

TWENTY YEARS OF UKRAINE'S INDEPENDENCE: REFORMS AND NEW CHALLENGES AT HOME AND ABROAD

PANEL TWO: REGIONAL DEVELOPMENTS

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WELCOME/INTRODUCTION:

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KEYNOTE ADDRESS:

“Ukraine’s Foreign Policy Priorities”
Pavlo Klimkin,
Deputy Foreign Minister of Ukraine

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MATTHEW ROJANSKY: All right, thank you all very much for your patience and your patience with our acceleration. I'm going to blame our hard ending deadline on my colleague, Lilia Shevtsova, because of her event that's happening subsequently. But without further ado, let me introduce Deputy Minister of Foreign Affairs Pavlo Klimkin. He's currently serving, as I said, as deputy minister.

He is really one of the great experts in the foreign ministry on a number of topics that are important to us today, many topics that are very close to my heart and in my portfolio, including, by the way, the Transnistria conflict.

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I was incredibly positively surprised and impressed at the discussion that we had about that in Kiev and his thoughts on the broader question of Euro-Atlantic security that I and many colleagues work on I think are a real credit to the foreign ministry and certainly to Mr. Klimkin's career – which, I should note, began in a momentous year 20 years ago when he graduated from the Moscow Institute of Physics and Technology, working on subjects which you could argue are very far removed from the topic of today's panel – physics and applied mathematics. But in some sense, I guess everything begins somewhere.

He in the past has served as director of the EU department in the foreign ministry, minister counselor and DCM in the Ukrainian Embassy in the U.K. and the head of the division for economic and sectoral cooperation with the EU. So he has a really, I think, experienced perspective on the topic for today.

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Before I turn over the floor, I just want to say that we'll have remarks from Mr. Klimkin and then we'll just go directly into the panel, which I'll moderate and which we're very honored to have Ms. Lutkovskaya, my colleague, Olga Shumylo-Tapiola, speaking by videoconference and Lilia Shevtsova. But I'll introduce each of them before they speak and I promise that we will keep time for Q&A. So Mr. Klimkin, you're welcome to come up here, stay there, your choice.

PAVLO KLIMKIN: Matthew, many thanks for such a great presentation. Ladies and gentlemen, dear colleagues, dear friends, it is of course a real pleasure being here and many thanks for the organizers for conducting this event because I think you did really a terrific job by giving everyone here a great venue to discuss a number of issues of interest.

And let me primarily focus on a number of points, and this inquiry could address it further during a kind of Q&A session. My first point about foreign policy and foreign policy priorities is a relative platitude here because it's of course clearly dependent on the vision, and to the point of trust because the last session has been concluded with a bit of optimism.

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So I feel a sort of burden now to inject a bit more optimism in the further discussion and this is exactly what I do. So my first point would be about European Union. And it's not exactly a

sort of foreign policy priority for Ukraine. Actually, it's the other way around. For me, it's typically a priority of national development and priority for internal policy.

Of course, you could play a bit of diplomacy in negotiating the (situation ?) agreement, negotiating different bits of important agreements with the EU. But at the end of the day, your success on the EU is not about such diplomatic extensive steps and successes. It's about how you deliver on internal reforms.

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In 1994, we concluded the so-called PCA – partnership and cooperation agreement. And a number of so-called EU member states concluded so-called Europe agreements. You know, it was also important for me at that time whether we did it right actually. And I still believe that we should have taken a sort of additional effort in upgrading PCA and trying to conclude Europe agreement at that time.

Of course, the situation is quite different. But what we have now – what we have now on the table is in fact the draft of the association agreement which is practically ready. I came to Washington from Brussels. And I spent Friday in Brussels also negotiating the so-called political part of the agreement. And I am happy to tell you that at the moment we have the whole agreement and it's about – it's quite a detailed agreement.

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It's practically about 1,500 pages. I mean, not just the political part but the FTA part of the agreement. And we have now probably just one issue left. The issue which is definitely beyond the competence of negotiating teams is the issue how to reflect the European perspective of Ukraine in the text of future agreement.

And actually we have the draft of the agreement which is 99 percent similar to what new member states had in mid-'90s. And this is definitely the point, whether it's still right approach and right tool to use Europe's agreement as the way heading towards the European Union. And I actually remember an interesting story I've been told as a student 20-plus years ago about Albert Einstein lecturing in the Zurich University.

And once he was ready to carry out exams in physics and he distributed different tests among the students. And one student raised his hand wavering and said: Look, professor, but these are actually the same tests we got from you two years ago. And the answer was: Yes, but you know, the answers are different now. (Laughter.)

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And it's exactly my point. We have, you know, association agreement practically ready. It's in my understanding the best possible tool for driving forward European integration of Ukraine because such an agreement is not just a bunch of different legally binding commitments. Such an agreement should provide for a sort of framework for reforms in Ukraine, whatever sphere you could take.

It's not just about economic reforms, which is more or less related to the FTA. It's about any sphere. And in general in our way towards the European Union, we won't have to change our agreement, whether we get political perspective, whether we have legally binding perspective in the text of this agreement or whether we will take a sort of Balkan approach when such a perspective has been given a couple of years later in the political sphere.

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So it does not matter what kind of political developments we will have in the future. This association agreement will be a kind of framework for the future reforms in Ukraine. And for me, it's also not the issue of choice, because I mentioned two important points which relate to the foreign policy for me is the issue of vision – what kind of vision do we have for today and what kind of vision do we have for the future.

But also the issue of trust, whether you trust such vision to be realized in the future and whether you trust someone or something to be helpful in realizing such a vision, and this exactly is the point for me. The point about European integration is a kind of issue which could not just unite Ukraine but is already a sort of unification – a unification issue.

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Because a number of issues – foreign policy issues for Ukraine – could be seen as a sort of divisive issue, whether you take, you know, NATO or whether you take probably Russian language. They could be considered also as foreign policy issues. The issue of future EU membership is indeed a special one. And in that sense, it's not a political choice. It's also a legal choice because it's included in the law on the basics of Ukrainian internal and foreign policy.

But it's also – and this is an important point for me – it's also a sort of civilizational choice for Ukraine, for understanding how Ukraine should be heading into the future, however pathetic it could sound. Over the couple of last years, a lot has been changed in Ukrainian foreign policy. Ukraine also became a non-bloc country. I would like to reiterate it. Not non-aligned country but non-bloc country.

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And there is of course also a clear definition of what does it mean for Ukraine to be a non-bloc country. It's also a sort of issue which has widespread support back in Ukraine. And it's also about our feeling where we are and where we could be heading.

And there is also a special – a special language in our law again on the basics of internal and foreign policy that such a position, such a status for Ukraine will not hamper our further participation in the development of the common defense and security policy which is now in deliberation by the European Union.

And this for me one of the most important point in the development of relations with the European Union because the future association agreement will be mainly about two basic ideas. It will be about political association and it will be about economic integration. Economic integration is

more or less clear because economic integration is about the idea of extension – of course, incremental extension of four freedoms, the famous four freedoms to Ukraine.

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You know, the base of such extension will be different, you know, if you take, you know, freedom of goods or freedom of services, it will happen more or less reasonably quickly. If we talk about movement of persons, of course it's extremely sensitive issue. It's an extremely sensitive issue for the EU itself. It's extremely sensitive issue for a number of EU countries.

So we would definitely need more time to deliver on the fourth freedom. But it's also important to understand what is the sense of political association, because the whole concept of the association agreement, how it's defined in the treaty or in the EU, is quite – it is quite a wide-scoped concept.

You could say, OK, the European Union has also the association agreement with Chile or with other countries which are, you know, quite far from proclaiming as their European inspirations. But it's exactly the idea. It's not just about association agreement but it's about, you know, in such a style so-called European association agreement.

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And the whole idea about it and the whole idea about political association is about further political convergence and, of course, it's about further participation of Ukraine in the CSDP. And at the end of the day, we see the future membership in the European Union also as a sort of special guarantee for our security.

And it's an important point to make here because Ukraine at the moment as you see our membership in different international organizations, Ukraine is not a member of NATO. We are not a formal member in NATO. We are not a member of the EU, not yet of course. We are not a member of other organizations. We are just a member of the OSCE.

And of course there could be, you know, further important developments on the OSCE. And I personally believe although OSCE is in quite a deep crisis now, we still have – we still have quite considerable potential to push for a special development around OSCE.

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Matthew mentioned Transnistria here and a number of security-related problems. Ukraine will have chairmanship in the OSCE in 2013. And we have quite an ambitious agenda for this chairmanship. And our idea would be, of course, a kind of honest broker here and every chairmanship should make – (inaudible) – definitely. But it's also about consistent and ambitious effort to deliver on all three dimensions of the OSCE.

We have a vision for that and we will come up with a number of proposals. And I am also happy to say and it's also a personal point for me that we've just concluded our chairmanship in the council of ministers of the Council of Europe. I was at the technical level, at the expert level in charge of this chairmanship.

And I believe it was also quite an important exercise because Council of Europe definitely has the potential to ensure that European space is the space of values and the space of rule of law. I've been talking for quite a bit about EU-related issues.

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Of course, we could address other issues during the Q&A session. But one issue which is quite often, you know, somehow touched upon all the different kind of discussions is the issue what kind of strategic partnership – partnerships Ukraine has at the moment.

And, you know, the number of questions I get actually from different audiences is about, you know, you have strategic partnership with Russia. You have strategic partnership with the United States. Now, there is a special drive, a special momentum towards China with a number of high-level visits, with a number of practical projects, with a number of spheres where the potential for future cooperation is enormous.

So what kind of difference, you know, can you see there and whether Ukraine is able to develop all these strategic partnerships in conjunction with, you know, Ukrainian Euro integration cost. And my answer is clearly yes. And the idea here is again it's not about making choices but the idea here is also not about balancing all different strategic partnerships and Ukrainian Euro integration costs.

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The idea is about being consistent in our vision. And the idea also is about injecting more trust, more trust that Ukraine could realize their ambitions in every important sphere. And you know, today in the morning sipping coffee I saw Warren Buffet talking on TV about Eurozone crisis. And his point was, you know, it is difficult to see a number of political leaders in the European Union who could do whatever – whatever it takes, it was his quote, actually – to deliver on the crisis.

And for me, it's also a point to have in Ukraine the political leadership who could do whatever it takes to bring reform forward and to bring also Ukrainian Euro integration forward because at the end of the day it's about consistency. It's about trust. And it's about being focused on a limited number of critical foreign policy priorities.

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And I also, you know, personally – I personally believe and it's my personal conviction that we could and we should be successful on delivering on our plans on European integration because it is the key choice for Ukraine.

And it's also a guarantee for Ukraine to become truly a European country, not only in the sense of geography, and also successful country – a country not just, you know, on a European pattern but on the global pattern. Many thanks and I would be happy and ready to take up questions during the Q&A session.

MR. ROJANSKY: Thank you very much, Deputy Minister Klimkin. So while we have the technology working, which is by no means a sure thing, let me turn the floor to my colleague Olga Shumylo-Tapiola in Brussels.

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And just by way of introduction say that in addition to some really outstanding research and analysis she's been doing on Ukraine and its relations with the EU and Russia out of our Brussels office, she was previously the director of the international center for policy studies in Kiev, which I think many of you know.

And she's been responsible on an advisory and an expert level for a lot of the work that went into where Ukraine is today on DCFTA when she led a team of experts assessing the impact and advised the deputy prime minister for European integration in the previous administration. And just on a personal note, I would note she is a fantastic artist as well.

OLGA SHUMYLO-TAPIOLA: Thank you, Matthew.

MR. ROJANSKY: But the floor is yours.

[00:23:17]

MS. SHUMYLO-TAPIOLA: Thank you. Good morning, everyone. Good morning, Matthew. Good morning, my colleagues from Ukraine and the EU. I would say simply that Ukraine is at the moment at the crossroad and the crossroad has three roads to go. One is to get closer with the EU and not necessarily through membership perspective but basically through introducing European norms and practices.

The second choice or the road that Ukraine can take is to stay in the grey zone where it is unfortunately now and to basically enjoy that grey zone. And the third is to go and get closer with Russia through the invitation that we have from Prime Minister Putin to the customs union.

I will not touch Russian issue because we have Lilia here. But I will look a little bit back as Matthew asked me to on the EU-Ukrainian relations and how they developed over these 20 years and to understand where we are now and why we are here.

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So if we look back in the '90s, Minister Klimkin mentioned that when Ukraine was signing a partnership and cooperation agreement in 1994, perhaps there was another option for Ukraine like for other essential Eastern European countries. My reading is such that it would be almost impossible to get anything else than the partnership and cooperation agreement that the EU signed with other former Soviet Union countries for one simple reason.

Ukraine did not exist on the map of the European Union and other European countries at that stage. The only way to see Ukraine was still through a Russia prism. So what Ukraine got in the '90s partnership and cooperation agreement, a very big document which basically did not include any serious legally binding commitments to transform and reform.

Countries like Mongolia and others would get the same document. So that's where Ukraine's place was and that's where the starting point for Ukrainian-EU relations. At that stage, I would say that there was no common language, no common interest between the two parties and no understanding of why the two partners needed each other.

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Now, we go to the second stage as I defined it, and the second stage is 1998 when the agreement started being implemented to 2004 before the Orange Revolution. I call it, based on what some researchers suggested, a period of integration without Europeanization.

We heard a lot of declarations at high political level that European choice is one of the most important ones. But at the same time, we saw that the leadership of the country was balancing between East, West, EU, U.S. and Russia trying to benefit from all sides without very little action on the ground.

The population at that stage was quite supportive of the European dimension. But then if you look at the European policy, you will see that at the same time the same people would say that they would go for a closer alignment with Russia. So it was clear that the population didn't really understand what the European choice was about at that stage.

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And on the positive note, I would say that integration did happen at that stage because we had those, as we called them, islands of excellence in a number of ministries. And some of the representatives, my good friends, are sitting here at this panel, those people who actually made integration happen at their level, who pushed that agenda and who kept this European integration afloat while the political leadership was not really clear about the dimension – foreign policy dimension.

And I would say that the end of this period was also remarkable because there was this common language established between European bureaucrats and Ukrainian bureaucrats, European politicians at some level and Ukrainian politicians at some level.

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So that was already beginning of a closer relationship and better understanding between the two parties. Now, the third – the third stage, Orange Revolution and a bit beyond – I would call it the period of a missed opportunity for the European Union to get Ukraine closer. Yes, we saw the positive participation of some European leaders like Kwasniewski, Brazauskas and Solana in helping Ukrainians settling the crisis of 2004, 2005.

At the same time, the EU could get a membership perspective for Ukraine and draw the country closer because there was demand among the population, among the political elite. And the selling this point at the level of European leaders and citizens would be just the right time. Unfortunately, at that stage the EU leaders were not ready to give it – this membership perspective to Ukraine.

And for me, that is one of the big failures of the European Union to date in relations with Ukraine. Instead, as Mr. Klimkin mentioned, we've got association agreement which was supposed to bring Ukraine closer politically and economically to the European Union.

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Negotiations were started both on the political, sectoral and trade parts. But overall, if we look at that period, we saw a lot of promises from the political level, but again, very little action or very little support to action from political level to the bureaucracy and basically the implementers.

The population was quite supportive right after the Orange Revolution and we saw that in the level of support for European Union plummeted. But at the same time, we saw the very big drop of public support probably by the end of 2005.

And if we ask ourselves why people got so upset about the European Union, the only clear link is such that basically the link between the European Union and politicians in Ukraine that people of Ukraine made was the reason for the decreasing support for the European Union and European aspirations.

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At the same time, we would say that the European side between 2004 and 2010 was quite hopeful about where Ukraine is going and despite the fight between the president and prime minister, which was usually the cause of discussions by EU ambassadors and EU leaders, despite all of that, the hope on the European side prevailed.

And now, we are moving to today's situation, 2010 onwards. I was trying to find a title for this period which appears to be a bit difficult because I would say high hopes at the beginning of the presidency of Mr. Yanukovych and perhaps high disillusionment and disappointments at the moment.

But I would also – I could also call this period lost opportunities with question mark because I am trying to stay optimistic and hoping that maybe the relations will go out of the deadlock where they are now.

So again, Mr. Klimkin mentioned that the association agreement negotiations are concluded and with only one question that stays on the agenda proposed by the Ukrainian side which is a membership perspective.

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This is not something new. Every Ukrainian president was asking for membership perspective. But again, the motivation of each president was a bit different. I wouldn't go much into detail of the motivation of the current president. But let it be that this is his personal agenda and be that membership perspective can solve Ukraine's issues.

But to make it clear, membership perspective is not possible. It's not possible at the moment for Ukraine because the European Union is not ready to give this perspective and it hasn't been ready even in the best times for Ukraine.

At the same time, the developments within Ukraine over the last two years allow many Europeans to question not even membership perspective but to put in a big question the association agreement, which as was mentioned today, is an extremely important initiative for Ukraine.

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We saw a number of statements – very critical statements from Brussels and other capitals to Kiev. We saw the resolution of the European Parliament which basically says that Ukraine has to sort its issues before any move on the ratification of the association agreement happens. I will not go much into detail, but again, we are not talking only about the political prosecution of opposition.

But we are talking about independence of judiciary in wider format. We are talking about local elections and the concerns that we have all about the presidential and parliamentary elections of 2012, rules for which are now being drafted.

So I will conclude with two dilemmas. One is Ukraine's dilemma, and as was mentioned today, it's really a purely domestic choice whether Ukraine is willing to sort out the problems that are now the preconditions – the solving of which are preconditions for the successful completion of the project are called association agreement negotiations and ratification.

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And obviously once the agreement or if the agreement is ratified, how it will be implemented. But that will probably be a question for a few years from today. On the other hand, we have a Brussels dilemma – the choice between values that the European Union has to make and long-term interests, because obviously if the project with Ukraine fails, it will not be as hopeful for Moldova and Georgia who are currently also negotiating similar agreement.

On the other hand, the EU has problems and the EU is split between two groups. One group is saying that we have to embrace Ukraine no matter what because we are afraid to lose it to Russia. And the other group of member states, some of them who invested political capital, like Poland, like Sweden, like UK and others for less enthusiastic about Ukraine in general.

These countries are saying that we have to really make Ukraine an offer, which is the association agreement ratification, and then it's up to Ukraine to decide whether it wants to go ahead or not. So the final note is that the bulk will be on the Ukrainian side. And at this moment, the Ukrainian side has to decide whether it stays in the grey zone, moves closer to Europe or maybe over time through the grey zone moves closer to Russia. Thank you.

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MR. ROJANSKY: Thanks very much, Olga. Well, appropriately since the ball is in Ukraine's court, we will go next to Valeria Lutkovskaya, who is Ukraine's envoy to the European

Court of Human Rights. And let me just note we've got just under 40 minutes left. We have two panelists and I want to leave time for Q&A. So – “korotko”

VALERIA LUTKOVSKAYA: OK.

MR. ROJANSKY: Thank you.

[00:35:06]

MS. LUTKOVSKAYA: Thank you very much. Thank you very much, first of all, for the possibility to take part in this meeting. It's very interesting to have such meetings with such auditorium here in Washington and I hope that it will be very successful.

First of all, I would like to say that I am the representative of the government of Ukraine in the European Court of Human Rights. And I understand so that the cases that we have received under communication from the European Court of Human Rights is such indicators concerning the situation in Ukraine. So and these cases are very close to all the questions that were discussed in the first panel for today.

So I must say that it was some critic to the new law concerning judicial system and status of judges in the first part of our session. And I must say that now I see that part of this judicial reform was very successful. For example, the first part that is concerned the question of legal system in Ukraine.

You know that before them – for example, in commercial and administrative proceedings, you can have – (inaudible) – before the adoption of this law. Now, the situation is absolutely unique for a civil, commercial, criminal and administrative proceedings.

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So I think that this situation is better than it was. For example, the question of reasonable time was very often in the cases that was communicated by the European Court of Human Rights before.

And it was some judgments of the European court concerning the violation of the right to have the decision of the national court in reasonable time after the adoption of this law concerning judicial system and the status of judges. So now we have not any question concerning reasonable time in national courts.

So I think that the situation with judicial system is not so crucial as it was said before. But I know that we have some problem with independence of judges, with the independence of judicial system. Now, we have under the communication we have a lot of cases from the European Court of Human Rights concerning proceedings in the high judicial council. I think it's very good.

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Now, my position is that I can't protect the situation. I must represent the position of government in these cases. And after then, we will receive some judgment, some legal position of

the European Court of Human Rights concerning the proceedings in the high judicial council that can be realized in new law. And I understand so that all who drafted the law must see the results before the improvement of the law.

Now, we have the situation when the law concerning the judicial system and the status of judges is very young – only one-and-a-half year is in force. So I think that we can enforce the situation if we – if we receive some results of this law. The results now are not so bad. But now, we have some drafts concerning the improvement of the situation, concerning the improvement of the independence of judicial system in Ukraine.

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For example, and I as a government agent, I hope that the question concerning the electoral law will be the question for the European Court of Human Rights too, not the question of system is not the question for the European court, but the question of quality of law will be the question for the European Court of Human Rights, not yet but after the election, after the parliamentary election.

And I hope that it will be some assessment from the European court concerning our situation. But now, I must say that we have some very crucial problem in our legal system. These problems are not in the system of – they concern the question of torture in the pre-trial detentions, questions concerning the effectiveness of the prosecution office, the question of effectiveness of judicial system in the sphere of criminal proceedings.

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And now, we are in the stages that we have new criminal procedure court. This court is now in the expertise in the Council of Europe. After this – after the adoption of new criminal procedure court it will be new law concerning law enforcement, new law concerning advocacy and concerning the prosecution.

And we hope that with very close cooperation with the Council of Europe, with very close cooperation with the European Union to have improvement of the situation in this field too. So I am ready to answer the question, if any.

MR. ROJANSKY: Thank you very much. My colleague, Lilia Shevtsova, as I'm sure all of you know, needs no introduction. She is an institution in Carnegie and in the wider thought leader community.

LILIA SHEVTSOVA: (Inaudible.)

MR. ROJANSKY: That was not a veiled comment about that. But I – just, you know, it strikes me that the title of your new book with Andrew Wood, “Change or Decay,” is a question that bears asking not only in Russia but I think throughout the post-Soviet space.

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MS. SHEVTSOVA: I'm afraid so.

MR. ROJANSKY: Yeah, and I would just note the one thing that doesn't change is that Lilia always has fresh insights, so with that high expectation –

MS. SHEVTSOVA: Well, I'm not sure. I'm not sure, Matt. Matt, thank you for having me. And I understand that we need to save time. Let's save time while using me. I will have several brush strokes to the picture. And thanks a lot, Pavlo, Valeria and Olga. Thanks a lot, Olga. We are on the same page, by the way. Thanks for having me.

And I will try – I will try to give you several views from Russia on Ukraine and on the Russian relations with Ukraine. I will be simply changing my hats. So I will try to present in a very crude form the view of the Russian political establishment and the Kremlin today on today's Ukraine. Secondly, I will give you a very romantic, idealistic view on Ukraine and the relationship with Ukraine on the part of liberal minority – and I belong to this idealistic minority, to this ghetto.

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And thirdly, what does the Russian society think about Ukraine and Ukrainians now and hence what could be the model of the Russian-Ukrainian relations based on what is happening in Russia and what does a Russian political establishment think about Ukraine. But firstly, one general comment, if I may.

You know, I strongly believe that Ukraine is a test case for both – for Russia and for the West. With respect to Russia, Ukraine and our attitude towards Ukraine and Ukrainians demonstrates to what degree we still got stuck, you know, inside of the Russian matrix and to what extent we already are fighting our forbearers, our complexes and our past.

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Unfortunately, 20 years of Ukrainian independence have been 20 years of the nonstop Russian headache and reason for collective ulcer. With respect to the West, I believe my friend Olga from Brussels that the West has failed the test case as well. And now, let me just give you a rundown very fastly changing the hat – my hat now, the Kremlin hat. What does the Kremlin, the Kremlin elite and those who are set in these elite are thinking about Ukraine.

They are pretty open about that. And it seems to me we can trust the national leader, Mr. Putin, when he said: Well, Tymoshenko, she's not my relative. But she's my opponent. She's our opponent because she is in favor of European integration, of EU integration. That means that she is our enemy. And Medvedev this year was pretty – the liberalizer, liberal reformer Medvedev – was pretty open as well when he was talking about Ukrainian hesitation, you know, with respect to the Russian customs union.

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He said: Either you are with us or you are against us. So it says a lot about the dominant role in group mood with respect to Ukraine. Ukraine despite of these 20 years still is part of the Russian national identity. Ukraine ... which has to be glued back. Ukraine is, by the way, part of the Russian, I would say, understanding of Russian culture, Russian past and Russian statehood.

And even among the Russian official liberals, the concept of Finlandization of Ukraine, you know, bad, bad, bad, bad, bad, 20 years bad is one of the popular concepts.

And now, with respect, you know, to the current political and European landscape, when everybody is discussing the decay of Europe, dysfunctional America, the Russian political elite is thinking, hi, that's the moment we can have them back, especially with Yanukovych. Of course, there is a lot of frustration with respect to Yanukovych because there was the idea and hope that Yanukovych will bring Ukraine on the plane towards, you know, Mother Russia.

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And it seems to me it reflects total misunderstanding on the part of the rational establishment and official elite the way how the nation-state is being formed, total – the misunderstanding of the fact that even, you know, those people who are backsliding in Ukraine now would try to consolidate Ukraine, not into Russia's pocket. But at the same time I want to alert you that, you know, the belief and that Ukraine can be – that the moment can be used in order to get Ukraine back is very popular.

And those who are doing Ukraine and reading Russia, please look at the recent report in – the report of the APN Institute for National Strategy that has a lot of recommendations how to use the European political crisis and political crisis in Ukraine to get Ukrainians back. It's a fascinating report of the people who are very much close and in fact engaged into the Russian political establishment. I would stop to scare you at this point.

[00:46:44]

Point number two, about the liberal ghetto, about us, what liberals hope and dreaming about. They dream about Ukraine not as a borderland, but they are dreaming about Ukraine being the bridge between Russia and Europe. They are dreaming about Ukraine as the example, as the instrument to prove ourselves, Russians and Slavs and Europe that orthodox Slavic mentality and culture and the Soviet past is not a formidable and insurmountable obstacle on our way towards Europe.

So that, you know, democracy is not totally outside of our genetic code. Well, we spent a lot of time hoping for Yushchenko. We had a lot of frustration with that period. We don't hope much with respect to Yanukovych. And for us, there is a kind of dilemma. We would love Pavlo's idea of civilizational choice, that Ukraine has made its civilizational choice. We would love you to be right.

[00:47:53]

But at the same time, I'm listening to Olga. I'm reading what Olga and other experts are writing and I'm just kind of, you know, stuck. And I'm asking myself a very puzzled question – to what extent Ukraine can move and join Europe while backsliding on European values inside of the country. Well, perhaps you can – you can do these experiments and you can use the foreign policies and the instrument to transform the domestic life. It never happened in history. But if you'd be lucky, well, you'd be glad if you're lucky.

And point number three, what the Russians are thinking about Ukrainians, Ukraine and our relationship with Ukraine. Here, I have very positive results from fall this year: 53 percent of Russians now in favor of the new model of relationship with Ukraine. Ukraine has to be independent and friendly to Russia.

[00:48:53]

Well, and only 33 percent believe that Ukraine has to be dependent on Russia. That's a progress because even seven years ago, 40 percent of Russians were in favor of Ukraine dependent on Russia. And I do believe that we are moving in a positive direction. And 62 percent of Russians demonstrate today positive feelings towards Ukraine. Only 23 percent – this is Putin's basis, by the way, 23 percent demonstrate negative attitude.

Of course, we are not that good as Ukrainians because according to the recent polls in Ukraine, 93 percent of Ukrainians view Russia positively. And it appears that Ukrainians do not depend on the official propaganda and do not depend on the political zigzagging. And Russians still do depend on TV. So what is the conclusion, what kind of model, looking from the Russian perspective, we can have of the Russian-Ukrainian relations in the future?

[00:49:55]

Unless we have the same old Russian matrix, unless we have the same Russian political elite over the national leader Putin who is not going to leave the power at least in the next apparently 12 years, we'll have a rocky relationship. We'll have a lot of problems, a lot of tensions and continued effort to get Ukraine back using economic, political and all other mechanisms.

And Putin's idea of the Eurasian alliance simply shows you the vector. And Putin's cockiness with respect to the European crisis and dysfunctional America and absolutely totally, you know, pathetic British democracy simply demonstrates that that cocky swagger, you know, they're saying: We'll get you. And Ukraine is such a brilliant case of getting.

[00:50:48]

And the paradox is irrespectively of what kind of political regime Ukraine will have, authoritarian hybrid, demotic whatever, if Ukraine is not under the umbrella of NATO, is not member of the EU community, the Russian political system, the Russian matrix, the Russian elite will go after you.

And the – you know, the identical nature of the regime will never save Ukrainians. Just like Russia have a lot of tensions, controversies with Lukashenko, we can have a lot of controversies with Yanukovich. And at the same time, paradoxically, after Baltic States, after Poland joined NATO and the EU, the Russian relations with these countries have become much more normal. Thank you.

MR. RAJONSKY: Thank you very much, Lilia. Enthralling as always, you did not disappoint. Just a quick observation from an American perspective because I realize that we haven't included the U.S.-Ukrainian relationship on this panel.

I think if you listen carefully to what Olga and Lilia and our two colleagues from Kiev have said, it's very clear that there are organic reasons for Ukraine to be high on the agenda for Russia because of where the people are coming from, because of the history.

[00:52:08]

There are organic reasons for Ukraine to be high on the agenda for Europe – proximity, size, economy, of course Ukraine knocking on the door. When you think about the United States, I believe it's very important to remember that Ukraine has to provide the reason to be on the American agenda. It's far away. It's big. But we're huge. Think about Ukraine's engagement with the United States as a proactive activity that has to be coming from Kiev.

And I think that when you look back at the last 20 years, there is a kind of sine wave. You know, we had a post-Soviet phase. We had to be there. There were nuclear weapons. We were doing post-Soviet transition across a post-Soviet space. But then – but then things kind of slowed down and we went into a stasis. And then we had the Orange Revolution and with the energy and the leadership of a certain set of people in Washington, we got pulled back in.

[00:52:57]

And then we had malaise. And then we had disappointment. And so I just would note from the American perspective, the one really big difference I believe is that there has to be a compelling reason for Ukraine to be on the agenda. The default, I think, is Ukraine fatigue and ignoring Ukraine. But that's the end of my remarks. Let's open it up for questions. I'm going to take a few at a time. So yes, right there? Nadiya, I know you introduced you before, but do it again.

Q: Nadiya Kravets, Harvard Ukrainian Research Institute. Two questions and both of them will be directed to Mr. Klimkin. I would like you to try to reflect and evaluate how effective Ukraine's foreign policy has been to date under the administration of President Yanukovych.

And the second question refers to perceptions of the current administration, current foreign policy elite, so to speak, in Ukraine and in the government regarding its security situation. So reflecting on Madame Shevtsova's remarks, we can see that Russians perhaps have a more aggressive stance towards Ukraine.

Yet perhaps the current Ukrainian elite does not necessarily see this as a security threat today or in 10 years' time. So if you could elaborate on what are the security perceptions of the current government? Thank you.

[00:54:20]

MR. ROJANSKY: All right. Yea, Pico (ph), right here?

Q: Thank you. I'm Victoria Kupchinetsky. I'm the correspondent for the Russian service of the Voice of America. And my question is for Ms. Valeria Lutkovskaya. In the West, a lot of people thought that the case of Yulia Tymoshenko and the process of Yulia Tymoshenko was politically motivated. What is your option on on this case and this process?

And I'm asking you not just as a representative of the Ukrainian government but as a lawyer and as a specialist in the Ukrainian judicial system. You mentioned that the Ukrainian judicial system does have some shortcomings. And do you think that those shortcomings played into the conviction and played a certain role in the whole process? Thank you.

MR. ROJANSKY: OK. We can do one more, if anybody has one. No? OK, well, why don't we go to Mr. Klimkin and I'll invite our other panelists to comment as well on both of the questions.

[00:55:27]

MR. KLIMKIN: Many thanks for these questions and it is quite interesting. First, you know, not in appreciation of myself but in appreciation of Ukrainian foreign policy, I would risk actually saying that, yes, indeed, I believe that overall our foreign policy was quite effective, and because, you know, just based on the following.

Firstly, the point about choice – Olga, you know, was talking about choice, you know, between the West, you know, the EU and Russia. I believe it is not about making choices because you can make choice actually between two similar, similar positions and they are definitely not – not just from the point of how we see them but from the quality and from the substance of relations because with the EU it's about integration. And with other strategic partners, it's about cooperation.

[00:56:32]

It's about different kind of cooperation. But cooperation is about better cooperation, is about even better cooperation but not about deeper cooperation. It's only about integration is my point. Secondly, we were able to practically wrap up negotiations on the association agreement. It's sort of new momentum with the European Union, overall sectoral integration. We became a member of the energy community treaty. And it's a kind of systemic choice, even more important in some sense.

It's a new momentum now for visa-free regime with the European Union and it does matter for a lot of Ukrainians. You know, with Russia, of course, as Lilia just said, you know, it's not a simple – it's not a simple relationship. It's never the point between old neighbors. But I believe we were quite successful in sorting out a number of points.

[00:57:38]

Also, you know, on different economic issues but for example border – border is important point and quite symbolic one for me but it's not only. On U.S. dimension, you know, a number of very positive developments from the highly enriched uranium to different economic points. And you know, engagement in the energy sphere. For example, shale gas is very symbolic for me, just to mention one here. But also on a number of other critical partners.

For example, China really became a strategic partner for Ukraine. And it is also my point. You know, taking up a kind of different view because Olga was talking about again, you know, a kind of balancing of the EU and Russia here. But could I ask you a kind of proactive question?

You know, does it matter for China, you know, to see Ukraine as an independent, prosperous and democratic state actually in the center of Europe.

[00:58:52]

And I believe it does actually from a number of points. We could go deeper in this question of course, but from a number of points – again, Turkey, a different – the momentum on India, different momentum on Latin America. Overall I believe our foreign policy is not a bad one or at least was not a bad one. Again, not an appreciation of myself personally but of the whole team which is charge of the foreign policy. On security situation, you know, I stress one simple point.

And here, we are absolutely in the same side with Lilia because for me, you know, the best guarantee of, you know, for Ukraine and for Ukrainian security is of course the future membership in the EU. And it's not a simple point. It's a point, you know, the president of Ukraine made on a number of occasions because of course you could play even though with different kind of security guarantees, you know, talking back to the famous 1994 and the Budapest memorandum.

[01:00:10]

But of course you can talk about different kind of threats. You could provide best possible analysis. And at the end often day, you know, I would also risk to say it's not about tanks, combat helicopters and it's even not about disarmament. It's about any sort of different threats, you know, from energy security to cyber security now which are definitely gaining in importance.

And the perception about security situation is, you know, within of course Ukrainian elite is that at the end other day it's about our EU membership which could fully guarantee Ukrainian security there. Also security situation will change. And as I've said, we don't know what will come upon us actually in five years. So the challenges could be indeed different. Thanks.

MR. ROJANSKY: Ms. Lutkovskaya?

MS. LUTKOVSKAYA: Thank you very much for this question. I understand that this question is very actual now here. And it is a very good idea to ask me not like as a representative of the ministry of justice because in those situations the answer will be very short. The ministry of justice is not involved in the process.

[01:01:33]

Like a Ukrainian lawyer, I must say that for me, for example, the criminal case cannot be politically motivated. A commercial case concerning some legal person that is in possession of some political player can be politically motivated but not the criminal case because the criminal case in the sense is the answer on the question concerning the committing or not the committing of the crime.

It's only the case of fact. It's not the case of political motivation. So for me, the criminal case in any sort of concerning any politician in Ukraine cannot be politically motivated like a Ukrainian lawyer.

MR. ROJANSKY: OK. Olga, Lilia, do you want to offer any comments on either question. Olga?

MS. SHUMYLO-TAPIOLA: I would probably comment on just one little thing on the security aspect because this is something that I've been thinking about for quite a while because we always see Russia as a big threat. Russia is trying to pull Ukraine, start a new trade wars, energy wars. We see the EU which is always not very clear about what it wants from the Ukraine.

[01:02:48]

But my reading is that basically the elite itself in Ukraine is probably the biggest security threat for the country. And before this elite changes and before the new elite comes, which clearly sees where the country can go and how it will develop and that's not sinking very simple corporate interest as it is the case now. I think then the security issue would be – could be looked at outside of Ukraine. So far, the major threat comes from the inside. Thank you.

MR. ROJANSKY: Great. We have time for any additional questions. Anybody? Right there?

Q: Yes.

MR. ROJANSKY: Wait for the mic, Walter. Yeah.

[01:03:32]

Q: Walter Zaryckyj from the Center for U.S.-Ukrainian Relations. Matt, you mentioned something about U.S. – the waning or possible waning interests. Then Ms. Olga mentioned – Ms. Olga mentioned about Europe not really – ever really certain about its position.

And Ms. Lilia Shevtsova made a very good point that the Russians seem very certain about what their – at least the elite now seems very certain about what it's position would be vis-à-vis Ukraine. So the question is to Ms. Lilia because we had Zbigniew Brzezinski very recently state that something that might be positive about what's going on in Russia.

And I wanted to ask you - you've mentioned the elite and certainly we know its position – Putin's position. You mentioned the liberals and we know their position. You mentioned the masses generally and we know their position generally, the sort of - (inaudible)

[01:04:41]

But what about that younger crowd that's been traveling around the world? Is there something going on amongst the younger generation, the Internet-savvy crowd? I'm not talking about an Arab Spring suddenly showing up in Russia.

But is there something going on at that level that might give us hope that from inside Russia because we certainly realize Russia's position on the elite level. But is there something going on in their civil society or in their – you know, amongst their new Internet elite that might give us hope that Russia's position might change from the inside rather than from the outside?

MR. ROJANSKY: Ok, great. And let's just take the second question there.

Q: Steve Winters, local researcher. I was struck by the comment and I agree with it to some extent that you find people stuck – especially people my age perhaps – in a matrix of thinking which is a couple of decades out of date. I was also struck by the mention by the gentleman from the foreign ministry – repeated mention of connections with China which are developing, very important for Ukraine.

[01:06:03]

It seems to me that something that hasn't been mentioned here is the whole issue of the significance of the Shanghai cooperation group because everybody's talking about Russia. Now, that sounds just 20 years out of date because actually in terms of a European grouping, it seems the grouping that's on the other side is not Russia.

It's Russia, China and those various people. So perhaps someone could give us an insight into the view of Ukraine of the developing Shanghai cooperation group and of course they're planning to perhaps bring in Iran as fast as possible.

MR. ROJANSKY: Great and I would just add to that, Lilia, I'm sure you feel the echoes of this in Moscow. It seems – for someone who is part of the younger generation, who spends most of my time when I am in Kyiv and Moscow and elsewhere with people my own age, it feels really out of date, the way the conversation has moved back towards Eurasia.

[01:07:01]

You know, here at Carnegie, I don't think I'll embarrass Ambassador Collins by admitting that, you know, we have our own debates about whether we should even have a Russian and Eurasia program anymore. And yet – and yet, that's happening, right? We have an EU and we have a proposed Eurasian union. It's a very odd conversation what's going on. But let me – Walter, if I understood correctly, your question was for Lilia. So I'll go to her first.

MS. SHEVTSOVA: (Chuckles.) Matt, you know, the title of Eurasian program could be pretty beneficial for us because if Putin simply gets the information that we have such a program, we could be funded for a long period of time ahead. (Laughter.) So and in the end he can discover that we are thinking in a different way. You know, let's try to use this advantage.

Well, very briefly, we don't have much time. For me, the biggest revelation and very sad, very sad impression I got from my favorite politician and thinker, Zbigniew Brzezinski, who at least twice on camera and in a written form acknowledged the positive trend in Russia.

[01:08:13]

So I am stunned and amazed because I cannot find any trace of positive trend in Russia. Maybe Zbigniew is thinking about positive in a different way. Maybe he is much more Machiavellistic than I am thinking. With respect to the youth, you make your conclusion about hope yourself. Firstly, the major part of the younger generation between 18 and 24, those who are

Internet geeks sitting at the Internet, they are passive and calm. So it's very long distance from the Arab youth. We are not the Arab street.

Secondly, 25, 26 percent of the younger people within this age, you know, generation, they would love to leave Russia for ever or at least partially until Putin stays in power. And third quite exciting trend is the youth is turning more nationalistic than ever before and being nationalistic is becoming anti-Putin.

Which trend out of these trends will take the domineering role and will dominate in the next five years? I have no clue. But usually, you know, the bursts, you know, those bubble bursts quite unexpectedly.

[01:09:32]

MR. ROJANSKY: Thank you. Minister Klimkin, do you want to maybe take on SCO and sort of geopolitics?

MR. KLIMKIN: On Shanghai, yeah. I remember one meeting – one interesting meeting in Kiev a couple of months ago where I've been asked, you know, look Pavlo, whether you see a change for us actually to draw in Shanghai organization in the future and what will be the benefits.

And I was quite struck actually by the question, as you probably were struck by my comments and by mentioning China, although not to mention China is now not a point talking about any sort of foreign policy priorities are not priorities. And you know, for me – for me, you know, the point – the point is quite clear and I am quite open about that.

[01:10:30]

You know, Shanghai organization is not about sort of, you know, expanding influence over and over. And my reading of what is going on actually within is that it's mainly – it's mainly, you know, focusing the Eastern attention on Central Asia.

And any kind of considerable project which is now easing the pipeline or under consideration – probably I don't know about something special there – is also focused on the Central Asia or the situation around – is not about doing something spectacular either in China or in Russia, you know.

[01:11:12]

So if you like to be part of the game about the Central Asia you could probably join them. But it has – it probably has some benefits. But it does have also a number of challenges. And to the point of somehow pooling resources, whether we could be successful or not successful bilaterally and indeed we have deeply rooted bilateral ties with practically all Central Asian countries.

Or you could exercise your influence through the Shanghai organization which won't be the case as you understand. So I don't know whether I get a best try to answering your question but for me the situation is just as follows.

MR. ROJANSKY: I would just add to that, you know, another of our distinguished colleagues from Moscow, Dmitri Trenin, has got a new book, "Post Imperium," and one of his theses is that while Russia has sought to be kind of an indispensable bridge or central node or lynchpin between its former imperial territories in Europe and its former territories in Central Asia, that in fact what's happening increasingly is that those direct links that Mr. Klimkin spoke of are developing.

[01:12:41]

And that Russia is sort of being left out and that there's an irony perhaps in a Putin administration which is talking about a Eurasian union to be led by Moscow at the same time that in fact it's checking out of what used to be its central role in kind of the conception of Eurasia. I want to give Olga and opportunity to comment, if you have anything to add. No?

MS. SHUMYLO-TAPIOLA: I think I'm fine.

MR. ROJANSKY: OK, excellent. Any final questions or comments from anyone? Good. All right, I'm getting the signal that we have to vacate the room. So I want to thank all of you for joining us today. I want to thank our panelists and see you guys later. (Applause.)

(END)