

THE BROOKINGS INSTITUTION

UKRAINE:  
TODAY'S ISSUES AND TOMORROW'S OPPORTUNITIES

A CONVERSATION WITH VITALIY KLYCHKO

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## P R O C E E D I N G S

MR. PIFER: Okay, well, good afternoon. My name is Steven Pifer. I'm a senior fellow here at the Brookings Center on the United States and Europe. I'm pleased to welcome you all to today's discussion. Ambassador Motsyk, we're delighted that you could join us.

Ukraine regained its independence 20 years ago following the collapse of the Soviet Union. And at that time, for many observers Ukraine seemed to have all of the ingredients to be a success story. You had a talented and well-educated workforce, proximity to Europe, an agricultural sector that was the breadbasket of the Soviet Union, and you had significant industrial assets.

But I think looking back we underestimated the challenges that Ukraine faced. Really there were sort of three revolutions that Ukraine had to go through: first of all, going from a command economy to an open competitive market economy; second, going from a political system dominated by the Communist Party to, hopefully, a modern European democracy; and third, developing an independent foreign policy.

Today, 20 years later, when you look back on Ukraine, you can say Ukraine has made progress -- in some areas, significant progress -- but probably not as much progress as we would have liked to have seen. The economy is growing. It's recovered following the collapse of the 1990s, and you can see market mechanisms. But still, corruption is too prevalent and on the part of some in the leadership, there's an inability to separate state and national interest from individual and corporate interest.

Despite the hopes generated by the Orange Revolution, the last year and a half have not been good for democracy within Ukraine. There's been backsliding on a range of issues, and of course yesterday's announcement of the verdict in the trial of Yulia Tymoshenko.

And finally, Ukraine still seems to be having some difficulties in defining that balance between its relationship with Russia and its relationship with the West. So today, Ukraine faces some tough questions, but it also has opportunities if it makes the right policy choices.

And to explore the issues that Ukraine faces and also the opportunities before it we are delighted to have Vitaliy Klychko. He is the chairman of the Ukrainian Democratic Alliance for Reform, UDAR, which stands for "fist" in Ukrainian and "strike" in Russian. And I think that that's not a coincidence. (Laughter)

He's also been for several years now a member of the Kiev city council. And finally, something that we don't always have in terms of a speaker at Brookings, he's a three-time and current world heavyweight boxing champion. So, he will speak for a few minutes, share his thoughts, and then we'll open up the discussion to questions and answers.

So, Mr. Klychko, we're delighted to have you at Brookings. (Applause)

MR. KLYCHKO: First of all, good afternoon, ladies and gentlemen. Good afternoon, dear friends. I'm very happy to be here. Thank you very much for the invitation for Brookings Institution. And I'm very happy to be here to change the opinion, to discuss about Ukraine, to explain about Ukraine.

First of all, I'm sorry for my English. It's a pretty long time since I speak English, and that's why I make a mistake. I apologize for that, but I hope everybody understands what I say.

I want to introduce me. Many of you know me as an athlete, as heavyweight champion of the world. I am very proud to have the same belt, the same title what have many years ago Muhammad Ali. But I stand here today not as a sportsman, not as an athlete. I came right now to Washington as leader of a young party

from Ukraine, UDAR. It means not fist, not punch, it means Ukrainian Democratic Alliance of Reform.

And about Ukraine. I know many of you know Ukraine is the second-largest country in Europe, with 46 million people. And we -- I just listened, we talk -- we just a couple of months ago we had celebration of 20 years of independence of Ukraine. A big celebration; big numbers. It's not -- we can't compare -- 20 years ago we were starting to build a new country, independent country, a country with equal opportunities for everyone, Ukrainian citizen, and we try to build democracy.

And today we have built wild capitalism. What do I mean "wild capitalism?" We can't compare it to the United States. You have more than 200 years experience of democracy, and a little different capitalism as we have in Ukraine. Wild capitalism means without rules. Without rules is a main point in a new country, main value. It's freedom, the main value is human. In Ukraine, if I talked about wild capitalism, the main value is money.

I remember this day in 1991, after Perestroika time, we decided, everybody, to be independent, to build a new country. We have a dream. Right now is 20 years going, and many Ukrainians give a question. We are happy with what we built. And better than somebody explains the numbers -- more than 60 percent of people in Ukraine have opinion Ukraine developed in the wrong direction. They are unhappy where we go.

Everybody understands we want to build a democratic country. Everybody has a chance to travel around the world and see what are the world standards of life, European standards of life. And many of Ukrainians was many times in Europe and see the quality of life, standards of life, and try to build exactly the same in Ukraine. We tried.

Many times we see what we have to -- we know what we have to change. And many politicians in Ukraine explain good stories what we have to change, and nothing happens in 20 years. Maybe we are doing something wrong? Maybe we have wrong goals? It's a good question.

Just a couple weeks ago I am -- I was asked a question. Vitaliy, we don't understand, who are you? Are you a politician or are you a sportsman? I cannot say. I'm a sportsman as a hobby. Ninety percent of my time I invest in politics. And just two weeks ago, maybe three weeks ago, I make my hobby in the Wroclaw in Poland. I have a fight against a Polish guy, and many boxing fans can see the fight because HBO broadcast the fight to the United States.

Not about the fight, about impressions what I get in Poland. I was in Poland in the beginning of the '90s. We have almost the same start position as Poland, Ukraine, Slovakia, Czech Republic, Hungary. Right now, as Ukrainian I see huge difference of changes in Poland, and huge differences between Ukraine and Poland, also. Today Poland is part of the European Union. I don't want to explain about life standards, it's also a big difference. Why Poland can do that, we can't?

Very simple answer. If you come to Ukraine and listen what politicians say, it's true, it's right, it's good. But many of them -- not many, everybody, every Ukrainian politician explains good stories, good examples, brings good ideas. But between the ideas in -- to realize these ideas is a huge way. And nothing happens after the Orange Revolution. The answer is very simple: Many politicians are not interested to make changes in Ukraine. Because for many of them politics is simple business.

I'll give a very good example how politicians can care about the people if he doesn't feel the problem of people. Explain how bad for all people or how badly pensioners -- how difficult to live for simple people and to explain about reform. They sit

in very expensive cars and drive to a very expensive villa where they live. Biggest point against -- this point fought everybody in the Orange Revolution, 2004. I was one of the thousand, one of the million people who were on the street. Also, I support the ideas to make changes.

Nothing has changed because as a politician, if you came to the power you don't want to change. They use the power for his private interest. And very painful for every Ukrainian to read the news that our country is the most corrupt country in the world. If we can change the old situation, we can -- if you -- we can change the situation with the corruption. If we can destroy the corruption, we can build new countries.

How a prosecutor can be independent in making clearer decisions if he gets 20-, \$30,000 per year and drive a car which cost \$100,000, \$200,000? We talk about independence, and how -- which decisions he will bring clear, independent decision or not?

So many bad examples. I don't want to explain about these examples, just clear numbers. The population in Ukraine doesn't trust -- people in Ukraine don't trust politicians. More than 50 percent doesn't trust politicians. More than 50 percent doesn't trust the government today.

We can try and make so many things if we don't change the whole structure. If it doesn't change -- people who don't want officials they move to European direction, they don't want to change the situation inside Ukraine because politics is just a straight way to work for pockets for every politician.

I want to explain a very short example. Ten years ago, as I liked to experience what I have, I worked as a guide in Kiev, making excursions for other people. I invited many people from the United States, from Germany to show one of the prettiest and oldest cities in Europe, and I invited many business people. I am very happy if

business people build the business in Ukraine, in Ukrainian -- build the business west of Europe, in the United States, to make some -- to be the bridge between the countries.

And one day, a good businessman from Germany came to Ukraine and wanted to build -- see, this was 2002. He wanted to build the business in Ukraine, next places -- old cities have problems with the cars because the streets are small and we need to build infrastructure. We need to build an infrastructure in Ukraine and they are ready to invest in building for parking, underground or like skyscrapers, high-level building, many-level building, parking building. We need for approval the papers, waiting almost six months everywhere, and city council tried to collect all improvement for that. Nothing changed.

In six months, my friend came to me and asked me, Vitaliy, nothing has changed. Maybe you can help me to move this project? I talked to one of the people who were responsible for that. I told him, it's in the interest of the city, it's the interest of the country. It's investment for the country's interest of infrastructure, and we have to do that.

We were together, just two people. He told me, I understand that it's the interest of country, city, infrastructure. Where is my interest? And I understand you can spend months, years going around and nothing has changed because many politicians are not interested to make changes.

I am very thankful for the people who share with me the vision. We, everybody, understand we have just one choice to be a European country, to build a new Ukraine, European value. And today, we -- one and a half years ago, we built a new party, UDAR. Today we have 400 deputies who will take part in local elections. We have 400 deputies.

Today we have very good support of people because as a main point, we don't have -- I'm sorry, we don't have bad stories. We try to build our parties. And my

friends tell me it's 10,000 people; the members of the party are not so much. Yes, it's not so much, but it's not creation of the numbers. It's much more important of quality of the people. It's the main point, the moral question for everyone.

The second is professionalism. And today we were active and we were prepared for this election next year. And an election next year will be a litmus test for Ukrainian democracy. We hope -- today we are party number four, if election will be tomorrow. We will be in Parliament in Ukraine, and I hope we -- I know we build factions, and I hope together with other opposition leaders we build a big group and hope we will be -- we have a lot of power to make changes in Ukraine.

I remember 20 years ago we have a dream to build Ukraine, a modern democracy, independent countries. The time goes so fast, like one minute. I know it's -- the next 20 years go exactly so fast like last 20 years. And I don't want in 20 years we will be talking again about time of missed opportunities. That's why we are very active in politics right now. We invest our time, energy, our vision, and we know Ukraine be a European country. We are a European country already, geographically. We are a European country with our mentality, with our history, but we are far away from Europe with the life standards. And we want to be a European country with life standards and to make our long year dream to build the standards, and that's why right now we invest so much time for that. That's why we work for that, and I am more than sure we make our dream come true.

I am sorry -- actually it will be much easier for me maybe to take a question and give an answer. It's unusual to make a speech in English; especially I am very nervous right now. Sorry for that. (Laughter) More nervous than before the fight. (Laughter)

Yeah, let's discuss, it will be much easier to make a conversation,



question and answer. Thank you. (Applause)

MR. PIFER: All right, thank you. Well, thank you very much for those opening comments. And I will agree, they say that when they do studies they say one of the top two fears of human beings is to have to stand before a crowd and give a speech, and especially when you have to do it in a foreign language. Although I think -- I'm not quite sure if I were in your shoes I'd say that it's quite as bad as facing somebody who wants to take your championship away from you.

Let me ask the first question and then I will open up to the audience. I think you've described a vision of Ukraine as a modern democratic European state where politicians are guided by the interests of the people, by national interest, where corruption is minimized, where there's no longer wild capitalism, but a capitalism that's played by the rules.

And I think if we go back six years ago in Ukraine, after the Orange Revolution there were these huge hopes, and it didn't work out. How do you mobilize that feeling that really I think energized Ukrainians in 2004? How do you do that in the context of a campaign leading to elections next year for the Rada that brings those votes out? And what would be the challenges you face in doing that?

MR. KLYCHKO: I tell the numbers of people who are very passive and don't support any politicians. They are very disappointed from a way where we go, especially right now, the temperature in Ukraine is coming up. It's more than 50 percent of the population in Ukraine has protest mood. They are ready to go to the street and defend by himself his rights.

And anyway old saying, the hope died last. And people have hope; it will be changes. And that's why we talk to the people. We told -- we don't want to be armchair experts. From them, depend nothing.

Many people explain about the vision, explain about the way we have to go, but nothing doing. And we are ready to work, and we know from armchair experts depend nothing. And just somebody who works, somebody who has a goal, somebody who has a dream and vision can make dreams come true. And that's why we talk to many people. That's why it's every day more and more people come in to our party and support us.

And we -- our party has the best dynamic in Ukrainian politics because people trust us. We have a good reputation, and we actually -- for five years our party in city council in Kiev and we have good background. We never, never change our principles for the money or some proposal from the government. We support the interests of people who live in Kiev. And that's why give to us so much trust. And today, we have more than -- different numbers, but we have between 5 and 6 percent if -- what's from population, if you go to the Parliament. And I hope our political party takes minimum 10 percent in next year -- in the election next year.

And it's very important to have good support from the people, but much more important to defend our result. Also, it's saying told, it's not important how you work, it's much more important how you --

MR. PIFER: Count.

MR. KLYCHKO: It's much more important how you count. And we have good experiences last election in local elections. We had an exit poll, much better result than we got in reality. And that's why it's pretty strong and life is fight. I know that very well, and you have to defend your vision, you have to defend your result, and just as a way to be a success.

MR. PIFER: Okay, great. Well, let's go ahead and open up the audience. If I could ask if you could wait until a microphone comes and then state your

name and affiliation, please.

Right in the back.

MS. ROGERS: Hello. Alla Rogers, Alla Rogers and Associates. Hello.

I'm very curious to know if you and your opposition colleagues in Ukraine -- your allies -- share the same vision on where the priority lies in reform. Strategically, where would you and your allies begin the reforms?

MR. KLYCHKO: Everybody talks about reforms, it's true. Ukraine needs reforms. Which ones and how? How we need reforms?

Yanukovych, the president of Ukraine, is the leader of a party of power who makes reforms, also, the beginning of reforms. The first step was tax reform. What is -- the party of power makes the reform from the top. They make reforms from the top, puts the reforms down. What happens? In a couple of days, the whole country goes to the street, all small and middle business demonstrates against this reform because this reform doesn't support the interest of the people. But they make reforms.

Exactly the same reforms, the pension reforms. We want to be European Union; we have to have the same age to be the pensioner. But we forget the life standards in Ukraine and the life standards in Europe are totally different. And also, the life term in Ukraine, in Europe, also totally different. It means not everyone Ukrainian citizen can feel what is meant by pension reform because he doesn't reach the pension age. It's -- I mean, reform, if you make a reform, you have to feel as politician what people need, because you work for the people, not for yourself, not just reform for the reform.

And one very important question. Can we make reform or not? Yes. But the main point, if we don't break the corruption circle in Ukraine, reform doesn't work. President Yushchenko tried to make reform, also. All reform breaks -- corruption breaks

all reform, because the politician was not interested to do this reform because politics is just instrument to make -- simple answer, to make the money.

We have good examples in Georgia, when as many people changed in the government and new people, with good education, come to government and make the vision true. And if we see Georgia make good steps to -- reform steps, and in this way, we can repeat exactly the same way. But first of all, the main point, we can't do a reform if it doesn't have -- if we are not inside the politic for us, the instrument how we can realize our ideas.

Thank you for your question.

MR. MANHEIM: Frank Manheim, George Mason University. Two questions. The first, is the present regime in Ukraine not interested in associating with the EU? And the second question is, would a model of disseminating information -- in other words, in this country we also have problems when politicians throw out generalities, ideologies, fine-sounding words, and so forth, that doesn't really get you very far. What they need to do is get to the detail of the issues. Do you have a potential in the Ukraine of approaching your campaign through disseminating information?

MR. KLYCHKO: President of Ukraine announced -- made an announcement the priority for Ukraine: European values. We have to be a European country. Our direction is Europe.

At the same time, it's not enough to make announcements. You have not to speak about it, you have to do it, and the right steps to European Union. We in Ukraine slide back from democracy and it's the total wrong direction. It's not the direction to Europe. And that's why -- I mean, it's -- we make -- announce one direction and move in a totally different way.

And good examples, the core decision, the process against leader of

opposition, Yulia Tymoshenko. One opposition leader -- and of that, another one landing in jail. Every politician has to be responsible for his politician -- to take politician responsibility for everything he did, not crying irresponsibility. It's not the democratic way. It's a question for everybody. Who will be the next in jail? This can happen. We are everybody -- I mean, Ukrainian -- be the next in jail if we still go in this direction.

In the second question, I'm sorry. I don't understand this.

TRANSLATOR: (Speaking in Ukrainian)

MR. KLYCHKO: If we talk about one of the very important points of democracy, it's press freedom, and we don't have independent press. It's press in Ukraine depends on oligarchic and media group who are privatized. And that's why to be independent and to criticize the government from the press, it's not easy to be -- to present in television or print press.

The best way what we did, talk directly. Many of the people right now don't believe in television, don't believe in press. The best way, talk to people. We speak with the people, explain our vision. And in this way I use celebrity status. Many times it happens. People coming to the meeting as celebrities -- to talk with a celebrity. It's like magnates of -- in local election we have at same time meetings with another politician in different places in the same city. And to our meeting come thousands of people. To our opponents, just a few people. But very important, the people have to come to meeting with celebrity and leave from the meeting with politician's message, from the meeting with political persons.

It's work. We have experience in the last local election. And in exactly the same way we don't go -- if we had a chance, we go to -- and make -- give our messages true press. If not, the best way is to talk to people directly.

Thank you for your question.

MR. PIFER: Let's see, back in the back there?

MR. TRAPIEVSKY: Good afternoon, Mr. Klychko. My name is George Trapievsky, and I just want to follow up on the question that Alla Rogers had regarding reforms in Ukraine.

If you were president today, what would be three specific concrete goals that you would have in trying to turn Ukraine around? And how would they specifically take apart the issues of corruption? Three specific, concrete goals that you would have?

Thank you.

MR. KLYCHKO: Three? (Laughter) I give you four. (Laughter)

MR. TRAPIEVSKY: Even better.

MR. KLYCHKO: First point. What we have in Ukraine and the -- what main value in democratic country is freedom and human. Main value in Ukraine is money. We have to change that.

Second, unity of our country is a second point because many politicians try to use questions and try to split our country. It's a question of nationality, it's a question of language, it's a question of religion I tell to everyone in our meetings. It's not important which language you talk in the Ukraine, Russian or Ukrainian or -- it's not important which nationality you have. We have more than 70 nationalities in Ukraine. It's not important which religion you have and which church you go. Much more important, you love this country or not. And it's -- second point -- and unites the country.

(Speaking in Ukrainian.)

TRANSLATOR: Rule of law.

MR. KLYCHKO: It's number three, rule of law. Because in Ukraine we have separate. Not everyone has... (Speaking in Ukrainian.)... equal rights in Ukraine. And it's very important question, social market economy also with equal rights for

businesspeople.

It's four main questions for Ukraine. We have -- we can -- I can explain much more questions, but my personal opinion is four very important questions for Ukraine today.

Thank you.

MR. PIFER: Okay.

MR. SYROUK: Hi, hello. My name is Andriy Tsintsiruk . I'm with the U.S.-Ukraine Business Council. We are a trade association based here in Washington, D.C., and we work with U.S. companies that conduct business in Ukraine and invest in Ukraine.

The question I have for Mr. Klychko, as Ukraine seeks foreign investment and seeks to reduce its energy dependence on Russia, what concrete steps do you recommend and you are going to undertake to guarantee that investors, particularly in energy trade that are coming to Ukraine, that they have guarantees and their property rights? Especially, for example, recently Shell, a U.S. company, invested \$800 million in shale gas production in Ukraine.

And there's lots of rhetoric about energy reform in Ukraine, but foreign investors are concerned that they don't have guarantees that they will be making money in Ukraine. So, what concrete steps do you recommend?

Thank you.

MR. KLYCHKO: It's very important to have a very good relationship with all our neighbor countries. And it's not a secret; Ukraine depends on energy from Russia. We don't have enough oil and gas in Ukraine, and we depend on exports from Russia. But it's very important to build a relationship with our partners ...(speaking in Ukrainian)... mutually beneficial conditions.

TRANSLATOR: It's very important to build the relationship on mutually beneficial conditions, taking into consideration a basis the interests of Ukraine.

What about investment planning? It's many investments, it's very simple. Before everyone invests the money for Ukraine, every investor, a simple question: before he invests, how he takes the investment back? And for every investor it's very important to invest the money for countries with stable political and economic situations. First point.

And second point, it's very important to invest the money and have a guaranteed and clear rules, fewer rules in the country. We have a lot of examples. Big Western company wants to invest big money for infrastructure in the Ukraine. One example, small example, I have much bigger examples when the company after a short period of time says, okay, I'm sorry, we're sorry, we wait a couple of years, maybe the investor climate in Ukraine will be better.

And that's why it's -- to make -- it's very important to make good ...(speaking in Ukrainian).

TRANSLATOR: It is very important to get the interest of investors to invest in Ukraine and to attract the investments in Ukraine and create the conditions that they will be assured to receive their investment and to gain something from their investments.

MR. KLYCHKO: It's the main point why Ukraine doesn't have enough investment today. Thank you for the question.

MR. PIFER: You want to say something?

MR. CHAN: Yeah, Chow Chen, Businessman. Maybe we talk about you, so can relax you and make you easier to express? Okay?

Why do you move to political area? And then, why are you different from



other politicians? And from your talk, you expressed two big problems into the reform in Ukraine: one is corruption and one is politicians beyond the law. And how do you change that?

Thank you.

MR. KLYCHKO: (Speaking in Ukrainian.) What is the difference between us -- our politicians and other politicians? In other political parties in Ukraine, very simple. Every political party in Ukraine builds from top. If you see, it's one of oligarch or one of big investors, invest money. And we have a party of leadership in Ukraine.

Our -- there's a difference between our party and other parties. We build the party. An example of -- best examples -- and from the bottom. We united people of ideas. It's not -- and to be very important to be independent. And politicians have to be - to make independent decisions.

If some politicians depend on some investor, what happens in Ukraine? That's why it's very simple. Politicians in Ukraine support financial groups. The financial groups work for his interest, not of the interests of the country. And that's why we build our party from the bottom, and unite the people of ideas. And it's the main point why there's a difference between our movement, our party, and others.

We are starting to build a platform of our party and discuss with every member of our party. We make... (speaking in Ukrainian)...

TRANSLATOR: We started to discuss our bylaws of the program within the party during the convention of the party, and we did not put it from the top to the bottom. If the people believe that their opinion counts and that they can express their opinion and it's taken into consideration, then that unites the party.

MR. CHEN: Will you tell him my first question?

MR. KLYCHKO: (Speaking in Ukrainian.) I explained about your experts. There is a lot -- not just in Ukraine, in United States, also, somebody who make -- explains that opinion, but from these people depend nothing. First point.

Second point, (speaking in Ukrainian)....

TRANSLATOR: There is a good saying: If you do not deal with politics, then the politics will deal with you. (Laughter)

MR. KLYCHKO: And in my speech I explained. We built the country the last 20 years. Time goes so fast and it was like one minute. One minute more and the next 20 years. And we talk again about the time of missed opportunities and we don't want to wait. We know we can make a change in our country and we know the way. About that I explained.

We have to change... (speaking in Ukrainian)... the politician's attitude towards people. If that attitude doesn't change, then we have to replace the politicians.

Thank you for your question.

MR. PIFER: Okay.

MR. BAILOR: Thank you. It's Tim Bailor of the Royal Air Force, Great Britain.

Since President Putin relinquished the presidency of Russia, we've seen a softening of relations between Europe and Russia. Ukraine has always sat politically and geographically in between the two. And with the return of Putin to the presidency, how do you think that will directly affect the defense policy and focus of the Ukraine in the next 10 years?

MR. KLYCHKO: I talk Ukrainian. (Speaking in Ukrainian.)

TRANSLATOR: Russia is a very important neighbor on the East. We have very close ties with Russia. Russia, in its turn, has very close ties with Ukraine.

And we understand that the Russian Federation is interested in improving the relationship with Ukraine.

I heard a saying a few days ago. It goes as follows: Russia with Ukraine is a European country; without Ukraine it's an Asian country. We have to build the relationship with our neighbors, taking into consideration first and foremost our Ukrainian interests. And also, taking into consideration the partnership relationship between us.

MR. PIFER: Do you think that changes with Putin coming back as President?

MR. KLYCHKO: Yeah. (Speaking in Ukrainian.)

TRANSLATOR: Putin has been a President before. We had a normal, not very simple, relationship with Russia. So far, we were able to find compromises in our relations and I am confident that we will be able to find compromise in the future.

MR. MATSEYOSKY: Good afternoon. My name is Yuri Matsiyevskyy. I represent Ostroh Academy in Ukraine and here I am Fulbright Scholar at Kennan Institute.

One of the major questions in Ukraine is the status of opposition. And it is easy to unite against the current dictator, I would say. But this is -- if the question arises before the 2015 election, how would you relate with other leaders, like Hrytsenko, Yatseniuk, Kirilenko? I believe you are already thinking about this question. So, how do you relate with other positions, leaders? And will you run for the presidency in 2015?

MR. KLYCHKO: ...(Speaking in Ukrainian)...

TRANSLATOR: As of today, it is hard to talk about the presidential election of 2015, since just recently we had a presidential election.

As to our relationship with the opposition leaders, we talk with them and we talk about uniting our forces. But we have to unite around the actions, not around the

slogans. We coordinate our activities and our actions.

MR. PIFER: Okay.

SPEAKER: Hi, Mr. Klychko. The name is Georgy Panayotov. I am representing the Embassy of Bulgaria here in Washington, D.C.

Although delivered in a foreign language, I can assure you that your speech was quite moving, for it was sincere and it was obvious that the words were coming from inside of your heart. (Applause) And I think that the Ukrainian voters will take this fact into consideration.

And here comes my question. Today's leadership of Ukraine declared that the country will not enter any military alliances. Is UDAR party going to change that track? Or in other words, are you going to apply for a NATO membership?

Thank you.

MR. KLYCHKO: ...(Speaking in Ukrainian)...

TRANSLATOR: As of today, the people of Ukraine have different opinions about the membership in NATO. Part of the population supports the membership, the other part does not. As of now, I am confident that we have to have partnership relationship with the Alliance. We have to have the joint strategy for defending our country. Thus, we understand that we have to have cooperation with the Alliance. But at this point, we are not talking about the membership yet.

SPEAKER: Thank you.

MR. BEYON: Yari Beyon from the *Ukrainian Weekly*. You mentioned in passing yesterday's news about the Yulia Tymoshenko conviction, but nobody asked the question specifically and directly. Would you go into that in more detail exactly how you react to that? What does it mean and what will the effects be in the future?

MR. KLYCHKO: I talked -- it's a process. It's a slight back -- democracy

development in Ukraine. It's not a question of Yulia Tymoshenko. It's a question of the rules, which rules work in Ukraine? It's no question it's a bad example and it's right now Ukraine and government try to find a not-painful exit from this situation.

MR. PIFER: Can I follow up on -- do you think they will find -- and I mean, four weeks ago I was at a conference in Yalta and people were saying there's a way out. The Rada will vote and will remove this section of the criminal code under which Tymoshenko has been charged and that'll make the trial go away. But it hasn't gone away and it seems like -- there's a saying, when you're in a hole, stop digging. And it seems like yesterday Ukraine dug itself a bit deeper into the hole.

So do you think at some point the government will find a way to resolve this issue?

MR. KLYCHKO: We hope the government finds a way. Right now it's the question which exit we find? And it's one of them -- decriminalization of the case against Tymoshenko? It's nobody -- right now it's a big discussion between the experts which way we find is the government finds -- which way the government in Ukraine finds the exit from the situation. And one of them is decriminalization of this case.

MR. MADANICK: Hi, I'm Lewis Madanick from the Open World Leadership Center at the Library of Congress. My question has to do with the upcoming election laws that are expected. What's your vision as a political party for your desire for the party list? Single mandate districts, party lists based on regional representation, or party lists straight-party list? How do you envision the new expected election law, and what's your party's position about that?

MR. KLYCHKO: ...(Speaking in Ukrainian)...

TRANSLATOR: We are for a proportional system with an open list. The voters have a right to know and should know who is on the list. It happened many times

that people were voting for a party not knowing who is on the list and then, by accident, some people got on the list who had nothing to do with the party and people had no idea how they voted for those people who got on the list from that party and have nothing to do with politics.

We are talking about the draft of the election law, but unfortunately as of today nobody had a chance to read the text of the law -- of the proposed law.

MR. MADANICK: Thank you.

MR. KLYCHKO: Next question.

MS. JAPEVSKA: Mr. Klychko, my name is Alexa Japevska, I'm a journalist. And up until recently I was based in Kiev for two years.

You mentioned that one of the most important characteristics -- character traits for a politician in Ukraine is to truly love Ukraine. Can you name one or two politicians from the highest levels who truly love Ukraine? And does Yulia Tymoshenko love Ukraine? (Laughter)

MR. KLYCHKO: I am more than sure that every politician loves Ukraine. It's a question of which love. (Applause) (Laughter)

MR. PIFER: Clearly he's gaining political skills here and knows which questions to sidestep.

SPEAKER: (inaudible) at George Washington University. One of the big debates now in Ukraine and in Europe is what to do with the association agreement that is about to be signed in December. And some say that irrespective of what happened to Tymoshenko, irrespective of yesterday's court decision on Tymoshenko, that EU should go forward with the signing of the association agreement with Ukraine because it's a very important steppingstone and it will give incentive, then, to push for political change in Ukraine.

Others, some in opposition, say that EU should punish Yanukovych for not fulfilling his obligations, and that they should boycott the signing and the agreement should not be signed. What's your position on this issue?

MR. KLYCHKO: I am more than sure the association agreement brings Ukraine much closer to Europe. It will be a very important step to be a European country, for Ukraine.

But right now after the case against Tymoshenko, after the decision from yesterday, all members of the European Union talked about sanctions against Ukraine. I talked for everyone, of politicians which we met, please make sanctions. But not against Ukraine, not against Ukrainian population. If you make sanction against the people who make unfair decisions, who are responsible for decisions, who support slide-back from democracy in Ukraine, the people have to be responsible for that. And we Ukrainians are very afraid to take isolation and to be in exactly this same position like Belarus. And if we talk about sanctions, please don't make the sanctions against Ukraine and Ukrainian population.

But I am more than sure the association agreement is very important for Ukraine. But right now we know the Czech Republic what, again, that. And the question is to be or not, or maybe it's -- is a question of the time, when Ukraine signs that.

Thank you for your question.

MS. LAZICH: Hi, Sharon Lazich, Georgetown University. First of all, thank you for joining us today. We're very interested in hearing the sorts of changes and developments that we would like to see in Ukraine. And I would have to say, my students from Ukraine would be incredibly jealous that I'm here seeing you today.

My question, again, deals with corruption. Not at the top echelon of the parties, but at the lower level, at the local communities. So what I'd like to know is what

institutional changes you'd like to make at a local level to curb corruption?

MR. KLYCHKO: If I understand your question, you talk about how to fight against corruption. Not high level, it's bottom level.

It's not -- it's impossible to destroy corruption there. It's actually -- we have to recharge the whole system about corruption. It's impossible to win -- to make good result in some part of Ukraine or some level against corruption, not to break the whole corruption system. But all corruption systems, it's just one way to rule out whole system, to change the people who for a pretty long time stay and are responsible for decisions in Ukraine. They are very interested to work for his own interest in Ukraine. And the politics for these politicians is simple business.

First, it's very important to use anti-corruption law. Everybody talks about that, but it doesn't work. It's main point is a moral aspect of the people who make decisions in politics. Without that, the way to destroy corruption in Ukraine is pretty long.

Good saying: ...(Speaking in Ukrainian)...The fox can change its fur, but not the character or the personality. It means many people tell, okay, we are not corrupt. I give a good example, many politicians have income of 10-, 20-, \$30,000 and live -- yeah. Uses a watch for \$50,000 and drives a car that costs \$100,000. And nobody asks what from the money. It's not asked -- it's the same people tell, okay! We are not corrupt, we live with clear rules. But I tell the very famous saying, the fox can change his fur, but heart will never.

I mean about rule out all systems, and it's a very good example. It's a very good result. Take Georgia and the fight against corruption.

Thank you for your question.

MR. HUBBARD: Hello, my name is Nathan Hubbard and I represent the U.S. Army. And I just had a quick question based on some of the experiences we have



here in the United States. With our current entitlement financial issues, how as an emerging politician do you overcome the political inertia to make promises? How do you overcome the desire to make yourself popular with the population by making promises that have long-term repercussions?

MR. KLYCHKO: I explained about numbers, how many Ukrainians don't believe in politicians. These numbers are big. More than 50 percent doesn't support politicians, and doesn't support any political party, doesn't trust the government. And why does this happen? Because the politicians explains and promises a lot.

We bring our program to the people. We have a good reputation. We don't have some bad background, and we have a chance. ... (Speaking in Ukrainian)... You can only trick somebody once. And actually, we have good reputation and we are very careful with that.

We promise to people to do that. And we explain which goal we have, what we can do, and what we can change. And actually, we have huge credit for the people about the pretense of supporting our party, I explained before. And we give everything; never lose our credit to promise -- to make all our promises what we give in reality.

Thank you.

MR. PIFER: Okay. Last question here.

MS. KOVALCHUK: Hello. Sophia Kovalchuk, U.S.-Ukraine Foundation.

In your speech, you said you support Ukrainian integration into European Union. But at the same time, you also support Ukraine's friendly relations with Russia. In your opinion, if Ukraine will choose a path towards European Union, how could you manage to keep relations with Russia friendly?

Thank you.

MR. KLYCHKO: We have a good relationship and have to build a good relationship not just with Russia, with every country and neighbor of Ukraine. And yes, of course, we build a relationship in the ground of mutual interest, based on our mutual interests. And to try to find the compromise with every partner.

It's just a simple way how we can build relationship also with every country, neighbor of Ukraine.

MS. KOVALCHUK: Yeah, but in your opinion what kind of compromises that could be?

MR. KLYCHKO: It's compromises in any questions. And political compromises. We have...

TRANSLATOR: ...we should take into consideration the interest of our country first of all and foremost. We can find compromises in all areas, including political areas or economic relations.

SPEAKER: Thank you.

MR. PIFER: Okay. Well, it's 3:30, and we do have a rule of ending right on time, but I think we've covered a lot of ground. It's clear that you are master of a lot of issues, both on domestic and foreign policy.

But let me ask the audience in joining me in thanking Mr. Klychko for his appearance today. (Applause)

MR. KLYCHKO: To end, I want to thank everyone who came to the discussion. And I am so sorry I was so nervous before my speech. And really, I was much more nervous than before the fight. (Laughter)

I have a dream. In one day, Ukraine will be -- actually, I explained the story yesterday and I want to repeat the story today. 1986, Perestroika time in Soviet Union, it's a group of boys after school watching TV and it was broadcast into the Soviet

Union. Unusual things, heavyweight fight and heavyweight division professional boxing, but professional boxing was forbidden in the Soviet Union. It was the youngest heavyweight in history holding the world title behind -- above his head. It was Mike Tyson.

And one of the boys, he was small, he was 14 years old, very skinny. And one day I will be world champion and I take this title away, and all friends started into kidding. Everybody smiled and kidding him and making jokes about him. That small boy was me. (Applause)

MR. PIFER: And they don't kid you anymore.

MR. KLYCHKO: You know what? Everybody who was kidding me, everybody who was making jokes don't know, I have good memory, I memorized everyone. And 16 years later, I invite everyone who makes a joke about me, who smiled, to restaurant. I bring a bag with me, and I take from the bag exactly the same belt what held above the head Mike Tyson, put on the table, and tell, you remember this day? You make jokes, you don't believe in me. And everybody said, yes, of course. But nobody thinks the boy from our class, from our school can be heavyweight champion of the world.

Why I explained the story, it's very important to have a dream. It's much more important not just to have a dream, to work pretty hard in this way and make your dream true. It's not easy way. It's maybe -- it costs a lot of energy in years or of work. But anyway, you -- if you want very much you make your dream true.

Why I explained the story? I have a dream for Ukraine to be European Union, not just geographically, with the standards of life. We have -- we continue to talk about huge potential what Ukraine has. It's beautiful country, it's guest friendly people. And everyone Ukrainian wants to live in a country with world standards of life.

I have a dream, and I am very thankful for all people who support us and give us support to make our Ukrainian dream come true. I know it's not the easy way. I know it costs a lot of power. But we are not just a dream, we do it a lot for that. And I am more than sure we make our dream come true.

Thank you very much for your time. (Applause)

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