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**Featured Speaker:**

ARSENIY YATSENIUK  
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## PROCEEDINGS

MR. PIFER: Okay. Good afternoon and welcome to the Brookings Institution. My name is Steven Pifer. I am a senior fellow here with the Center on the United States and Europe, and it's my pleasure today to introduce and then moderate this session with Mr. Arseniy Yatseniuk, who will talk about the situation within Ukraine, but also some of the prospects for both its political and its economic future.

Before going further, I want to thank the Pinchuk Fund, whose support has helped make this program possible. But let me note that we're now approaching 22 years of independence or 22 years since Ukraine regained its independence since the collapse of the Soviet Union. And it's been a time of transition. Sometimes difficult transition and not always straightforward transition. And certainly at this point I think Ukraine does face a complex situation, and there is concern among those in the United States and in Europe who follow Ukraine about the direction in which Ukraine is headed in terms of its path on democracy and democratic regression; in terms of building an open, transparent, and noncorrupted market economy; and in terms of defining a foreign policy that balances Ukraine's interests with Europe with those of its interests with Russia.

So we are delighted to have Mr. Yatseniuk here today to talk about the situation in Ukraine; the prospects also that he sees for Ukraine's future. Mr. Yatseniuk is currently the political chairman of the Batkivshchyna Parliamentary Faction in the Ukrainian Rada, Ukraine's Parliament; a key leader of the Opposition; and in 2010, stood for the president in their election. He has a very distinguished career, especially for one who qualifies as a young political leader. Between 2003 and 2008, he served as the deputy governor of the National Bank of Ukraine, the acting governor of the National Bank of Ukraine, the vice governor of Odessa Oblast, the minister of economy, the foreign minister, and the chairman of the Rada, all before he attained the age of 35. So clearly, this is somebody with a very impressive resume, very distinguished resume, or actually, Arseniy, some of us might say you just can't seem to hold a job.

In any case, we are very fortunate to have him with us today. After his opening remarks he will take questions and we'll have an open discussion. So please join me in welcoming Arseniy Yatseniuk to the podium at Brookings.

(Applause)

MR. YATSENIUK: Thank you, Steven -- Ambassador Pifer, distinguished audience, it's really a pleasure for me to have a chance to

address you, our American partners, and to elaborate and to update you on what's up in Ukraine for today.

It's really great that we still are interested in both of us. I mean, the United States have interest in Ukraine, and Ukraine has interest in the United States. We are strategic partners, to let me talk a little bit about our past in order to shape our future.

We did a lot of good stuff together. I mean, we as Ukraine and we in the United States, and our bilateral relations with the United States are strategic, and in 2008, Ukraine and the U.S. signed the Strategic Partnership Charter. And I do remember the times as a chief negotiator on the WTO session when we signed a Bilateral Protocol with the United States; when Ukraine joined the club of the WTO; when Ukraine got the market economy status from the United States; when Ukraine removed the Jackson-Vanik Amendment; when Ukraine got free and fair elections due to your support and due to the support of our vested partners. So that's what we did right.

We did a number of things that could be done better than expected. I mean, 2008, Bucharest Summit, Membership Action Plan for NATO. We both failed. We both failed and it's important for us, for everyone, to realize that we want to be the part of this Western World,

including not just political and economic; including military and defense aspects. In order to shape our future, we need to make real remarks how to do this.

So let me start with the Ukrainian future. We have a historic momentum; a really historic momentum for my country, for my people, and for the Ukrainian nation. To be or not to be; whether to join the European Union and to make the first step, I mean, AA, Association Agreement and DCTF, or not to join the European Union. This is the historic momentum that has to be executed. We anticipate to get the deal done in realness with our European partners. But a number of preconditions have to be executed, and I will start probably as one of the keeper conditions is Yulia Timoshenko, a case you are well aware of.

Crackdown on the political rights and freedoms; crack down on civil rights and liberties. This is the way how this president and this government executes the office and executes their responsibilities. Yulia's case is the tip of the iceberg. This is the political persecution and this is the selective justice, and we definitely need to put an end to this case. Keeper condition for an AA agreement is Yulia must be free.

I met President Yanukovych a few days ago and we had an open talk with the president and his administration on the Association

Agreement and on the way how we can fix this problem. As the first step, in order to release Yulia, I asked this government and this president to let Yulia Tymoshenko get medical treatment outside Ukraine in Germany. The German minister, Westerwelle arrived in Kiev a few days ago and he made very clear that the government of Germany is capable of providing the necessary medical treatment for Yulia Tymoshenko. So I believe that in the nearest future, this president will show his political will, will make the first step in order to make Yulia free, and this will be the real political wheel to sign an Association Agreement with the European Union.

We have another set of preconditions, which are related to the Ukrainian political and economic situation. I will probably concentrate on -- focus on electoral legislation and independent judiciary and prosecutor's office. Elections that we had in the past decade were different. The presidential elections of 2009 were more or less free and fair. We can say similar stuff about the parliamentary elections of 2012, but despite this, we, as an Opposition, fought for free and fair elections and we got quite impressive numbers during the parliamentary elections of 2012. The support of the biggest Opposition faction, which I am sure of Batkivschyna, was 26 percent contrary to the party for Regions, which is the majority and the party of president Yanukovich, they got 30 percent.

So we did an impressive result during the parliamentary elections and the entire opposition, I mean three key opposition parties, Batkivschyna, Svoboda, and UDAR got more than 50 percent of the support of the people of Ukraine on the proportional system.

But that's not enough because, you know, we've changed the legislation, and for today it combines proportional system and single mandate seats. Going back to the election, one of the preconditions to be met is to enact a special legislation related to the elections. Five single mandate seats in my country are still unelected, and we asked the government and the president to enact a special legislation in order to have these free and fair elections in the nearest future and in order to show to our European partners that we are committed to one of the key democratic values, which is to elect and to be elected.

We will face in the nearest future the presidential race of 2015. That is the reason why we propose to our political opponents to set up a special bipartisan commission on the legislation related to the presidential elections and activity of the Central Election Commission because my feeling is that these won't be just elections. This will be the war, and in order to have these elections free and fair, we have to fight furiously for the future of the people of Ukraine, for the real democracy in



my country, and getting things done, we can do it through the real election legislation, which needs to be enacted in the nearest future.

The third issue related to independent judiciary, and mainly prosecutor's office, we still have the legacy of the Soviet Union. When the general prosecutor is the big boss and the big guy who can easily interfere in your private life in every sphere starting with the entrepreneurs and ending with the public service, that's our obligation and we need to enact a new legislation and to entirely overhaul the prosecutor's office to make them absolutely independent. We always say that, look, these guys are independent today. And do you know why? Because nothing depends on them. Mainly, it depends on the president of Ukraine. And to make this office freely instrumental and really independent and an effective one.

Let me say a few words about the customs union and about our relations with our Russian neighbors. It's not an easy question how to build up these relations. We have a different past, different story, different relations, but I believe that we need to have relations not as subordinates but as real partners. President Putin invites Ukraine in inverted commas to join the Customs Union. He was very clear saying that, look, it's not just economy; it's more about politics. We, as an Opposition, strongly oppose an idea to join the Customs Union. I don't want to restore another

Soviet Union. That's the reason why we need AA with the European Union to be signed, not to lose the momentum, the historic momentum for the people of Ukraine. We are to be a part of a big European family. We share the European values, we would like to join the European Union -- God knows when because, you know, it takes time, and we want to be absolutely frank. But as the first step to make Ukraine a member of this big European family, we need to sign an agreement in realness.

When I met President Yanukovich, we had a very long discussion on the economic data and on the economic development in Ukraine, and I was a little bit stunned with the information he provided.

So what's my picture on the economic stance of Ukraine? It's not as good as the president thinks. Look at the data. The GDP gross in the year 2012 is just zero. The inflation is flat, zero. The industrial output is going down. It's -10 percent. If you compare these three indices, it means Ukraine got a certain type of real recession. Look at the debt. It's doubled in the last three years when President Yanukovich took office, and this is another bad sign. The only thing they did is a so-called stable exchange rate, but at what price? They lost about \$14 billion of reserves of the Central Bank, and it heavily affected actually Ukrainian exports. This over-stable exchange rate heavily affected the Ukrainian

economy.

So the economic picture is really gloomy, and we need to fix these problems, and we ask the government and the president to show their agenda and their action plan, how they can tackle these problems.

Do we as an Opposition have the plan? Yes, we do. You can't just change the name of the president and say to the people of Ukraine that, look, everything has changed. No. In order to take the office of the president, you need to present to the people of Ukraine the re-election plan, a real agenda, how to change things, who will do this, and what's the joint action plan for the United position?

So let me start with the political agenda. The key achievement of this president and this administration is a crack down on civil rights and liberties. We as an Opposition are to protect and defend civil rights and liberties and key constitutional rights starting with freedom of speech, freedom of assembly, the right to elect and to be elected, freedom of religion, freedom of entrepreneurship. Freedom is a key thing for every country. It's not just about economy, assets, industry, and cash, this is the outcome, but the precondition to have free market, to have a real strong economy, to have independent judiciary, to have independent prosecutor's office, and to have the future is to have the real freedom.

So we as an Opposition are fighting for these freedoms, for the freedoms of every single human being, of every citizen in my country. It's not an easy job but this is the job of every real politician.

In order to get things done, what do we need to start with? We need to restore the balance of powers in my country -- system of checks and balances. After President Yanukovich changed the constitution bypassing the house with the order of the Constitutional Court, the entire powers in my country are concentrated in the Office of the President. So we need to get a very influential legislative branch of power. We need to have an independent judiciary, and we need to have an independent executive branch -- the prime minister and the government.

It can be done by amending the special legislation, and this is our agenda that needs to be passed through the House. We don't have majority because we are the minority, but despite this, we have blueprints and draft legislation which is desperately need for my country in order to restore the balance of powers.

Another problem which we have in-country, and this is the key problem for my country, is corruption. I will probably outline a number of things that need to be done in tackling the corruption, starting with the

legislation. We need to establish a special anti-corruption body, like anticorruption committee to start to fight corruption and to start to investigate high profile Ukrainian officials who are part of this corruption. We need to change the criminal code and penalty code in order to increase the responsibility of those who are corrupted and those who are engaged in corruption. A special part is dedicated to the so-called red tape. Less bureaucracy and more responsibility of the public servants. The governmental agencies have enormous responsibilities and powers, and usually they are overlapping each other, so we need to overhaul the entire public administration. So these steps need to be done, but the key thing is that, look, you can't tackle corruption in case the corruption is headed by the president and by his government.

So the plan of the Opposition is to win the presidential elections in 2015, or quicker. It depends on what's up in my country, and to execute and to endorse all the things that I already outlined.

On the economy, as I told you, the picture is not as good as expected, so let's start with probably investment climate. Investors are going out of the country. They are leaving the country and this is the bad sign, extremely bad sign. And the reason why is very clear. They are not confident of Ukrainian judiciary, of Ukrainian courts, of Ukrainian IRS -- I

mean, Tax Service -- of Ukrainian legislation. So we need to improve the investment climate in my country.

What needs to be done? The first one is to change the tax code, to simplify the taxes in order to attract the foreign investors and in order to provide a level playing field for everyone in this country; in order to support entrepreneurs; in order to get additional investments from abroad and domestic investments, we need to close the tax loopholes. For example, Cyprus. It's a mess. In the last three years they sent to Cyprus \$72 billion with no taxes at all. This is the double budget of my country. The House refused to denounce an international treaty with Cyprus, and we, as an Opposition, urged the president and the government to close the tax loopholes and to stop the tax evasion through Cyprus and other offshore zones.

Jobs. It's a huge problem. The overall unemployment rate is about 10 percent. People are looking for jobs outside Ukraine, mainly in the European Union and even in Russia. So we need a special action plan how to create jobs in my country. One of the remedies is a tax code. Another one is foreign investment, and the third one is an effective governance and effective government.

Banking sector. And I will probably somehow interlink this

with the IMF program. It is true that my country desperately needs an IMF loan, but my message to the IMF is very clear -- you can't fund the regime. If you provide the loan with no preconditions, with no clear-cut demands and without any reforms that are implemented by this government, they will just steal this loan and that's it. That's the way they act. So we need real reforms to be executed. Start it with public procurement and ending with tackling corruption. The IMF program is another leverage how to get reforms done in my country and how to get real results. So we call the IMF for stronger criteria for Ukraine.

I will try to present to you the future of my country. I strongly believe in our success. It's a bumpy road to get the Association Agreement signed. It's not an easy job to execute and to implement reforms in my country, but this is the only way we have to go, and this is the only way we can succeed. We as an Opposition are united today. We started this unification before the parliamentary race, together with our political partners, I mean, UDAR -- Party UDAR of Vitali Klitschko and Party of Svoboda. We started collaboration in the House and we did the same at the streets. We started an action, a rally, Rise Ukraine. People in Ukraine, they are a little bit, I would say, frustrated, and that's true. They don't like the government -- neither the government nor the

opposition. And it's not about the way they like. We need to get the real trust, and we need to deliver a strong message to the people of Ukraine -- what we want to do and how we will execute this. So I believe that our action plan for the Ukrainian future, European future of Ukraine is viable, a realistic one, and it is to be executed and implemented by the entire Opposition.

A historic momentum, a window opportunity, which is open -- still open for Ukraine in terms of making Ukraine a pro-European state, has to be not just the window but the real opportunity. And we will do our utmost as Ukrainian Opposition in order to seal the deal, in order to make Ukraine pro-European, and in order to move Ukraine forward and to make Ukrainian state and Ukrainian nation and Ukrainian people proud of its country and proud of its future. Thank you.

(Applause)

MR. YATSENIUK: Wasn't I boring?

MR. PIFER: Okay, Arseniy. Well, first, let me thank you for giving an opening presentation which I think did an excellent job of covering the landscape, and you really touched on, I think, all of the questions that we would want to hear about.

I want to push on one issue which you touched on towards



the end, but a number of the themes that you talked about in terms of what the Opposition wants to see in terms of a more democratic Ukraine, in terms of a more open and competitive economy, certainly ring back to the themes of the Orange Revolution. And, of course, I think one of the issues was the Orange Revolution, which was, I think, an exciting period for people who were watching what was happening in Ukraine where such a large portion of Ukraine population came out and said this is what we stand for, and then what happened afterwards I think generated a certain amount of cynicism because the delivery didn't match the hopes. How do you as an Opposition -- what are the challenges that you face in tapping into that and sort of getting the population which may look back at what happened eight or nine years ago and say, "Well, we're not quite sure if these themes can be delivered on." I mean, how do you mobilize that looking towards an election in 2015?

MR. YATSENIUK: That's true what has happened. People expected tremendous changes after the Orange Revolution, and they were just disappointed. And one can say that they were betrayed by the folks who got the office, who promised but didn't deliver. It wasn't just a mistake. We failed to deliver. We, everyone, not just the government, not just the president. And this is a very good experience I would say. You

can't do it just in one shot. The Orange Revolution was the first step. The first step in making Ukraine a really democratic state.

The key problem in my country is that we don't have strong democratic institutions, and we need to build up the strong democratic institutions. And it doesn't matter who will be in the office of the president, what's the name of the president or the name of the prime minister.

Democracy is about sustainable democratic institutions.

What lessons we got from the Orange Revolution. The first one is never promise what you can't deliver; promise what you can deliver. Less quarrels in the democratic camp because this was the key factor -- a never-ending fight between democrats, and that's the reason why President Yanukovich became President Yanukovich.

Try to deliver not everything in one day. Just give a clear action plan that we will do this and that, and get the trust and credibility from the people of Ukraine how are you going to execute this. And before the elections; that's on my agenda. We need to show to the people of Ukraine the new team, the new leaders, and the new action plan for my country in order to get this trust. If people don't trust, you can't do anything. It's not just about the president. You can have the brilliant president, an excellent prime minister, but if people don't trust you, you're

out of the game. You can't do anything without the people.

So the key lesson for me is that if you want to change the country, rely on people. Ask people to support you. Engage them. Endorse them. And this will give you huge power and huge energy for real changes. So we didn't lose in 2004; we made the first step. Do not be frustrated; just trust and believe.

Look, in politics, we have like an economy, cycles. We will have another cycle. Another cycle of the fight for democracy. And I believe that this cycle will happen in 2015 and we will win.

MR. PIFER: Okay. Let me open up the floor to questions. If I could ask if you could give your name, affiliation, and please have a question mark at the end of your point. And wait for the microphone.

MR. KRUSHELNYCKY: Good afternoon. My name is Askold Krushelnysky. I'm a British journalist of Ukrainian origin. Over the years, I've covered Ukrainian matters quite extensively. I think, Mr. Yatseniuk, that your presentation was very incisive, insightful and realistic.

You've talked just now about cycles and that there will be another chance. I returned from Ukraine last month and I've been keeping abreast of events, and what I find staggering is the impunity with which

this government actually just breaks its own laws. You mentioned the five elections that are still to come, bi-elections, where people in last October's parliamentary election were cheated out of their seats. And just last week one of them, Arkadiy Kornatsky, who is a successful agriculture businessman, because he's against the Party of the Regions, his holdings were seized as you are aware by the same sort of thugs that beat up journalists in Ukraine at your Rise Ukraine rally, and they're backed up by the militia, by the police.

So my question, the question mark is, what gives you confidence that in this kind of climate of lawlessness and brazen arrogance, that the will shown during elections or the results of any elections -- and I'm sure that they would be in the Opposition's favor if there was a free election without intimidation and without corruption -- but what makes you confident that in 2015 the results of the elections will be free and fair?

MR. YATSENIUK: A very important question because, you know, this government shares the motto of stallion. It doesn't matter they way they won't; it matters the way they can't.

That's the reason why we need I would say a European shelter over Ukraine. This is the chance to have free and fair elections. If

we sign an Association agreement with the European Union, we can get international observers and we can get frankly international pressure over the Ukrainian government not to rig the elections.

Even in case, if President Yanukovych loses the election -- and I believe that this will happen -- he's not going to leave the office. That's another challenge. And that's the reason why we started Rise Ukraine. We need to boost the support of the people of Ukraine. What they are scared of, what's the key threat for this government and for this president? People. People on the streets. It works everywhere. It works in Turkey. It works in Egypt. It works in Libya, and it will work in Ukraine, and it already worked in Ukraine. When people fight for their rights, when people fight for their freedoms, what we as an Opposition desperately need, we need unity, and it's really difficult to have strong cooperation between three quite different Opposition forces. But we got this deal and we collaborate quite effectively. On the issue that you've raised, the single mandate seats, it's true that they just rigged the elections. They cheated the elections. And we made the joint statement of three opposition forces that Arkadiy Kornatsky and the other nominees will run at the snap elections.

The government wanted to have these elections in August,

and that's the reason why we blocked the parliament. There is a Ukrainian democratic habit to block the parliament if you want to have negotiations with the majority. This is not the best way to run the House, but that's how transitional democracy works. So we blocked the house and we actually postponed the elections. In case elections are to be held in August, the government will definitely misuse an administrative resource. We will have a very low turnout because everyone is on vacations. We can't invite international observers. We even can't attract domestic observers. So we believe to have these elections in September or December. And this will be another fight, a very strong and bloody fight with the government. Who will win? Who is to win?

The same happened with the Kiev's mayor elections. You are probably aware that the Ukrainian capital, we don't have a mayor for more than two years. And the reason why is very clear -- because the government thinks, and they are absolutely sure, that they will lose this election. So it's better for the government not to have elections rather than to lose the elections.

So we pressed on the government and we asked our European investment partners to ask the government of Ukraine to enact the special regulation, the special resolution of the House to have these

elections in the nearest future. Because, again, going back to the elections, this is the pillar of democracy. This is a key democratic principle, to elect the government or to dismiss the government. To elect MP or to dismiss MP or to change the government.

So my remedy, why am I sure? I'm telling you candidly, you know why? Because I just believe. This is the only way to win. I believe that we will win.

MR. PIFER: Professor Miller.

MR. MILLER: Thank you, Arseniy, for an excellent presentation.

I have a fundamental question. If, as you have laid out, Yulia Tymoshenko is released for medical treatment in Germany, she will be under what circumstances pardoned without the overhang of prosecution? Will she be the candidate for president? If she is the candidate and wins, will she pursue a course that will avoid political persecution? And will that be the bellwether of the new Ukraine?

MR. YATSENIUK: We, as the United Opposition, nominated Yulia Tymoshenko as a presidential candidate and presidential hope. We did it in December 2012. And we approved the same decision at our joint meeting of Batkivschyna Party and Front Changes Party. I was the leader

of this party on the 18<sup>th</sup> of May. What we did together with Yulia, we promised to the people of Ukraine to run together, and we did it during the parliamentary race and we united our parties two weeks ago. So we want to create the most powerful democratic party in my country. We want to be the leaders. And this unity is the real leverage for those who want to implement real changes in my country.

So a few words about Yulia. As I already told you, we had talks with President Yanukovich. The keeper condition is to release Yulia. Is President Yanukovich is ready to pardon her? No. And he made it public that he will sign a pardon act only in case if she repays some kind of \$400 million -- God knows for what -- and another 60 million as tax fees at the time imposed by the Ukrainian Criminal Court.

So it means that he does not envisage her pardon. Not yet. But what he promised, I asked him to make the first step, and the first step is to let her get the medical treatment abroad. He said no one says no. I sent a special proposal to our European partners, and we are waiting for the reply. As far as I understand it's Cox-Kwasniewski mission to the president's mission. "It's not within the Ukrainian legislation" -- this is the quote of this president -- "It's not within the Ukrainian legislation, but as a humanitarian mission we can consider this."



What's in my mind? We need to save Yulia. To let her get the medical treatment, and then to fight for her freedom. If we do the first step, we can do the next step. In case if she stays behind bars in the prison, this will just worsen the situation but not make it better.

MR. PIFER: In the back. Yeah.

MS. MCCONNELL: Nadia McConnell, U.S.-Ukraine Foundation.

Two questions, one very short. Has Yulia agreed to this?

And the second question is about the United Opposition. The presidential election is very near. What is the process by which the Opposition will put forth a single candidate? We have primaries here, which are very helpful, but can also weaken a party. So do you have a process so that the Opposition is not split at the ballot box? Thank you.

MR. YATSENIUK: If we have two parties in my country, we will definitely have primaries, too. We don't have the primaries, and that's the problem for every Opposition leader because everyone wants not just to run but to get the office of the president. And frankly, that's the reason why we failed in 2010. So what we need is unity.

On the 18<sup>th</sup> of May, we signed a joint declaration. Three different parties signed a joint declaration that if Yanukovich changes the

legislation, and we have one-round elections, we will run with the one presidential hopeful and nominate one presidential hopeful. If no, we want to be frank and honest with our voters. If no, that guy who gets in the second round will get an entire endorsement, entire support of those who were running in the first round from the democratic camp.

So this was the first step how to provide the unity among the Opposition forces. So if one round elections, in the horse race we nominate one presidential candidate. If no, everyone is to run. This is not the best idea to run for everyone but, you know, I can't stop someone because there is no formula how to do this. With the polls it just says nothing. I do remember the polls before the parliamentary race. We were expected to get something like about 16 or 15 percent by the Batkivschyna Party. We got 26. Contrary to, for example, UDAR Vitali Klitschko, pollsters promised to Klitschko 20 percent; he got just 13. So we can't rely on polls because they are playing tricks with polls in my country.

My feeling is that we can deliver a single candidate but it takes time. We did the first step and we will move forward, negotiating the way how can we nominate the single candidate. And in order to nominate the single candidate, we need to have a single team, a single action plan,

and a joint victory.

On Yulia, I will answer this way. I will kindly ask and request Yulia to accept this proposal if we get this proposal, if it's on the table.

MR. SHOAN: Joshua Shoan, Peterson Institute.

Arseniy Petrovich, my question is would going towards an open list system be a better means to increasing transparency in the election cycle? And my second question on the economic front is what does the parliamentary Opposition plan on doing with the decrease in steel manufacturing and industrial decrease mainly when particular and certain oligarchs have been buying up large parts of the industry and monopolizing it? Thank you.

MR. YATSENIUK: Nice questions.

So elections. I will start with the elections.

We had a roundtable, which was organized by the United States' embassy and the European Commission just a few days ago, and we discussed the way how to change the electoral legislation. The best way to do it is to enact an electoral call in Ukraine. As already indicated, we need an open list system in my country. It's not similar to a majoritarian one. It's not similar, but it gives better chances to vote in favor of real members of the House to elect real people but not just those

who are in a closed list system that exists today.

The Venice Commission had a project in Ukraine and our European partners and we had to draft legislation. But what I got from the government is that the government does not accept the idea of having this single big piece of legislation, which is electoral code. What we proposed to our political opponents is to establish a joint bipartisan commission on the electoral legislation and to start to change the electoral legislation step by step and to provide an open list system in Ukraine.

The second question you asked about the monopoly. It's similar to the corruption. This is a real disaster in my country -- political and economic monopoly. Political monopoly is corruption. Economic monopoly is similar to corruption, too. Look, a few people possess everything, starting with the major stake in the presidential office and ending with the major stake of the Ukrainian economy.

So what we as an Opposition have to do to de-monopolize the economy, to strengthen the Ukrainian Anti-monopoly Committee, to strengthen regulations, to make regulatory bodies really independent. And this will have a positive effect on Ukrainian politics, too, because if they control everything, they control media, they control industry, they control railways, they control telecommunication. They control the

president. They control the government. And you can't fix the problem in case if a few people possess and control everything. So to de-monopolize, do we have the plan? Yes, and I already indicated. This is the plan of political, social, and economic changes. Ukrainian tycoons are a key obstacle on our road to real democracy. And we will handle this.

MR. PIFER: Back in the back.

MR. ROJANSKY: Matt Rojansky from Carnegie.

So one of the -- I spent the last two months in Ukraine researching the problem of --

MR. YATSENIUK: Rate, please.

MR. ROJANSKY: It was great. Kiev is wonderful in the spring.

But one of the things that the folks I spoke to told me consistently was that after 2004, 2005, one of the big mistakes the Orange team made was to call into question private property rights that had been accrued until that point. The fact that Yulia said 4,000 to 6,000 privatizations would be examined, potentially reversed, basically opened the doors to a new wave of corporate rating that there had been none like previously.

Given the scale of the problem today and the feeling among

the vast majority of ordinary Ukrainians that much of private property is still illegitimate, and in particular the connections as we know to the powers as they are today, would you none the less be willing to commit for the sake of stability and further economic development that if you were president, or if you were part of the program, developing the program for the next president, that you would say no to re-privatization, no to opening those doors as was done in 2005?

MR. YATSENIUK: That's a huge challenge. And this is not just related to re-privatization; it's related to political revenge and economic revenge. What President Yanukovich, he opened a Pandora box when he enjoined Yulia Tymoshenko.

Everyone has the dream. I have the dream of reconciliation. I have the dream of cooperation. And I have the dream of the national unit. That's on the one hand.

On the other hand, what we have, we have what our Ukrainian voters demand. They ask for justice. They ask for equality. They don't ask for retaliation, but they ask for independent persecution of those who steal the state property, of those who misused or those who abused the power of the office of the president or the government. And we need to find the way out how to tackle this. If you promise to everyone

that in case if I get the office of the president I will send everyone to prison, I will re-privatize everything and you will be happy, you can win the elections but you will lose the country.

In case if you do the same as President Yuschenko did in 2004 -- he promised to put them behind bars and did just nothing -- you will lose credibility. And you will get what we got -- people were frustrated and people don't trust words.

Do I have an answer? Not yet. What I call for, I already told you. I call for reconciliation, for unity, for fair rules, for justice and equality. If we have an independent supreme court, and if we have the verdict of the supreme court, that this property had been taken illegally, we have to execute the verdict. Am I wrong? I am right.

If we announce an entire re-privatization with no legal background, with no legal basis, investors will just flee the country. Just in this case, trust me. We will find a fair solution. Very difficult to do this. Extremely difficult not to open Pandora's box and to deliver justice. But that's about real politics. We will find a fair solution, just I won't announce 3,000 enterprises to be re-privatized. That's my answer. Or reversed.

MR. DEYCHIAKIWSKY: Orest Deychiakiwsky with the Helsinki Commission.

How concerned are you about the new law on the referendum and its implications should something like that pass? I think many observers argue that if it did it could be problematic.

MR. YATSENIUK: This government is very creative. Do you know what they did? They decided to bypass the House and crafted a law on the referendum. So again, going back to dreams, he has a dream, too, this president, to retain the power. And in order to retain and to conserve the power, he wants to get the special leverage from the law on the referendum. Bypassing the house, bypassing the constitution, he believes that he can get the direct powers from the people of Ukraine misusing people's voice and people's choice. The Venice Commission, three or four days ago, issued a very strong statement, extremely negative statement on the law of referendum. We, as an Opposition, sued the government on this law, and I will definitely send a special claim to the European Court of Human Rights. So we want to overturn, to cancel this legislation, and to enact a new one which sticks to the democratic standards and values.

MR. SOUCHER: Peter Soucher from the State Department.

Mr. Yatseniuk, can we talk about campaign financing? We all know eyes are on 2015. What are your views on more transparent



campaign financing? How will you -- you talked about convincing -- I hate to use the term "oligarchs" -- but those captains of Ukraine industry. How will you convince them to lend more support to the Opposition? And I think in the last parliamentary election, one of the things that Rada didn't do was they omitted any mention of campaign financing. I think the Venice Commission was critical on that part, too. So the main question is campaign financing -- how are you going to be more transparent? And actually, I think build more credibility with Ukraine voters? Thank you.

MR. YATSENIUK: Thank you for the question.

Let me put it bluntly. We have shallow economy and shallow campaign financing. And this is the implication. We definitely need to overhaul the way the campaign is financed, but look what's happening. If you ask someone -- I mean an entrepreneur or a rich man -- to support you and to finance you in a transparent manner, what will happen? The next day he will face criminal charges. He will get the IRS in his office, tax police, prosecutor, Secret Service, and vet inspection. That is how it works.

So you can't resolve just this issue having new legislation, because what the government will do, they will scrutinize everything related to the Opposition and track every dollar, every single dollar you

get. But no one will track them as they control the entire law enforcement system. And that's what actually they are trying to do. We, as an Opposition, are out of financial resources because, look, Ukrainian oligarchs and Ukrainian tycoons support the government. That always happens. Whether they are ready to shift from this president to the Opposition? No. They feel comfortable. So I don't trust in any declaration they issue that, look, we are for the European integration. We share the European values. They share values; they share value. They don't share European integration; they share Euros.

So it's a part of a big deal to have stable democratic institutions; to have independent judiciary, to have independent prosecutor's office; to have independent Secret Service -- it's not Secret Service, it's National Security Agency; to have real democracy in my country; and as an implication to have entire transparency and accountability in campaign the financing.

So this is the action plan. Frankly speaking, first, we need to win the elections. I want to be absolutely frank. Whether can we do it in a very transparent manner? No. That's how it works in Ukraine. Can we reach this target? Yes, we have to do this in case if want to purify the Ukrainian politics. And we need to purify, to make it clear, transparent,

and accountable. And this is my target. Accountable government, accountable politicians, transparent campaign financing. That's all in all democracy. That's what democracy is all about.

MR. BEHUNE: Thank you, Mr. Yatseniuk.

I'm Andre Behune from the Washington Group.

Could I shift this a little bit to the international arena now?

Just on the subject of what kind of expectations, how do you view at this point the words and the actions of friends from abroad, mostly the United States and Canada, of course, from North America, as well as the European Union? What they are saying and what they are doing, is that satisfactory at this point from your point of view, from the point of view of a United Opposition at that time to help you succeed not only in 2015 but even in the coming months, even in events such as the election in the five regions that are coming up? I'd like your views on that, if possible. And if what is going on right now is not sufficient, how would you like to see it enhanced at some point?

The second question I have is what are your real expectations of the election that is being proposed now for August 15<sup>th</sup> for the five regions? What are the real possibilities of having it shifted? Because I feel that if they are not shifted, there is going to be a problem

and it's going to have an echo I think all the way up to the snap elections.

Thank you.

MR. YATSENIUK: Is Ukraine a priority of the international agenda of our western partners? Not sure. It's on the radars but this is not the key priority, neither for the European Union nor for the United States because, look, the world has faced a number of challenges. Look at Iran, look at North Korea, look at the regime of Bashar al-Assad with a death toll of 90,000 people. And we can't do anything with this dictator.

But despite this, I feel real support from our European and western partners. Look at the examples. Yuri Lutsenko, who is the former head department of Homeland Security, head of the Department of Homeland Security in Yulia Tymoshenko's government released, and this is I would say a joint achievement of Ukrainian Opposition and our western allies. Look at the way the European Union works today with Ukraine. They set up several preconditions for the AA agreement, the Association Agreement, and they push and they press. They ask, they demand. They are constantly doing their job.

Look at the way the United States supports us. We had a number of visits of high profile officials from the Department of State who really endorse us, who really fight for the Ukrainian democracy. I am

satisfied with the way they work and with the way we collaborate. It could be better, as usual, as always, but look, it's better to have -- we in Ukraine have -- it's not a motto, it's like a quote. "If you have good, don't ask for better." So we are fine with this.

MR. PIFER: Okay. Here in the front.

MS. BOTEFSKY: Martha Botefsky and I'm a retired historian.

You've covered so many points and so well that I hate to bring up one point which you have not covered. The Orange Revolution began with a group of students from SUMA protesting. Given the situation in the Ukrainian universities and in the Ukrainian educational system, it's quite bad. What do you propose and how do you propose to get the support of the younger generation, especially to get the support of the students who are no longer active, despite the protest? Thank you.

MR. YATSENIUK: You raised an outstanding question. Usually, when I am asked about the key assets of Ukraine, the answer is we got the Generation I -- independent, intellectual, and Internet-dependent. And this is the Ukrainian use. This is the key asset of my country.

The problem is that, look, young people try to leave the

country. That's another national dream, national idea. How to find the best destiny in the European Union or even Russia or even in the States. They have no confidence in their country. They have no trust. And they have no vision of the future. And that's my fault. That's my fault, too.

We need just to rely on the Ukrainian young generation. They are the key engine of real changes in this country. And what needs to be done? We have a real mess in education, just a real mess. You can get the certificate but you won't get knowledge. And it makes a huge difference. You get the certificate and you are unemployed.

We as an Opposition introduced a new legislation, the legislation on the highest education in Ukraine. It's a pro-western style of the education system with independent universities, with the self-management, that mitigates the influence of a minister, especially Minister Tabachnyk. He's the wrong guy. Very wrong guy I would say. An anti-Ukrainian. So we proposed to the government and to the Ukrainian Parliament to enact this legislation. We need to correlate the labor market and the education. We need to increase the living standards of Ukrainian professors. And it's not just about the living standards; it's about their knowledge, too. They have to speak English. They have to upgrade their ability to deliver. They need to be competitive. So what we need, we

need a very strong and competitive education.

So going back to the Orange Revolution and what we will do. We will implement tremendous changes in our educational system. We will ask for the support of Ukrainian youth. We will heavily rely on the Ukrainian young generation. We will do our utmost in order to make them happy in our country. And this is the agenda for my country. This is the agenda for my country.

MS. HALUPA: Thank you. My name is Elina Halupa. I'm a journalist without a job.

I'd like to ask you about the criminal elements that are increasingly obvious in Ukraine. This regime probably more than any other seems to be in bed with overt criminality. We've see --

MR. YATSENIUK: Are you talking about the president?

MS. HALUPA: Yeah. Among others.

We've seen what Asha Pushanisky, my husband, just mentioned about Akayid Konansky's holdings being seized by gangsters, young men with bulging muscles, buzz cuts, who come, descend up on a situation, beat people up, and disappear with impunity. We didn't see this happen under any previous Ukrainian administration. This is a new phenomenon.

Also, the militia. Everybody has a private Ukrainian army in Ukraine, and you mentioned earlier that the street -- people in the street demanding their rights are going to ultimately decide Ukraine's future. How can we be certain or at least not be concerned about the president turning these kinds of gangsters, crooks, and these private militias, the armed forces who are basically in the pockets of the current regime against their own people, which didn't happen during the arms revolution.

MR. YATSENIUK: Have you seen what happened during our rally on the 18<sup>th</sup> of May when they get journalists? And I was astonished with the speech of the head of the department of Homeland Security. I was just astonished. It was shock.

He came to the House, and he addressed the House, saying that it was the Opposition who started these riots, who beat the journalists, and who organized this mess. It's all about the accountable government and it's all about the real independent prosecutor's office.

What has happened, you know, it resembles the early '90s when gangsters were on the Ukrainian streets just after Ukraine gained independence. There were real gangsters with big muscles and armed. They came back. They had been hidden somewhere for 20 years and they emerged again. So we need real police, strong law enforcement,



strong prosecution, and a rule of law state. Just rule of law. This is the remedy to tackle this problem. And we will pull them back.

SPEAKER: Veronika Halytska, Ukrainian School.

Growing up in Soviet times and going to Soviet school, listening to all the things they would tell you about Ukrainian history, when did you realize you were Ukrainian? Who shaped you as Ukrainian? And you know, many citizens of Ukraine now, they are a product of the Soviet machine and they don't speak the language, they don't have any emotions to Ukrainian culture. How are you planning to win their votes so they don't sell them to Yanukovich?

MR. YATSENIUK: It's due to my parents. Just Dad and Mom, thank you. And it's up to everyone. I really want for every Ukrainian citizen to be proud of our country. To have one big united political nation. To have a strong and pro-European state with the key value -- human being, person, Ukrainian citizen.

So it's all about people. The only asset we have is our country. This is the best place not to survive but to live, to develop, to get success, to support each other, and to deliver. We, as Opposition leaders, and I am personal, I want to deliver this, I want to deliver an independent, strong, Ukrainian state. And a strong Ukrainian citizen. And

we will handle this.

MR. PIFER: Up front.

SPEAKER: Hello, Arseniy Petrovich, I am happy that you mentioned youth and young people which are going to be the driver of the campaign. But tell me, as a young person, I was fighting a presidential campaign in Ukraine. I was working here for President Obama where I was one of the oldest and most of the field headquarters. What voice will Ukrainian young people have in the campaign? Because you know how top-bottom our campaigns tend to be. And you had mentioned the strong message; that we need to deliver the strong message. But in fact, the message is something which comes to your mind when you come to the ballot box or when you can make a political decision. So can you give this vision, whichever young people as you mentioned lack, to make us willing to contribute to the campaign the most valuable thing we have, our time? Thank you.

MR. YATSENIUK: So did you work for President Obama's campaign?

SPEAKER: Yes. That's the reason why he is elected. No, that's because he trusted young people in this country. That's why.

MR. YATSENIUK: What young people can do, first of all,

they need to go to the polling stations and vote. We have the lowest turnout of young people, extremely low. That's true that this is the job of politicians to attract them. Not just to ask but to attract them to the polling stations. But the first thing is to go and to cast the ballot. Another one. And this is the key problem in my country. Frankly speaking, we don't have real grassroots organizations in the parties. Parties resemble like joint stock companies. And this is the key challenge because if you want to rely on people you need to attract people. And if they closed their parties, as frankly speaking even we did, and this is a huge mistake, we need to be open and transparent.

And the young generation must be interested in getting party membership, in being involved in the party activity, in supporting the party candidate, and in getting the party promotion. Those who want to work in the public service, those who want to work in the government, those who want to work for the party, they have to be interested in getting this.

We track and closely monitor the way the U.S. political system works, and we need to get the best experience from the developed democracies in order to build up strong political forces. And the key factor of these political forces is young people and the young generation.

MR. BILLINGS: Martin Billings, U.S.-Ukraine Foundation.

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I apologize, Mr. Yatseniuk, if I misunderstood something you said earlier, but can you confirm or state unambiguously what the latest or rather current position of the United Opposition is regarding the signing of the AA if Tymoshenko remains in prison?

As a follow-up, if she is released for human reasons, not political or legal reasons to go and receive medication abroad, will that change your position if the current position is negative?

MR. YATSENIUK: Let me put it this way. There is a key criteria to be implemented which is set not by the Opposition but which is set by the European Union, and today, Radek Sikorski, who is the foreign minister of Poland, issued a very strong statement that Ukraine is not ready to sign AA. Westerwelle, whom I met three days ago, made a similar statement that, look, guys, if Yulia is in jail, you won't get anything because I can't imagine the national parliaments of the European Union who will ratify the agreement with Ukraine if Yulia is in jail. It won't happen. And it's not to the Opposition to decide this.

So I fully support the Association Agreement, but it depends on the political will of this administration and on this president whether they are ready to deliver this, to make real steps for the future of Ukraine. And that's what I said to President Yanukovich. Look, you need an exit

strategy. You did this math. You opened this Pandora's box. You have to sort out things as you are the president. If they allow Yulia to get the medical treatment, I will tell you that the Association Agreement will be signed. If no, no Yulia resolution, no agreement. And it's crystal clear.

MR. PIFER: Let me follow up with a question which is you have presented a certain degree of optimism that the government understands it needs to do something with regards to Yulia Tymoshenko in order to get to the signature in November. But the signature of the Association Agreement, that's a step and there's the ratification by the National Parliaments. Then what comes without regard is really the hard part, which is implementation, which is going to require huge changes. And important changes in terms of how they will reshape Ukraine in a way that makes it compatible with the European Union and allows then Ukraine to enjoy the full economic and political benefits. Do you think the government understands how much focus is on implementation? Because it looks right now like the focus is on signature, which again that's a step but you've got to do much more. And do they appreciate just how much has to be done in the implementation or is that just beyond the corner?

MR. YATSENIUK: It's a hard toil to implement this

agreement. But you know what? Yanukovych will sign it and we as an Opposition will implement this.

MR. PIFER: Okay, great. Well, please join me everyone in thanking Mr. Yatseniuk for his presentation.

(Applause)

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