donetsk-based System Capital Management (SCM) of Rinat Akhmetov, secured a \$100 million syndicated loan. By 2010, Ukrainian companies managed to attract about \$32 billion of foreign loans, especially, Ukrainian agrarian companies. E. g., the Kernel Group (close to Yanukovych’s family), one of the major agro-companies in Ukraine, attracted about \$220 million in 2007 and about \$81.4 million in 2010. More than \$5.2 billion of corporate debt in the form of international syndicated loans, pre-export financings and project finance deals is due to mature by 2020.
- *Eurobonds* have been initially used by state-owned companies. E.g., oil and gas monopoly Naftogaz Ukrainy as well as its subsidiary Ukrtransgaz and Energorynok issued more than \$1 billion in Eurobonds in 2003 (Cbonds). Corporate Eurobonds were issued after the 2008-2009 crisis and by 2013 amounted about \$4.5 billion in total.

- Ukrainian companies have issued 26 *IPOs*, which is the most demanding tool of borrowing at global financial markets. The first *IPO* was issued by the Capital System Management (SCM) of Rinat Akhmetov in 2005, but its preparations started several years before. Ukrainian big business issues are placed at the London Stock Exchange (LSE), Frankfurt Stock Exchange (FWB) and Warsaw Stock Exchange (WSE).

The SCM holding of Rinat Akhmetov has been a pioneer and frontrunner of the financial internationalization. By contrast, those business groups that profited from shared state ownership, such as group 'Privat' of Ihor Kolomoysky, limited their involvement in the financial markets.

After 2013, due to high political risks, Ukraine's involvement in the global financial markets has come to a stop. No *IPOs* were issued, although several were in preparation (including Interpipe of Viktor Pinchuk). Ukrainian Eurobonds suffered a sharp selloff, as bondholders expected debt restructuring and lower recovery rates. Ukrainian holdings initiated restructuring negotiations about outstanding syndicated loans that mature in a short-term perspective. The critical financial situation might additionally direct attention of bond- and shareholders to quality of management and good corporate governance.

The improvement in qualities of corporate governance of Ukrainian business holdings is clearly traced back to their financial internationalization. In preparation of international borrowing activities, the structure and the 'boundaries' of Ukrainian business groups became visible; the companies were restructured to improve effective production and management (Pashaver, Verhovodova, and Ageyeva 2007). The most powerful big business groups, such as Pinchuk's Interpipe or Akhmetov's SCM, began to gradually legalize their capital (Matuszak 2012). Ukrainian big business increasingly introduced practices of good governance in their enterprises and optimized the structure of diffuse business groups by establishing integrated companies (Kostyuk et al. 2014). Akhmetov's SCM and Poroshenko's Ukrprominvest were the forerunner thereby (USAID 2011).

At the same time, in the course of financial internationalization Ukrainian big business still heavily relied on rent-seeking (Aslund 2009), especially on budget subsidies (about \$ 0.6 billion in 2000-2003 for metallurgic companies) (Investgazeta 2005). Corporate raiding was a common practice. During Yanukovich's presidency, the big business groups were threatened by the emerging business expansion of 'the family' group, i. e., people who are directly linked to President Yanukovich (such as Yuriy Ivanyushchenko, an MP and a member of the Party of Regions) and his son Oleksandr Yanukovich. The 'family' group was considered the most aggressively operating group in Ukraine in 2010-2013 (Matuszak 2012). In turn, after Maidan those linked to the 'family' became the target of corporate raiding attacks. Rent-seeking activities also remain in place. Even

Akhmetov's SCM, the frontrunner of financial internationalization, is blamed for prices manipulations in the electricity production and mining sector.

Hence, while the conditionality of the global economy has had some positive effects on transformation of Ukrainian business elites into 'stationary' actors, but it has not completely eliminated the economic behaviors of 'roving' business.

The political strategies of big business, as become especially visible at the revolutionary moment of the Maidan protests and the Revolution of Dignity, were heterogeneous and even inconsistent with the theoretical prepositions. While several groups (e. g., Poroshenko's, Kolomoysky's and Pinchuk's groups) supported mass protest with the dissemination of information in their media outlets and on TV stations as well as publicly condemned Yanukovich's repressions against demonstrators and secretly negotiated with the opposition (e. g., Firtash's group), others remained loyal (e. g., Akhmetov's). This variety of political strategies can also be traced in the voting behavior in parliament in December 2013 - February 2014, when several attempts to solve the conflict – either through increased coercion or compromise with the opposition – by means of new legislation were made (Solonenko 2014). The voting, e. g., on the so-called dictatorial laws in January 2014, demonstrates that there were only a few defections from the pro-presidential majority in the parliament so that the opposition could not bring the president down by constitutional means; and finally, the family cronies in the security services had no exit options and employed hard cohesion means (e. g., torture and killings of protesters). Only after having agreed on a deal with the opposition with foreign negotiators at the table, Yanukovich lost his executive powers and cut the very base of his regime. His regime broke down: the deputies of the Party of Regions defected on a massive scale and the security forces left the presidential buildings without protection.

Escape-Loopholes: Devastating Craft of Off-/Onshore Jurisdictions

The transformative power of the global economy can be compromised by off-/onshore jurisdictions. Indeed, to overcome the restrictions on international loan/credit transactions Ukrainian companies often have not obtained loan, credit, etc., or place their shares and Eurobonds directly, but through the companies established in the EU countries (Cyprus, Luxembourg, etc.) or off-/onshore jurisdictions with developed legislation. E.g., all Ukrainian IPOs have been issued indirectly.

Furthermore, the indirect financial internationalization offered the room for continuous rent-seeking activities. The Panama Papers disclosed just a snapshot for how off-shore secrecy jurisdictions abroad fuel tax evasion, money laundering and bribe financing, which eventually have eroded state structures, compromise reform processes, and

boost long-run growth and welfare in Ukraine. Offshores have cost Ukraine between US\$ 117 billion (Global Financial Integrity) and US\$ 67 billion (Tax Justice Network) in revenues, which is about 1.5-2% of its GDP annually (Korablin 2016). Furthermore, the business elites exploit tax havens not only to hide their capital and acquire assets abroad, but also to benefit from institutional arbitrage and security of property rights guaranteed by Western institutions in offshore, while they further corrupt political power and profit from bad governance in Ukraine (Milanovic 2016).

Competitive context of Ukrainian politics after Maidan

The implementation of business preferences into political strategies is shaped by the context of the domestic politics. Specifically, the strategy choice is determined by resources and capacities available for a business group within a certain nexus model. Such resources and capacities are constituted by ties of a business group with the respective polity and are labeled 'political embeddedness' (McNally and Wright 2010).

Thick embeddedness enables big business to follow utility-maximizing behavior in an attempt to secure its accumulated capital and big business' preferences lead to a cooperative strategy towards an incumbent ruler and his regime. By contrast, if political embeddedness of a business group is sparse (shallow and broad), this group is constrained in its resources and will rather show risk-minimizing behavior. It will seek to weaken the position of rivals in order to avoid a situation in which power is concentrated in the hands of a rival (and more thickly embedded) group that would strip resources away and appropriate the accumulated capital of other groups. Under conditions of sparse embeddedness, a cooperation strategy promises little merits from a distant incumbent and more risks of being overtaken by an incumbent-close business group. Therefore, a business group with sparse embeddedness is expected to opt for a confrontation strategy towards an authoritarian ruler, aimed to counterbalance and hinder the utility-maximizing behavior of a rival business group.

Maidan-protests and the Revolution of Dignity destroyed the hierarchical patronage system that Viktor Yanukovich built during his presidency, reshuffled the constellation of political embeddedness of the business elites and made Ukrainian oligarchy highly competitive.

The change of power in Ukraine following the Revolution of Dignity has had consequences for oligarchic groups associated with Yanukovich, who have been deprived of influence (but remain largely unprosecuted). The hierarchical system of patronal networked centered around former president Yanukovich was eliminated. Yet, those oligarchs who had enriched themselves earlier and did not belong to the "core family"

remained on the scene and soon adapted to a new political setting, developing political connections to two power centers in the executive: President Petro Poroshenko and his block and the circle of the former prime minister Arseniy Yatsenyuk and his People's Front party. These two power centers in the executive persist despite the establishment of a new government headed by president's ally Volodymyr Groysman in mid-April 2016.

Still, the new political connections of the 'old' business elites are tactical and thus unstable. Therefore and although today Poroshenko seeks to engage big business groups into close ties with the presidency and create his own patronage system, business groups have continued diversifying their ties – either by supporting other coalition partners or financing their own – old and new – party projects.

In particular, Ukrainian big business continues to count on its ties in parliament. Akhmetov's and Firtash's business groups, which were politically bound to the person of Yanukovich and his Party of Regions, have re-shaped their political embeddedness in the parliament to secure their capital and adjust their production processes and economic activities (primarily situated in the Donetsk and Luhansk regions) to the military conflict. While Akhmetov remains the main supporter of the Oppositional Block (coming out of the former Party of Regions), Firtash has diversified by additionally supporting the Radical Party and UDAR.

To counterbalance Parliament, Poroshenko seeks to develop the system of presidential patronage. Poroshenko started with the establishment of an 'inner circle'. The new political office has allowed him to appoint his close associates and business partners to those government positions and state agencies under his control: Volodymyr Groysman as then Chairman of Parliament; Boris Lozhkin as then head of the Presidential Administration; Ihor Kononenko led the President's fraction in Parliament and is said to control the office of Prosecutor General; Volodymyr Hrytsak heads the Security Service of Ukraine; Valeriya Hontareva heads the National Bank; and Konstantin Hryhoryshyn (while not personally the Energy Minister) was blamed to have a superior grasp on Ukraine's position in energy markets through his representatives in the Ministry of Energy. In return for their loyalty, the members of this inner circle are said to receive priority access to rent sources in the course of the presidential war on oligarchs.

In fact, Poroshenko relies not only on carrots, but combines them with sticks to engage the largest Ukrainian business groups in the presidential system of patronage. He started with a 'war' on Kolomoysky, who had gained popular support as governor of the Dnipropetrovsk region. In spring 2014 Parliament passed amendments to the law on joint stock companies that lowered the number of shareholders required to be present for a quorum in order to take votes at general meetings of shareholders. The new regulation deprived Kolomoysky of control over Ukrnafta, an oil company in which he is a minority shareholder. At the same time, Oleksandr Lazorko, Kolomoysky's associate and chief

executive of the state-owned oil pipeline operator Ukrtransnafta, was removed by the government. After the armed attempt to keep these companies under his control, Kolomoysky lost the position of governor. A court case was also opened against his close ally Hennadiy Korban. Similarly, Firtash lost his control over several chemical enterprises, including Odessa Sea Port; the law to break his monopoly over Ukraine's domestic gas sector was passed; his associate Valentyn Nalyvaichenko was dismissed as the head of the Security Service of Ukraine and several members of the Radical Party were arrested after the party withdrew from the pro-presidential coalition (Olszaski 2015). Akhmetov tried to pressure the government on coal prices by staging protests of mine workers in Kyiv, but with little success (Vinnichuk 2015a). Against the management of his power company DTEK criminal cases were opened; the government changed the energy prices and a court decision reversed the privatisation of the electric and thermal energy producing company 'Dniproenergo'. All these actions were assumed to be means of political pressure on Kolomoysky, Firtash, and Akhmetov used by the President (Kalachova 2015; Mostova 2015). As a result, these business groups indicate their willingness to cooperate and in fact threat of the use of 'sticks' diminishes: criminal cases are halted or closed and new laws remain without real implementation (Samofalov and Musaeva-Borovyk 2015).

However, the cooperation is still limited and a certain level of confrontation persists. Some business groups seem more ready to get involved in informal negotiations with the executive: Firtash can use his ties with the 'UDAR' party (a part of Poroshenko's bloc) to bargain with Poroshenko, while Akhmetov is said to be developing closer ties to Yatsenyuk (Samofalov 2015). Other business groups are in no hurry to join Poroshenko's camp. Rather, they further seek to strengthen their political embeddedness independently of the presidential executive. In particular, Kolomoysky went further, staging a public confrontation with the President and launching several new party projects, such as 'Ukrop' and 'Vidrodzhennya' (Samofalov and Musaeva-Borovyk 2015). Furthermore, the business groups that were not involved in Yanukovich's patronage system are back in politics with the aim of accessing new rent sources and contribute to competition of the business elites. E.g., Mykola Martynenko (who lost his mandate, however) and Andriy Ivanchuk, by financing the People's Front of Yatsenyuk, have entered parliament on this party list. Moreover, new groups of agriculture-oriented or IT business elites are in the making and developing their political connections.

Overall, a new model of state-business relations is in the making. It is diffuse, as it involves several power centers and new business elites. Under these conditions, big business groups diversify their risk by developing ties with different political actors, which in turn led to both limited cooperation as well limited confrontation of the business elites.

Conclusions

The paper provides three takeaways. Firstly, the conditionality of the global economy makes Ukrainian business holdings comply with international standards of transparency and accountability and eventually generate the transformation of these holdings from ‘robber barons’ to Western-style capitalists. Secondly, the transformative power of the global economy is compromised by escape loopholes provided by off-/onshore jurisdictions. And lastly, the local political networks of the big business also compromise the transformative power of the global markets by shaping the political strategies of the business holdings.

REFERENCES

- Abrams, Neil A., and M. Steven Fish. 2016. 'Dethroning Ukraine's Oligarchs: A How-To Guide', *Foreign Policy*, June 13.
- Aslund, A. 2009. *How Ukraine Became a Market Economy and Democracy* (Peterson Institute).
- Balmaceda, Margarita M. 2013. 'Privatization and elite defection in de facto states: The case of Transnistria, 1991–2012', *Communist and Post-Communist Studies*, 46: 445-54.
- Bilousova, Natalia. 2015. 'Firtash's vector. Notes from the Vienna forum "Ukraine Tomorrow"', *The Day Newspaper*, 12 March, <http://www.day.kiev.ua/en/article/economy/firtashs-vector>.
- Braithwaite, J., and P. Drahos. 2000. *Global Business Regulation* (Cambridge University Press).
- Cbonds. www.cbonds.ru.
- Cowles, Maria G. . 2001. 'The Transatlantic Business Dialogue and Domestic Business-Government Relations.' in Maria G. Cowles, J. Caporaso and T. Risse (eds.), *Transforming Europe, Europeanization and Domestic Change* (Cornell University Press: Ithaca. NY).
- Haufler, V. 2013. *A Public Role for the Private Sector: Industry Self-Regulation in a Global Economy* (Carnegie Endowment for International Peace).
- Heinrich, A. . 2003. "Globale Einflüsse und die Corporate Governance des russischen Erdöl und Erdgassektors." In *Arbeitspapiere der Forschungsstelle Osteuropa* Bremen.
- Investgazeta. 2005. pp. 12 April.
- Jensen, Nathan. 2003. 'Democratic Governance and Multinational Corporations: The Political Economy of Foreign Direct Investment', *International Organization*, 57: 587-616.
- Kalachova, Halyna. 2015. 'Oleksandr Bodnar: Pochavsia prozes pererозpodilu vlasnosti mizh oligarhamy', *Ekonomichna Pravda*, 14 April, http://www.epravda.com.ua/publications/2015/04/14/538305/view_print/
- Kostyuk, Alexander, Markus Stiglbauer, Patrick Velte, Yuliya Lapina, and Dmitriy Riabichenko. 2014. 'Corporate Governance in Ukraine: Major Standards and Emerging Trends.' in Sabri Boubaker and Duc Khuong Nguyen (eds.), *Corporate Governance in Emerging Markets* (Springer Berlin Heidelberg).

- Lough, John, and Iryna Solonenko. 2016. "Can Ukraine Achieve a Reform Breakthrough?" In *Research Paper*. London: Ukraine Forum, Chatham House.
- Matuszak, Slawomir. 2012. *The Oligarchic Democracy – The Influence of Business Groups on Ukrainian Politics* (OSW - Centre for Eastern Studies: Warsaw).
- McNally, Christopher A., and Teresa Wright. 2010. "Sources of social support for China's current political order: The "thick embeddedness" of private capital holders." *Communist and Post-Communist Studies* no. 43 (2):189-198.
- Melnykovska, Inna. 2015. "Explaining the dynamics of the post-Soviet hybrid regimes from the perspective of neo-institutionalism: big business and regime change in Ukraine and Russia." In. Berlin.
- Mostova, Yilya. 2015. 'Butva shuroloviv', *Dzerkalo Tuzhnya*, 18 September, http://gazeta.zn.ua/internal/bitva-krysolovov-_.html.
- Musaeva-Borovyk, Sevgil. 2014. 'Korotke zamykannya. Oligarhy u dvoboyi za energetychnyy rynek', *Ukrainska Pravda*, 26 December, http://www.pravda.com.ua/articles/2014/12/26/7053390/view_print/.
- Olszaski, Tadeusz A. 2015. 'A trial of strength in Ukrainian politics after the head of the special services resigns', *OSW Analyses*.
- Ozel, Isik. 2012. 'Is it none of their business? Business and democratization, the case of Turkey', *Democratization*: 1-36.
- Pashaver, O. J., L.T. Verhovodova, and O.O Ageyeva. 2007. *Velykyy ykrayinskyy kapital: vzayemovidnosyny z vladoyu i suspilstvom* (Duh i litera: Kyiv).
- Pleines, Heiko. 2016. 'Oligarchs and Politics in Ukraine', *Demokratizatsiya: The Journal of Post-Soviet Democratization*, 24: 105-27.
- Samofalov, Andriy. 2015. 'Operation 'deoligarhisaziya'. Yak Poroshenko vykonav nayguchnishu obiziyanku 2015', *Ukrainska Pravda*, December 24
- Samofalov, Andriy, and Sevgil Musaeva-Borovyk. 2015. 'Oligarchy idut vabank. Yak Kolomoysky i Akhmetov voyuut z Poroshenkom', *Ukrainska Pravda*, 15 September, <http://www.pravda.com.ua/articles/2015/09/15/7081344/>.
- Solonenko, Iryna. 2014. 'Power Strategies The Oligarchs and the Revolution in Ukraine', *Osteuropa*, 64: 197-216.
- Talavera, Oleksandr, Andriy Tsapin, and Oleksandr Zholud. 2012. 'Macroeconomic uncertainty and bank lending: The case of Ukraine', *Economic Systems*, 36: 279-93.

USAID. 2011. "Corporate Governance in Ukraine. Passing go." In.

Vinnichuk, Yuriy. 2015a. 'Akhmetov razvernul ugolnyy front', *Insider*, 3 April, <http://www.theinsider.ua/business/akhmetov-razvernul-ugolnyi-front/>.

———. 2015b. 'Korporativnaya Semya Poroshenko', *Insider*, 20 December, <http://www.theinsider.ua/business/korporativnaya-semya-poroshenko/>.

Way, Lucan A., and Steven Levitsky. 2007. 'Linkage, leverage, and the post-communist divide', *East European Politics and Societies*, 21: 48-66.

Wilson, Andrew. 2016. "Survival of the richest: How oligarchs block reform in Ukraine." In *Policy Brief*. European Council on Foreign Relations.

