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THE CRISIS IN UKRAINE:
POSSIBLE NEXT STEPS FOR THE U.S., UKRAINE, RUSSIA, AND THE INTERNATIONAL COMMUNITY

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Moderator:

JEREMY SHAPIRO
Visiting Fellow, Foreign Policy
The Brookings Institution

Panelists:

FIONA HILL
Senior Fellow and Director, Center on the
United States and Europe
The Brookings Institution

MICHAEL O'HANLON
Senior Fellow and Director of Research, Foreign Policy
The Brookings Institution

STEVEN PIFER
Senior Fellow, Foreign Policy
The Brookings Institution

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P R O C E E D I N G S

MR. SHAPIRO: Okay, can everybody hear me? Hi. Thanks for coming, and thanks for coming to Brookings, and hello to the C-Span viewers. I'm sorry we're a little bit late. Fiona had some trouble getting into her own event. (Laughter) But we think that that is a tribute both to the attendance and the security.

So, we're going to discuss Ukraine today, as you probably saw on the announcement. It's a complex and, I think, confusing crisis, even by the standards of such things. It's interesting to note that among the disagreements between the United States and Russia on the Ukraine issue right now are whether there has been an invasion of Ukraine, who the president of Ukraine is, whether there have been mass attacks on synagogues and churches in Ukraine, and whether hundreds of thousands of people have fled Ukraine, causing a humanitarian crisis. These are all facts in dispute.

So, I think we could hopefully bring some clarity to those and other issues. We have a tremendous panel to do that with here today. I think, perhaps not all of the perspectives in those facts will be represented, but I think we can shed some clarity on them.

First, we have Fiona Hill on my right. She's the center director of the Center on the United States and Europe, and my boss, so

please be nice to her (Laughter). She's a former national intelligence officer for Eurasia, and the author of *Mr. Putin Operative in the Kremlin,* which is a fascinating exploration of the six identities of Mr. Putin, which I think everybody here should probably read and memorize, because I think it might come in very useful in the near future.

On my left, we have Steve Pifer, senior fellow here at Brookings and former ambassador to the Ukraine and former deputy assistant secretary at the State Department. And to my right, we have Michael O'Hanlon, senior fellow, author of more books than I have read, and a veteran analyst all these types of crises.

So, let's just kick it right off, and Fiona, I'd like to start with you, if you don't mind. And I'm wondering if you can give us some sense of what are the Russians, and particularly, your man, Vladimir Putin, during in Ukraine, and what are they trying to accomplish?

MS. HILL: Well, as all of us are well aware, this is actually a pretty complex situation on the ground in Crimea and in Ukraine. I mean, the best evidence of this is of course, all of these conflicting reports and conflicting views about this. In many respects, though, this is the culmination of the past 20 years since the collapse of the Soviet Union for Russia.

There's been a very long established Russian interest

Crimea, not just obviously in the strategic relationship with Ukraine. But if we all go back to the very early 1990s, in fact, to the time when Steve was one of our early ambassadors in Ukraine, there have been a whole host of claims by the Russian Federation at all different levels, including under President Boris Yeltsin, the first president of independent Russia, about sovereignty over Crimea.

Crimea is the one that got away in the past Soviet collapse for Russia. It was transferred, as all of you know, are very well aware -- we've seen it all over the news over and over again, in 1954 by Nikita Khrushchev from the jurisdiction of the Russian federation to Ukraine. There's a great deal of the discussion about the historical links between Crimea and Russia, and the Russian stead going back to Catherine the Great, and to the establishment and consolidation of the rule of the Russian Empire over the southern parts of Ukraine and the Crimea, which was at different points, also under the sovereignty, or at least the protection of the Ottoman Empire.

So, we're going back a long time in history here. But certainly, for a long continuous period of time, Crimea was definitely under the jurisdiction of Russia, and in the form of which we know today of the Russian Federation, picking up from what was then the Russian entity within the Russian Empire.

So in many respects, there's been, as I said, a great desire for the restoration of this bureaucratic step that Khrushchev made back in the 1950s to bring Crimea back into the Russian fold. We've had Mayor Luzhkov of Moscow at various points talking about this. We've had the Russian parliament over and over again actually signing resolutions and bills about Ukraine.

And you might remember, at various points, Vladimir Putin, in one of his many great costume changes has ridden with Russian bikers off on an annual rally down to Crimea, you know, asserting the kind of interest of all -- of the Russian population into Crimea.

So, what we're seeing on the ground in Crimea today is not that much of a surprise for any of us who have been watching things over the last 20 years. It's always at times of great crisis inside of Ukraine when the claims about Crimea, the assertion of the different interests of the Crimean population, mostly the Russian speakers, have reasserted themselves.

In the 1990s, after the collapse of the Soviet Union, again after the Orange Revolution in Ukraine in 2004, at various points when Ukraine appealed for a membership action plan for NATO back in 2008, which was the same time that Georgia made the same request, and ended up in the war between Russia and Georgia. Now, Crimea itself,

however, though, is very complicated. And I think as we get on with the discussion, we should try to bring this out.

It is the case that many of the population in Crimea are Russian speaking, but it's not always the case that everybody in the Crimean peninsula therefore, thinks that they should be part of Russia. A recent poll that came out of the Crimea that was carried out by various Ukrainian sociologists just before the Russian movement suggested that 41 percent of the population at that particular point, at the end of February, after the fall of Viktor Yanukovych, were interested in some form of unification with Russia. But that's not a clear majority.

And Crimea was also, by virtue of its history, the residence of a whole host of different peoples, particularly in addition to Russian speakers and ethnic Russians on the Crimean peninsula, the Crimean Tatars. Many of you will have heard more about them in the last several weeks and days; about 15 percent of the population. Again, you know, one has to be very careful about all of these percentages that are being bandied around.

And the Crimean Tatars were, in fact, deported by Stalin from the peninsula in the 1940s, during World War II because of the prevailing Soviet fears, just like the Russian czars before them, of minority groups being influenced from the outside. It was a fear that they might

collaborate with Nazi Germany or with other groups, and perhaps, in fact, cast a question of the Crimean linkages to the Soviet Union.

They were basically deported en masse. They were allowed to return after the collapse of the Soviet Union, and the Crimean Tatars today, obviously have, let’s just say, are not very favorable memories of their incorporations into the Soviet Union. And they're therefore another group with a very different view of how the Crimea should devolve or the direction it should go in the future.

So, my basic point of all this is it’s an extremely complicated situation, but we have actually been dealing with a situation behind the scenes and sometimes in public, for the past 20 years. So, what’s happened on the ground in Crimea is actually not that much of a surprise, given the fact that we're now dealing with another question about the future disposition and future governance of Ukraine itself.

MR. SHAPIRO: Thanks, Fiona. But just to clarify, because you focused your remarks very strongly on Crimea, does that imply from your perspective that for the Russians, this is primarily about Crimea, and they're not actually questioning the rest of Ukraine; they're not likely to move further into Ukraine?

MS. HILL: I see the situation very similar to Turkey in 1974 in Cyprus. Now, this is probably stretching the minds of a lot of people in

this audience, but actually, looking around, I see a lot of people who might remember this. And I remember it, being British at the time and being nine, however. But in 1974, you know, there was a lot of Brits who used to do vacations in Cyprus. You might remember that a very similar situation unfolded. The Greek Cypriot community of Cyprus basically voted, in fact, in favor of the reunification eventually with Greece.

This triggered, basically, inter-communal violence, and also, then triggered a response by Turkey in defense of the Turkica -- sorry, Cypriot community in Northern Cyprus, an intervention. What the Turks then did is, they moved beyond not just the Turkica communities or the Turkica communities or the Turkic speaking communities, and took actually, cities -- famous port cities like Famagusta, which was not normally seen as being kind of part of the Turkic community. And they took it mostly as a bargaining chip.

And then, for the next several, everyone was arguing about what was going to happen with Famagusta, forgetting that in actual fact, the rest of Northern Cyprus had been pretty much occupied. I actually see that what we're seeing today about all of the questions about Donetsk, Luhansk, Kharkiv -- other cities with large Russian speaking populations, where in actual fact, the polling shows that they're not all that interested in being part of Russia, is very similar; that the Russians are actually

diverting us by the questions about Donetsk, Luhansk, Kharkiv and other places, when in actual fact, the real concern is about Crimea.

But also, about having leverage, just as Turkey wanted in the case of Cyprus, about what Ukraine does in the future. Russia doesn't want to see Ukraine as part of the European Union. It doesn't want to see Ukraine was part of NATO. It's made that very clear for a very long period of time.

And a red line for Russia was crossed, although they actually didn't actually say that quite so explicitly, when we basically got into the situation of the overthrow of Yanukovych, and now questions, again, about where Ukraine goes next.

MR. SHAPIRO: Okay. So, Steve, how are the Ukrainians seeing this Russian effort, and what are they trying to do in response?

MR. PIFER: Yeah. Well, I think you're Arseniy Yatsenyuk, the acting prime minister, or Olexander Turchynov, who heads the Rada, Ukraine's parliament and is now acting president, you need to be asking yourself, why did I take this job (Laughter)? Because you have a really long and busy to-do list.

And a lot of it is going to be internal. I mean, I think a big part of what the Russians are doing in Crimea is simply to try to destabilize the new government, which as Fiona pointed out, everybody in that

government is talking about, they want to sign the association agreement with the European Union, and Vladimir Putin does not want that to happen.

And so, a large part of the (Inaudible) has to be, what do they do internally? So, three or four things internally. They've got to get the government up and running. They've got to fill out the cabinet, and they've just got to begin to make the trains run on time. They've got to prepare for a free and fair presidential election at the end of May, because right now, although Mr. Turchynov has become acting president as a result of perfectly legitimate parliamentary procedures, he is not going to have the legitimacy of somebody who goes out and wins an election. So getting that president in place is very important.

They're also doing things like now they're beginning to appoint governors. And there's a little bit of an interesting question here. They're beginning to go to some of the oligarchs who they think will have influence, and then appointing them governors in places like Donetsk and Dnipropetrovsk.

And that may be a two-edged sword because the Maidan on the streets may question, well wait a minute. You know? We were trying to get rid of corruption. We were trying to separate government and business. This is not the model we like. So, they've got to be careful how

they manage that.

The second challenge is to manage the upcoming financial crisis. There's already International Monetary Fund team on the ground in Kyiv. They're having those discussions. And what they're going to have to work out is an agreement which provides assistance in return for which Ukraine commits to certain economic reforms which are really going to hurt.

And I think the one sign, or one of the good signs that the people in charge recognize how hard this is going to be is, Yatsenyuk, the acting prime minister, about a week ago said, I am heading a kamikaze cabinet of ministers, because what we're going to have to do to turn the economy around will be so painfully politically, you know, that we're all going to drive our political standings into the ground. And so, they've got to manage that.

A third challenge is don't do anything dumb. It was unwise for the parliament in its first day after Yanukovych fled the country to try to overturn the 2010 language law. Now, you can debate that language law, but moving right away caused a bit of concern on the part of Russian speakers, if this is what's coming to us. And so, it was very wise, I think, of Acting President Turchynov to veto that, because this government wants to be inclusive. It wants to make sure that Eastern Ukraine feels

comfortable with it.

Another thing not to do is don't talk about -- when you're talking about Europe, talk about the European Union. Don't talk about NATO. I saw that someone was going to propose a bill about NATO accession. Again, that's the kind of thing that will provoke internal divisions right now in Ukraine that they don't need.

Okay. Turning to the external challenges, how do they deal with Crimea? And I think the government in Kyiv is going to proceed from the starting point. The correct starting point is that Crimea is a part of Ukraine. Yes, there is this very complicated, tangled history, but the agreement that was recognized by all of the post Soviet states in 1991 was that when the Soviet Union collapsed, each republic is a republic in the context of its current borders.

And Crimea at that point, was a part of the Ukrainian Soviet Socialist Republic. So, that will be their starting point. The problem that they have is, for all of his flaws, and I think Boris Yeltsin had lots of flaws, Boris Yeltsin basically accepted that. Every time in the '90s when you had the Russian parliament pass some law that said we're claiming Sevastopol, Yeltsin came out and did the right thing. He said no, that is part of Crimea. That's part of the Ukraine. We respect Ukraine's territorial integrity.

And the problem that Ukraine now has is it's now Vladimir Putin who is the president, and Vladimir Putin does not believe that. The tools that the Ukrainians have are pretty limited. I think it's very important that they continue to do on Crimea what they've done for the last week, which is to keep their military restrained.

It's been, I think, actually quite -- very commendable is the Ukrainian military, and there are probably about 12,000 Ukrainian troops on the Crimean peninsula. They've stayed on bases. They've not challenged the Russians. There have been, I think, several cases where there have been attempts by the Russians to provoke them, and they've not responded. And I think that's important.

The second point looking out is -- let me just say one last comment about the situation in Crimea, where I think it's a little bit less tense in military terms than it was a couple of days ago. It still is worrisome. Russia and Ukraine right now are one nervous 20 year old soldier's mistake away from something very, very bad happening that could spin out of control.

And there needs to be some action. And I think the Ukraine needs to push this and try to get the rest -- there needs to be some kind of de-escalation. Having guys with guns stand across the fence from each other is not a good idea.

And the second thing that they're going to have to deal with was the decision taken yesterday by the Crimean parliament to vote to basically join Russia. Although it's interesting, there are now reports -- the vote was 78 to 0 out of a hundred in the parliament. There are now reports of a number of members of that parliament who said that either they were not told of the vote, or they were actually physically denied entry to the building, so that they could not cast a negative vote.

The acting president has already declared that referendum illegal and has issued a decree basically prohibiting it. I'm not sure that the Ukrainians can actually block it, but they will try to delegitimize it. One, that kind of referendum is against Ukrainian law. Two, one of our colleagues reported that she's seen a report that 2.2 million ballots are being printed for the referendum, which is an interesting number, because Crimea only has 1.8 million residents. That will raise some questions.

The Russians, so far, have refused to allow OSC or UN observers onto the Crimean peninsula. Will there be any kind of observation? This will be a referendum that has lots of questions in the beginning, although it's not clear that the Ukrainians have the tools to basically stop it.

And then, what I think the Ukrainian government needs to do is, they need to keep pushing to say that they're prepared to talk. So far,

the Russian attitude is there's no legitimate government in Kyiv. They say they still recognize Viktor Yanukovych as the president. Mr. Yanukovych gave a TV interview about two weeks ago. He was seen briefly in Rostov-on-Don a week ago, and I don't think anybody really knows where he is.

And I think President Putin in his press conference on Tuesday, was quite candid in basically saying this guy has not political future. The Ukrainians have to kind of push to see if they can get some dialogue going, even maybe starting with little pieces. There was some indication by Putin that, well, maybe we can begin an economic dialogue and try to broaden that out.

So, I'll just close by, I look at it -- these are all big challenges for a cabinet that all of about eight days old now, and it's going to face some real tests in the next couple of months.

MR. SHAPIRO: Yeah, well, it's a tough job, but it comes with a nice house and a zoo (Laughter). Just to clarify, though, Steve, when I listen to your strategy, the Ukrainian strategy on Crimea, I'm not clear as to whether it represents an actual attempt to hold onto to Crimea --

MR. PIFER: Yeah, well --

MR. SHAPIRO: -- or just an attempt to sort of have a soft landing --

MR. PIFER: No.

MR. SHAPIRO: -- while they lose it.

MR. PIFER: No. I think that they're going to push to hold onto it. And this is, I think from the Ukrainian point of view, it's not just about Crimea. And because of the complexities of Crimea, I mean, Fiona was right. Sixty percent of the population of Crimea is ethnic Russian.

In 1991, though, Crimea -- 54 percent of that population voted for independence from the Soviet -- for an independent Ukrainian state. So, the voting there is going to be a little bit more interesting. The Crimean Tatars are 12 percent of the population, although they've already said that they're going to boycott the referendum.

But I think -- so, I don't think the Ukrainians are prepared to give it up, and it's not just about Crimea. But I think they would be asking themselves, if we just accept Crimea's departure, do we then set a precedent which then the Russians might try to apply in places like Kharkiv or Donetsk, and try to pull off a bit of that in Eastern Ukraine, as well. So, this is a point of principle that I suspect the Ukrainian government is going to stand very hard on.

MR. SHAPIRO: Okay, thanks. So, Mike, this is a complex and confusing situation, just the type that the United States is typically very good at entering (Laughter). What do you see that their response

should be?

MR. O'HANLON: Thanks, Jeremy. Nice to be part of this panel, and thank you all for being here today.

I guess I'd say a couple of things to frame the subsequent discussion. One is that I don't feel like President Obama should be influenced by the broader political debate we're having here about whether somehow his foreign policy, uncertainty in other parts of the world has provoked this. To my mind, first of all, the answer is probably not. And I think he’s done some fairly robust things which are actually under appreciated.

He may want to talk about them more himself to remind us that he actually has rebalanced to the Asia-Pacific. He’s trying to hold up the defense budget. He’s still on his word to prevent Iran from getting a nuclear weapon on his watch, and we still have 35,000 U.S. troops in Afghanistan. He may want to say all those things a little bit more.

He may want to think, also, about fixing some of the policies where I think we're not doing as well, such as in Syria. But most of all, I don't feel like he should worry, and I don't think he is all that inclined to worry that this broader cacophony of criticism about his supposedly feckless foreign policy needs to be proven wrong by how we react to Ukraine. The stakes are too high. The potential for doing something

really wrong is too high, if you think in those terms.

Second point. Thinking, though, about what specific small military options we may have -- not so much directly in relation to Ukraine itself, but as I think about the full taxonomy of things, we have a lot of NATO allies, some of whom are worried. And I know that we are doing some things to make some of them less worried. For example, additional tactical combat aircraft in the Baltic states than we normally would have had, and a half dozen more than we normally might have sent on a recent rotation to one of the Baltic states.

That's the sort of thing we should be prepared to do, I believe, because there should be no doubt about our commitment to any NATO allies. Even for those of us who are skeptical about NATO enlargement, at this point it's a fait accompli, and we've got to hold firm by where we have extended our alliance.

Secondly, if Russia were to launch some kind of a general and blatant against Ukraine, I think the talk of helping Ukraine's military with various kinds of assistance should be seriously considered. I was just reviewing -- you know, Ukraine's military budget is only about two and a half billion dollars a year. Russia's is about $70 billion a year. So there's a 30 -- well, 20 some to 1 disparity in the spending levels, and about an 8 to 1 disparity in size.

I'm not suggesting that we should try to encourage a fair fight. It would always be better to try to diffuse at any point along the potential escalatory ladder. But I think it's actually reasonable and appropriate for us to be thinking about how we might help Ukraine's military at least protect certain parts of the country, if it really comes to that, which I desperately hope, of course, that it won't.

I would say, however, I do not agree with an American I admire greatly, Admiral Jim Stavridis, who recently wrote that one of the steps we ought to take is to get NATO's Rapid Reaction Force somehow at least in early stages of preparation to do something. Stavridis didn't say what we should do, but he did suggest that it was worth making the Russians worry a little bit. I do not agree. I flat out do not agree with the idea of invoking direct American or NATO military suggestions of direct action in this crisis.

For one thing, I think Putin will recognize them as primarily symbolic and primarily a bluff. And secondly, I would hope they are only that, because I just don't see any good missions that we can successfully carry out or should want to carry out in this context, even if things got a bit worse than they are at the moment.

And that then leads me -- well, there's one more point on the military option front. Again, there's a lot to talk about with the issue of

NATO and NATO enlargement and Ukraine's potential future rule. I'm personally opposed to it. I would like to see it reaffirm our commitment to Ukraine's wellbeing in other ways. Reaffirmation of earlier commitments, some of which Steve Pifer worked on 20 years ago, and make it clear that we're prepared to very, very assertively use economic sanctions if this gets worse, but not talk about NATO military membership.

Henry Kissinger had a very good op-ed, I thought, yesterday in the *Washington Post* which suggested at least some tiny small carrots that we may need to think about offering to Putin as we ask him to basically otherwise acknowledge that he's the bad guy here, which he is. He is in the wrong. And I'm not trying to suggest we try to cover or apologize for Putin. I think we may need to think hard about ways we could offer at least a little bit of face saving, and certainly, an indefinite postponement of any kind of Ukrainian membership in NATO to me would be a reasonable thing to put on the table in that context.

Now, turning to where, however, I think we do need to be prepared to be tough, and I'll finish on this. If, let's say, things stay as they are, there's a referendum on secession in Crimea in a week, and Russia chooses to go along with that -- the problem I have with that is it's just way too soon. I'm not necessarily against it a discussion personally of whether Crimea should be independent, should be part of Russia, but it has to be

after tempers and tensions and fears have calmed and cooled.

And Putin likes to raise Kosovo as a precedent. I was still never in favor of the United States recognizing Kosovo's independence, but at least we took a decade to do it. At least we let things calm down. And that's the sort of proposal you need here, is a referendum after a year or two or three, if there's ever going to be one.

If things were to stay as they are, I think we'd need to apply some sanctions that are hurtful to the Russian elite. I'm not suggesting broad-based sanctions based simply on this referendum and potential annexation of Crimea. I'm not suggesting we try to go after their energy sector or all their banks. But I think Putin and his cronies need to have some of these targeted sanctions on their travel, their visas and their bank accounts put in place and stay in place. Stay in place for years.

And we need to find some way to send that message very clearly. I would also more or less permanently evict Russia from the G8. You know, sort of boycotting Sochi is not nearly enough. We've got to actually make this a lasting penalty in the event that Putin basically annexes Crimea under the cover of this looming referendum.

So, I would suggest some fairly strong measures. But again, I would not consider general sanctions against all of Russia unless and until things get substantially worse than even this referendum. If we saw a

large scale war in Ukraine, that's where we've got to, I think, come down like a ton of bricks economically.

It may be worth raising that prospect now, but I wouldn't go there just yet, and I probably wouldn't even go there over this referendum on Crimea, necessarily. So, that's one quick overview on at least some of the tools we have, and at least my initial take on which ones we may want to invoke at which stages.

MR. SHAPIRO: Thanks, Mike. So, Fiona, when we think about how Russia and Putin would react to some of those steps, there is -- I think we sort of have to understand what position Putin is coming from in taking these measures. And there is, in some of the commentary around town, a notion that actually, that this represents Russian weakness rather than Russian strength, that this invasion demonstrates that he could not pull Ukraine into a Russian orbit through other means, and that it guarantees that whatever is left of Ukraine after he's done will move to the west; maybe not to NATO, but at least to the EU accession agreement that he was trying to avoid.

So, what do we think of these arguments? And what do they tell us about how Putin might react to some of the measures that Mike outline?

MS. HILL: I think we always have to be very careful about

categorizing something as a sign of weakness or of strength, especially in an instance like this. I mean, we're seeing this from you know, the United States' perspective. I mean, President Obama is out there being blamed on every front for being weak and being you know, somehow the instigator of all of this, as well.

I mean, as we all know, this situation is much more complex and much more, you know, difficult than that, and we can't really make these black and white distinctions on any front. What Putin is definitely doing is taking advantage of a moment of weakness, actually, when he perhaps at home, right now, for this moment, sees himself in a position of strength.

If we look at actually what's been happening in Russia over the weeks leading up to the crisis in Ukraine, which actually, I don't think anyone would have predicted to evolve in the way that it has, is that Putin has actually finished a very successful Olympic games, and all of us, you know, not all of us here specifically, but all of us in general, trashed this Olympic games, and it was much worse than Mitt Romney, running into London and saying, you guys aren't ready for the summer games.

It was a total piling on of -- on the Olympic games. And yet, in many respects, it was a great success. The security issues were dealt with. The Russian medalists -- it was twice as much as at Vancouver, in

excess of that. There was no structural disasters, no, you know, pieces of the ski -- you know, jump fell on someone's head. You know? And the only problem was the weather. He should have had our weather, you know, (Laughter) where you know, kind of thought he had nice, sunny weather and the snow melted. And instead, Washington, D.C. gets all the snow. Someone will blame us for that somewhere along the line.

But anyway, the point is that he's got a huge bump at home in his popularity ratings from this. Putin's actually -- personal popularity, the approval of his activity at home was actually on something of a downward trajectory, relatively speaking, in the months leading up to Sochi. In November and December of last year, he hit his low point -- an enviable low point of 64.3 percent. Everybody else would be ecstatic.

But as Putin is the only game in town politically in Russia, he's always running against his past self. And in the past, he's had approval ratings in the 80s, 84 percent. So, 64 percent, you know, it's a 20 point drop from the past. He's back up to nearly 70 percent again as a result of Sochi. The narrative about what's happening in Ukraine has really taken hold in Russia. I've got a whole host of opinion polls here on my lap that really demonstrate this.

What Putin has pointing to in Ukraine is absolute disaster. This is chaos. This is nationalist extremists on the street. This is a protest

movement out of control with no leadership that has just basically overturned the legitimate government. This is the result of economic crisis, mismanagement on the part of Yanukovych. Putin's been very critical about Yanukovych. He said, I wouldn't have handled the situation in Ukraine like this.

Putin's whole position at home has been based on being the person who turned Russia around from the 1990s, who has basically presided over coming into his second decade now of prosperity and stability. He's pointing to Ukraine and saying, see, this is what you get if you mismanage the situation in economy and in politics, and you get basically, this kind of uprising, this kind of what Russians would call a boont. Something without any kind of purpose. This wasn't the opposition charge of this. This was just basically extremists overthrowing the government.

If you look at Russian polls, the vast majority of people in Russia who were polled have bought that narrative. Many of also bought that narrative in the eastern parts of Ukraine where they get a lot of the Russian media. All of the stories that we're now basically arguing about, about the depictions and what's happening on the Ukraine on the ground are fairly meaningless, because our part of the argument is not getting out there in the Russian media. This is pretty much a one-sided depiction.

So, Putin right now is operating from a position of strength. It may be limited over the shorter term, but right now, all that narrative holds, while he has a bump in his ratings, he's actually in a position of comparative strength, because he's not doing this for us, he's doing this for his political base at home.

And as I mentioned at the beginning, the issue of Crimea, even if Boris Yeltsin might have blocked the Russian Duma, the Russian parliament at different points, has been a very popular symbol of basically Russia's great power status. It's something that Russia lost. It's something that rightfully should have been part of Russia.

It's not just the territory, the vacation destination of the czars and of Stalin and of others, it's also people, Russian speakers. And Russian speakers have been left all the way around the borders of the Russian federation. And of course, if I'm sitting in Kazakhstan or the Baltic states right now, I'd be feeling very nervous about this, because in the past two, there's been a lot of questions about the Russian speakers, not necessarily just ethnic Russians, but local elites who mostly spoke Russian and not, you know, any of the other native languages, about their fit and their disposition.

So, this is really about a post imperial collapse. It's not the collapse of the Soviet Union. It's the kind of thing that the Brits have

engaged in when they've gone off in Falklands in the 1980s, or fought over the Suez in 1956. It's the French in Algeria. This is a post imperial hangover that lots of people in Russia have felt very badly about.

And so, this plays very well at home, especially if the narrative holds. The weakness will come later if the narrative falls apart, as you know, we're all suggesting that it will do. If this causes questions about territorial acquisitions that you know, Russia had or the Soviet Union took after World War II, there's lots of bits of Russian territory today that weren't in Russia in the historic state. Kaliningrad, which is Old Konigsberg, the home of Immanuel Kant; huge squares of Karelia Tuva, fairly obscure place.

Remember the Tuvan throat singers? Well, that was part of Mongolia, or the broader China Empire. Huge square of -- far east of the Amore River that was parts of China until the 1860s, and the Kuril Islands in the northern territories of Japan. There were lots of disputes that could backfire for Mr. Putin over the longer term, but right now, he's not actually as weak as he looks, and we should be very careful.

MR. SHAPIRO: Okay, Steve, as Fiona just reminded us, what enables this is the lack of good governance in Ukraine. They've had, over the past 20 years, a sort of unique system of alternating kleptocracies. And I'm wondering, since it's been so critical for what they

are losing right now, and since we have always had the view here, I believe, that Ukraine is, at the end of the day, a nationalist country, very jealous of its sovereignty, very --

Will this sort of seminal event, will this invasion, will this potential loss of Crimea change that system? Moving forward, will they be able to unite east and west with whatever is left?

MR. PIFER: Well, I think a big question here is going to turn on how competent, how effective is its current government. And is it able to be inclusive? Now, they did not get off to a good start, in that if you look at the cabinet of ministers, there really is no one in that cabinet who can say, I speak for Eastern Ukraine. That’s unfortunate.

Now it wasn’t for lack of trying. Now, they did apparently offer cabinet positions to a couple of members of the party of regions. That’s President Yanukovych’s old party, and their base of support is in the east. And they turned the job down, which may be a smart critical calculation. If the prime minister calls this a kamikaze cabinet, perhaps you don't want to be a member in that particular government.

So, I think they have challenge of just showing that they can manage things in a competent way, a more open and transparent way. They’ve got to lose and avoid some of the habits of the past. It’s got to look different from what it did under the previous three or four presidents.

And they're going to have to do it at a time when there’s going to be challenges coming from Russia.

I think the Russians will test. There’s this phenomenon I mentioned, what they call now in Eastern Ukraine, what they call protest tourists. These Russians coming across the border as tourists, and the first thing they do is they look for the closest pro Russia, you know, anti Kyiv rally and go and join it, or maybe stir it up a little bit. And I think this is a model that we probably saw in Crimea a week ago.

Actually, the times when I visited Crimea, you did not get a sense of huge ethnic tensions between the ethnic Russians and the ethnic Russians and the ethnic Ukrainians and the Crimean Tatars. I mean, the Crimean Tatars were a little bit unhappy, because they were still trying to basically recover some land and a place to live. But there wasn’t this sense of real friction.

And I think we went from that point to the Crimean parliament calling for joining Russia and a referendum, in part because there was some effort to push that and encourage that. And my guess is that had Russia not wanted that to happen, it probably would not have happened. But we may see some of that playing out in Eastern Ukraine, and that will be a challenge.

But having said that, I think it’s important to remember that

Crimea is the only part of Ukraine where ethnic Russians are a majority. In Eastern Ukraine, although there may be more Russian language speakers, probably 40 to 45 percent of the country uses Russian as their first language. But everywhere else in Eastern Ukraine, ethnic Ukrainians constitute the majority.

And sometimes we use this as Eastern Ukraine versus Western Ukraine. You know, my guess is that that distinction has blurred a lot in the last 20 years. And even at the end of the '90s when I was in Kyiv, and when I would travel Eastern Ukraine, I would get this sense that -- there was a sense of national identity. Now, it was not as deep as it was in Lviv or out in the west, but you still had this sense that in Easter Ukraine, they saw themselves solving most of the problems that the country would face as Ukrainians. And I think that's important to bear in mind.

The other point, I think it will be interesting to see when the polling goes. I wonder how this action by the Russians, which certainly in Eastern Ukraine, they're getting one view for those who are watching Russian television. I mean, Vladimir Putin and Foreign Minister Lavrov and Defense Minister Serdyukov have all said, no, these guys -- they're not Russian troops.

Mr. Putin, in his press conference, said these are local

militias. And if you've seen any of the films -- there's a lot of video of these guys, they don't look like your ragtag local militia. I mean, it's a very professional force, very well trained.

But he said -- somebody asked him in the press conference -- but they're wearing Russian combat fatigues. And he says, well, you know, there are these stores all over the post Soviet space where you can get these kind of uniforms. And the reporter then did not have the sense to ask the next question, which was, well gee, can you get Russian Jeeps and armored personnel carriers at these stores, too, because those are all over Crimea, as well (Laughter)?

But the question is going to be, how do Ukrainians look at this? And my guess is that support for drawing closer to the European Union, which by some polls in the fall was anywhere from 51 to as high as 58 percent. That may go up. My guess is that even in Eastern Ukraine, where they are likely uncomfortable with what happened in Kyiv, with how the government left and how Yanukovych left, that Crimea is, in some ways, to the extent that they understand it, a bigger shock.

And that may have the unintended consequence, perhaps, of helping the country unite a little bit. And that's where I get -- the last point is, again, I think they have to be very careful how they handle NATO. I think I hear what Mike's saying, and I guess I would just disagree a little

bit.

My guess is that over the next 10 years, you're not going to see Ukraine seriously consider joining NATO. And I say this as somebody who in 2008, testified to Congress that Ukraine was ready for a membership action plan. I mean, they had certainly checked all the boxes. But I guess in the last five years, I sort of would reassess that.

Even when you had President Yushchenko there in a very pro NATO government, the popular support for joining NATO never got above 25, 28 percent; 30 at the most. And NATO is never going to seriously consider a country for membership when you bring a country where the population is not comfortable with that. And it’s very difficult for me to see that changing.

So, in one sense, I think the Russians ought to be assured that there’s not a realistic prospect in the next 5 to 10 years of Ukraine joining NATO. The problem, I think we have, though, is there’s no way that the United States government and NATO can or should say to the Russians, no, we're not going to take it in. I think that’s the hard part. There’s a reality, which is they won't be there.

But I just think that, you know, with the open door and all of the statements that have been since then, it would be very hard for NATO to tell the Russians, Ukraine is off the board, even though that may reflect

where things are de facto.

MR. SHAPIRO: Mike, I'd like you to respond to that a little bit, but also, just to step back a little bit and think about -- and let us have a sense of what you think the administration's long-term vision for Ukraine and for this crisis is. Do they see it in the way that Steve just presented it, or do they have an alternative view?

MR. O'HANLON: First of all, and I obviously learn a lot from listening to Steve on this, and I have no doubt about this reading of the Ukrainian politics and public opinion, or of the history of NATO's commitments to Ukraine, and trying to keep alive the option of potential NATO membership. And I realize it's now hard to walk that back, and it might seem like too much of a concession or an appeasement of Putin.

I guess the way -- however, I think if it got to the point where we had to find some way to address this question as impasse in an otherwise potentially successful negotiation, you might be able to find some clever language. You might be able to say, we cannot imagine Ukraine joining NATO under the current circumstances, and there would have to be some kind of a broader shift in the security environment in Europe -- maybe creation of a supra NATO additional confederation or grouping that Russia could be a part of, as well.

And you know, I don't know how you word this in a

communiqué, but you can, in other words, basically keep alive the option of Ukrainian membership in the long-term under different auspices, different circumstances without necessarily ruling it out, but also making it clear to Russia that there was going to be more of a delay than just the 5 or 10 years that Steve talked about, is pretty much all they could take to the bank right now.

If we got to the point where we had to find some creative wording on that, I would encourage us to try to find the creative wording, rather than to reduce it to yes or no; is it an option or not? Secondly, in terms of America's long-term interest here, and I'd actually want to turn the question back to you again -- because by the way, Jeremy, we're very glad to have him back at Brookings. He was in the administration. He was always a thoughtful you know, brainstormer on new ideas, whether within or outside.

And so, I know you've got your own insights and thoughts on how the administration might want to handle this. But I would say the first -- in the first instance, we obviously would like it not to be a major international crisis. We don't really need another.

Now, this sounds like -- you know, usually on the talk shows, the next step is to say, all Obama wants to do is build this nation at home and withdraw and blah, blah, blah, and he's weak. No, that's not what I'm

saying. I think most of us should actually want this to go away. We don't need this. There's really nothing to be gained for the United States by an escalating showdown, leave aside whether it you know, can be resolved peacefully in the end. The showdown itself produces nothing desirable.

So, the showdown needs to be minimized, and we need to get back to encouraging Ukraine of whatever stripes its current leaders may have, towards the necessary path of economic reform, which they haven't taken for 20 years. Their economy is one of the worst performers in Europe in the last 20 years by almost any measure.

You know, Lee Feinstein, our good friend and former ambassador to Poland, pointed out in a recent article that 20 years ago, Poland and Ukraine were sort of similar in size, in population, in GDP. And today, Poland has three times the GDP. And today, Poland is ranked 50th in the world in good governance, and Ukraine is ranked 155th. And that was true under not just Yanukovych, but his predecessors.

So, my overall view, and again, it begs some of the questions you could obviously follow up with, or others may follow up with here, but diffusing this and not making it any more of a zero sum showdown than necessary is the core interest we have. There really is no other big thing to be gained here.

MR. SHAPIRO: Okay. So, we're about halfway through,

which for those of you keeping score of the moderator, is exactly the right time to go to the audience. So, why don't we take some questions from the audience, and then we'll come back to the panel? Gary? And please, when you ask a question, identify yourself and make sure that your question ends with a question mark. (Laughter)

MR. MITCHELL: Thanks. I'm Garrett Mitchell, and I write "The Mitchell Report." And I want to come back to a comment that Steve made earlier about -- with respect to how Ukraine handles the situation, which is to do nothing stupid, no unforced errors, and put that in the perspective of, as Fiona calls him, Mr. Putin.

I'm interested to know what acts of commission or omission Putin could engage, if there's such a thing as engaging in an act of omission. But I think you know what I mean. How can Putin blow this? It seems to me he's already essentially said, I don't care what the rest of the world thinks. I'm doing what is in the interest of Russian nationalism, and that's the kind of person I am.

So, most of his downside, it would seem to me -- I may be wrong, is domestic and political in nature. So, I'm interested in knowing if there's a thought experiment that can be had here about what's going through his head, and what actions might he take that would have him basically say, you know, Putin lost Ukraine or he lost Crimea or he lost his

political saliency in Russia itself.

MR. SHAPIRO: Let's take a couple more questions before we come back to the panel. So, there's a bunch of hands in the back that I can barely see (Laughter). We can start there.

SPEAKER: I would just like to put on the table here that what we're talking about is nothing short of thermonuclear World War III with this kind of dangerous rhetoric with Obama calling this invasion, when according to the '97 agreement with Ukraine, Russia can have up to 25,000 troops.

MR. SHAPIRO: Are you getting to a question here?

SPEAKER: I am.

MR. SHAPIRO: Because I am a little bit nervous --

SPEAKER: I have a question.

MR. SHAPIRO: -- that this is a speech. (Laughter)

SPEAKER: That's fine, yeah, but --

MR. SHAPIRO: No, no. It's not fine. It's a worry. So please (Laughter), get to a question.

SPEAKER: Yeah. My question to you is, the U.S. and European Union backed a Nazi coup of known Nazi networks, followers of Stepan Bandera, to overthrow a government, and is now talking about setting up a confrontation with Russia where Obama launches economic

sanctions --

MR. SHAPIRO: I think you're still missing the question concept here. (Laughter)

SPEAKER: Right.

SPEAKER: Yeah. The question is, how are you guys justifying a Joseph Goebbels-style propaganda --

MR. SHAPIRO: Okay. How are we --

(Simultaneous discussion)

SPEAKER: -- that is going to lead to World War III?

MR. SHAPIRO: Okay.

SPEAKER: And that's the question.

MR. SHAPIRO: That's a question. I'll take that. Let's get one more similar question (Laughter). There's a hand in the back.

MR. SHAPIRO: We'll take some other questions there.

MR. WOO: There is based on the Ukraine, but it goes to the other side of the world. Does anyone up there think that China is watching this closely, and it will affect what China does, vis-à-vis Japan and the South China Sea?

MR. SHAPIRO: Yeah, I'm sorry. Can you just identify your -

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MR. WOO: Short question.

MR. SHAPIRO: That's a fine question, but can you identify yourself, as well?

MR. WOO: David Woo.

MR. SHAPIRO: Thank you. So, why don't we come back to the panel with those three questions? And maybe we can start with you, Fiona, and you can handle that Mr. Putin question?

MS. HILL: Yes, thanks.

Well, the Mr. Putin question and the second question are actually similar, interrelated, actually, although you might not think it on first glance, because we are, indeed, in a situation here of pretty sharply competing narratives. As I said at the very beginning, there's a certain depiction in the Russian official media about what's happening. And of course, we have a very different depiction here, although, sometimes our depictions are all over the place, as well, and also, I have to say, pretty ill informed.

I've been watching a lot of -- I was stuck in an airport for hours yesterday, and I watched so many bizarre marks of Ukraine going by, and heard that the Ukraine's real name was Abuffer and all kinds of things. And it just goes to show, no one is doing their homework here. And it's very easy, then, to fall into traps of their very simplistic depictions, which is exactly what people thrive on who want to have a certain

outcome under these kinds of circumstances.

The narrative that our second unidentified questioner put forward here is a very strong narrative that's coming out of Russia today and a whole host of other outlets on the various channels in Russia. And I've been watching a lot of Russian cable television recently. And it's a very, very striking narrative here. And we have to be very careful about repeating that back again.

And let me just say that the same kinds of extremist groups that we've seen operating in Ukraine are here in the United States, are here all the way across Europe and also, most worryingly for Mr. Putin, in Russia itself. Putin, right from the very beginning of his presidency, back to '99, 2000, has been extremely concerned about extremists of all stripes, including Russian nationalist extremists. He said that very explicitly.

One of the reasons that he pursued the war in Chechnya to a very bitter end, and one where there's still an ongoing insurgency, was to put down extremism, as he said it. And he has said in multiple speeches, over and over again, that he is opposed to extremism of any form. He's playing to the nationalist extremists at home, in Russia, because he's very worried about them.

He is extremely worried about the same kind of people who have been seen in groups on the streets in Kyiv and elsewhere. You

know, you can look in Finland, you can look in Norway, you can look in the Netherlands, you can look in the UK. You can look in Germany. You can look anywhere and find right wing extremist groups purporting their own form of nationalism and infiltrating protests across the globe. It doesn't really matter where we look; Thailand, right now.

Let's just be all honest about this. We all have our own extremists. In fact, in polling and sociological work, about 7 to 12 percent of any population at any time, depending on where there's a sense of crisis, will hold extreme views and be prepared to take violent action in defense of those views.

I know what of what I speak. I grew up in the UK. I've seen orange marches. I've seen nationalisms of all kinds of stripes. I've been in pitched battles. I saw someone stabbed in front of me when I was an 11 year old during the height of the troubles in Ireland. So, I'm just saying here, I may sound emotional -- this is something we see across the board everywhere. So, you can put to rest, you know, this whole idea of propaganda. It's very easy to find extremists.

Putin has been trying extremely hard, just like Yeltsin before him, to keep these under control. He keeps people like Vladimir Zhirinovsky, who is one of Russia's national extremist political leaders, under tight reign. They are meant to deflect people like Zhirinovsky, these

kinds of extreme actions, and keep them corralled in political formats and away from the streets.

Putin has actually seen on the Manezhnaya Square in Russia just outside of the Kremlin, violence -- basically, inter-ethnic, inter-communal violence by soccer hooligans after their killing basically an ethnic Russian by someone from the north caucuses. He's had to speak out against that. There have been pogroms against ethnic Chechnyans and others in cities all the way around Russia.

Putin is very worried that this is going to happen here. This is why the narrative in Ukraine is very important. It's very important for Putin to show what can happen if someone hasn't got a very strong fist there. This is why we're actually in this situation right now, and this is why it could backfire, because if this narrative, you know, gets out of control, if people see something different on the streets of Ukraine, they're going to start asking at home, hang on, what is this.

Putin has to keep his nationalists, his extremists on a very tight leash. This is why there could be blow-back. The other blow-back is also where it comes to the issue of the Eurasian Union. Putin has been trying to build -- this is why Ukraine has been important, this expanded customs union of Russia, Belarus and Kazakhstan, and also now, Armenia. Inter-ethnic and nationalist violence can actually basically work

against us. In opinion polls, about 80 percent of Russians are against immigration and against migration, meaning people moving around the rest of the Russian federation. The Eurasian Union is supposed to be like the European Union -- open borders, free movement of peoples.

If 80 percent of the population of Russia are not very keen on this and we get all of these situations out of control, this doesn't bode well for the future of the Eurasian Union. If Russia actually goes too far in the defense of Russian speakers, what does the Kazaks and Belarusians with the very large populations of Russian speakers going to think about the implications of the Eurasian Union?

So, all of these different narratives are going to actually work against each other over the longer term. Putin is actually -- this is where, you know, the difficulty becomes of these balancing acts. You have to keep control of your narrative. This is why it's very important for the kinds of narratives like we've just heard today, to take precedence in Russia, otherwise, our competing narratives are being pushed back with a very aggressive offensive defense.

So, we have to understand here that Putin faces, just like the rest of us, a very complex, very complicated political situation at home. He has a big tent coalition that also includes a lot of really nasty xenophobic views, just as they are present in any other setting. So, he's

got the same difficulties as our politicians have, but in an actually more acute way. Remember, Russia and the Russian language gave us the word “pogrom.”

This is something that has existed, just like in many other societies, for a very long time. And Putin knows what extremists can do. They helped to bring down the Soviet Union, something which he deeply regrets; bring down the Russian states. They were a problem at the time with the Russian revolution, and again, with a clock to the Soviet Union. And he’s trying to head that off.

SPEAKER: Yeah, and in the form of a plug, I’ll mention that one of our colleagues here, Hannah Thoburn has done a piece in “Tablet Magazine,” I think today, looking at these -- looking at the question of extremist and anti-Semitic narratives in Ukraine, and really putting evidence to the question. And I would recommend it to you very highly.

SPEAKER: Yeah, I'd like to -- just a couple of comments. The second question -- I don't think he identified himself, but just a couple of points of fact.

Yes, under agreement -- under a 1997 agreement between Ukraine and Russia, Ukraine is allowed -- or Russia is allowed to maintain the Black Sea fleet and certain support units in Crimea. That was never in dispute. There was no indication at all that the new Ukrainian government

was going to challenge that.

But the agreement did not allow the Russian military to seize civilian airports, seize other ports of entry so that checkpoints all over the island, and basically, occupy the island or the peninsula in military way. Those all go well beyond what the agreement permitted the Russian military to do.

Just on the question of a Nazi coup, I think that is, again, that's the view one gets if one follows just Russia today. Certainly, in the demonstrators, there were far right elements. But I think to tar the entire Maidan with that label is just simply wrong, if not insulting to the Maidan.

I think there were -- we had -- well, actually Hannah Thoburn, our colleague, was there three weeks ago and said you saw people from middle class, you saw families with kids, you saw a whole spectrum of the Ukraine out there which was protesting not just about the decision by Mr. Yanukovych in November not to proceed with the European Union Association agreement, but it had broadened over the course of three months.

It was a demonstration against the corruption, which was endemic and had gone markedly worse under Mr. Yanukovych's tenure. It was a protest against the authorizations and that you've seen increasingly in Ukrainian political life. So, there was a broad group there, and there

were elements in there that from the American perspective, we were uncomfortable with.

But you know, you can't use that to tar the entire group. Finally, just coming back to your question, about you know, how does Mr. Putin blow this? I think there are probably a couple -- I mean, right now, I think he’s in a fairly strong position. He’s probably feeling fairly good. But I think there are a couple of ways that he can blow this and begin to change the game.

There will be this referendum that’s going to be conducted in Crimea next week. You know, I don't think that there’s any doubt what the outcome’s going to be. You know, whether it’s fair or not is a different question. But then, how does Russia respond? You know? If Russia moves immediately then to annex Crimea, I think that would be a mistake for Mister -- because then, the narrative that they’ve tried to construct in Crimea, that this is protecting ethnic Russians, it gets overwhelmed by the fact that it’s simply what it is, which is a naked power graph, naked land graph. I think that could be a mistake.

If there’s military action, a week ago, I think people -- or six days ago, there’s a certain degree of nervousness with these Russian maneuvers north of Eastern Ukraine with the Russians going to Eastern Ukraine. Certainly, the pretext that in fact, Mr. Putin repeated on Tuesday

is, you know, we will protect our Russian compatriots, which is not just Russians citizens; it's basically ethnic Russians wherever they may be.

I think military action, either by design in Eastern Ukraine, or if something happens in Crimea -- if Crimea declares itself independent, and then they just say to the Ukrainian military, you have to leave, and the Ukrainian military says, no, we're going to stay on our bases -- you know, is there a military conflict?

I think that could change the game in terms of how Mr. Putin is seen in Ukraine, also in Europe, but also, perhaps back in Russia.

MR. SHAPIRO: Mike, this is a confusing episode for the Chinese. Can you give us some sense of how they might be viewing it?

MR. O'HANLON: I'll just try my best at that issue.

A couple of points. First point would be that, of course, it's a very difficult, but different problem in East Asia, in the sense that as, I think you referenced with the South China Sea and the China Sea, what's disputed there is not territory that anybody is living on for the most part, almost exclusively. And so, that makes it a much different kind of problem; not necessarily easier or harder, but different.

So, that makes me feel a wee bit better in the sense that there's not a direct linkage necessarily in what might happen in Crimea that we may not be able to undo, and what the Chinese may be tempted

to consider doing in the East and China Sea. That's point one.

Point number two: To me, this is a -- when you look at both of these contexts together, it's again a reason why you have to be very careful about your military rhetoric and signaling, not just what you actually do by way of operations, but what you even talk about threatening. I don't want threats that aren't credible in either place.

And so, I think this is a reason not to send too many U.S. Navy ships into the Black Sea, as if they have anything to do with the resolution of this problem right now. It's not a time to mobilize NATO's Rapid Reaction Force, as if there's any place we could imagine sending it, unless our allies in the Baltics or Poland or somewhere get so nervous they wouldn't mind a few more people from other countries, other allies coming to visit. But we don't have to call that a Rapid Reaction Force under those circumstances, I don't think.

And so, in this case, I think it underscores the importance of being precise on what you're prepared to use military force for, and what you're not prepared to use it for. And you shouldn't let the line get too blurred.

And then finally, but in some contrast to my second point, or at least intention, I think you do have to make people pay a real price, even for things you're not prepared to go to war for, if there's no basis in

international law or decency in what they just did. And so, if Russia annexes Crimea in a week, there has to be a lasting pain.

And I personally would not consider it to be a major international crisis that necessarily makes me sleep less well at night, but I think Russia has to suffer lasting consequences, especially Putin and his inner circle. And I would like to, you know, just see us begin the conversation about what set of sanctions would be appropriate under those circumstances. Certainly, seizing the assets, or at least freezing them indefinitely of a lot of the inner circle and any kind of a western bank is a good place to start.

Certainly, preventing visas for this crop of imperialist, latter day aggressors from any kind of movement into Western Europe and the United States is a reasonable place to start. This would be an action that would have to be undone at some level, and we would have to do things differently, permanently, until it was undone. And I can't imagine Russia belonging in the G8 after that kind of an action.

I think some of these things -- you know, it’s maybe not to have Secretary Kerry or President Obama say them right now, because then it sort of gets Putin even more riled up, and we know how he likes to act. But I think we need to have these conversations, maybe at a more general level, because there has to be a lasting price, just as there would

have to be a lasting price if tomorrow we woke up, and China had taken of the Senkaku Islands overnight and had no intention of leaving. We don't have to necessarily do an amphibious assault to push them off, but there has to be a lasting price.

MR. SHAPIRO: Did you want to (Inaudible) --

(Simultaneous discussion)

MR. PIFER: Yeah, I'd just add to what Mike said. I think actually, in a way, the United States actually has an obligation to impose that price. And it goes back to the 1994 Budapest Memorandum security assurances.

When the Ukrainians -- after the Soviet Union collapsed, Ukraine had on its territory, 1,900 strategic nuclear warheads targeted at the United States. And part of the price that we agreed to pay, freely in 1994 to get the Ukrainians to say, we will transfer those weapons back to Russia for elimination is, we said, we will give you security assurances, along with the Russians and the British -- a commitment to your territorial integrity, your sovereignty, your independence. No use of force against you. A whole string of which I would argue now, Russia has violated.

Now, there is a very important choice of words there. We said assurances, not guarantees. That’s because we give guarantees to NATO allies -- to Japan, South Korea, Australia. And that has a military

connotation. And we were very clear in 1994 when we talked to the Ukrainians; we said, there's a reason we use this word assurances, not guarantees. We're not prepared to give you a ticket or a check that may not have the number filled in, but has military on it.

We are prepared, though, to take a real interest in your fate. And if these commitments become threatened, we are prepared to react. And the sorts of things that Mike's talking about, these political, diplomatic, economic measures to punish Russia are appropriate in terms of our fulfilling our commitments that we made to the Ukrainians in 1994.

But I would also argue that the way to do it is to use to political levers, and also, financial and economic assistance with the International Monetary Fund to help Ukraine succeed. In a way, the best way to get revenge on what's happened with Russia within the last week, is if in three or four years from now, you look at Ukraine and say, hey, there's a country -- the economy has turned around now. They're cleaning up corruption. They're growing. They have stable democratic institutions. It's looking a little bit more each day like Poland. That's the way to sort of stick a thumb in Vladimir Putin's eye.

MR. SHAPIRO: Let's go back to questions. So, we have a lot (Laughter). Dr. Kagan in the sort of -- it's right there. No, behind you. Sorry.

DR. KAGAN: Hi. Deborah Kagan, Senior State Department fellow at SAIS just up the street.

Just a quick question. I think, you know, there is a pattern here of bad behavior. You have Molotov of Georgia, now this. And I think that a lot of the reluctance of others in the west to join sort of just stripping Russia of G8 membership -- my view is, we gave it to them, we might as well strip it, is you know, energy.

And so, have you given consideration to something that I think a lot of us have been thinking about, and I heard Bill Richardson say the other day is, what if the United States offered to start selling natural gas to Europe, to Ukraine, to Poland; to countries that have higher than a 40 percent -- I mean, Germany is the highest with 40, but higher than 40 percent of dependence on Russia for that?

What is your reaction to having the administration offer to do that? There are no laws against it; only laws against oil exports from the ‘70s, but not natural gas -- to start doing that in order to put not just Ukraine more at ease, but break that Russian hold on a number of West Europeans who are reluctant to join these more fervent economic sanctions because they know that Russia has them over the barrel; no pun intended (Laughter)?

MR. SHAPIRO: I would just go to the person I just took the

microphone from, so right there.

MR. NAVIDAM: Hi. I'm Avi Navidam from SAIS, fellow.

Could you elaborate on this argument, a very realistic one, that for EMEA and this invasion of the Russia to -- Crimea is not really connected to the Ukraine crisis, but it's much more beyond it. And it's connected more to the geostrategic ambition of Putin in the Black Sea region and in the Mediterranean.

And in this time, it took again, the advantage of the crisis in the Ukraine the same way it took it six years ago in Georgia, when at that time again, it was you know, a good opportunity for him to take a -- to improve his strategic position regarding Central Asian, the whole Eurasian region. And what do you think in this very -- again, apologize, very realistic approach? Is there any kind of option for a deal? I mean, Crimea to put in the Ukraine into the EU?

MR. SHAPIRO: Okay. Let's go to the back -- all the way back to the back in the center, so we can give our interns some exercise (Laughter).

MR. JOHNSON: Thank you. Jim Johnson.

I'd like to just follow up on what Fiona was talking about, which is the role of Putin has arbiter in a potentially -- a less authoritarian, less command lever political situation than American points; in fact, there

is a growing body of thought that Putin is, in fact, a "weak dictator."

As we've been speaking here, Russian troops by inter fax and Ukrainian TV have physical stormed a Ukrainian base, entered its premises, and assault vehicles have driven up to the base. The reason I raise this to you, is there some thought here about how to deal with a Russian regime that may not be, in fact a solitary decision maker, where in fact, local events on the ground and other interest groups around Putin may, in fact, be trying to control circumstances as much as the man himself. Thank you.

MR. SHAPIRO: So, Steve, let's start with you. And can you address that energy issue?

MR. PIFER: No. Deborah, I think this is a great idea on terms of America energy exports. I mean, there now are, in fact, some reconfigurations of terminals that were being built eight years ago to receive LNG, now being converted to export LNG, which we can do. And I think there's a good argument to be made; you know, is it time for the United States to reconsider whether we had this ban on exports of crude oil, whether to lift that.

I would argue this is actually a very good way to push back against the Russians. This is not hostile. This is not provocative. This is just the United States making smart economic decisions to allow us to

export energy to global markets so that we can draw more revenue to the United States. And if that just happens to push the prices of energy down, oil goes down and gas probably gets a bit less revenue, well, that's perfectly -- that's the way the market works. So, I think this would be something worth doing.

And it may be also that this is something that may be happening in any case in terms of Europe, which probably gets about a quarter of its natural gas now from Russia, taking a look at that. Because they've already been the victims twice of disputes between the Ukraine and Russia; in 2006 and then again in 2009 when the contract expired, Russia, basically after negotiating for several days said, we have no contract, so we're turning the gas of to Ukraine.

So, the only gas we're pumping now into that pipe is gas to go to Europe. Now, it's all the same pipe. And a funny thing happened when the Russians did that, is no gas came out to Europe. And the only way that the Russians could completely cut the Ukrainians off was to stop exporting gas to Europe. Twice that happened. And I think that has caused Europe to think in a more serious way about energy security and Russia's reliability as a supplier of energy.

And there is a potential right now, because still, Russia pumps probably between 60 and 70 percent of the gas that it sends to

Europe, still goes through Ukraine. That's a card the Ukrainians have not yet played in part, because you know, that gets very, very complicated. But if this thing spins out of control, you know, Europe -- there's a chance there can be one more gas cut off. And that, I think would only encourage European countries to think further about alternate sources to the gas problem.

And that's going to be one of the reasons why the Russians to be careful, because when gas prom (sic) produces gas in Western Siberia, that gas really can only go to Europe. You know, they don't have the connector pilot lines to swing that into Asia. And so they either export that gas or they sit on it.

MR. SHAPIRO: Fiona, we just heard actually, a couple of different visions of Mr. Putin.

MS. HILL: Uh-huh.

MR. SHAPIRO: I wonder if you can give us some sense of how you feel about them.

MS. HILL: Yeah, can I -- I'd just like to make a comment, though, on the energy, first of all.

MR. SHAPIRO: Sure.

MS. HILL: Because I mean, this is something that we're hearing a lot of. I mean, this is a long game.

MR. SHAPIRO: Mm-hmm.

MS. HILL: I mean, it's not something that we're going to be able to do by next week, next month or even next year. And Putin is also prepared to press ahead right now with a laying of the South Stream pipeline across the Black Sea, which is also going to be complementing the pipeline that's already across the Baltic Sea. It's an off stream pipeline, an odd stream into Germany, to basically avoid Ukraine as a transit route.

One aspect of aspect you know, of all of this that we're talking about in terms of the gas, all kinds of things come into play. The Russians don't just sit on the gas, they flare it. You know, we're all very concerned about global warming, and when the Russians can't actually sell on their gas or don't have enough means to capture it for export, they flare it up into the atmosphere.

So, we've actually, at different points, had as much as 60 BCM of gas flared across the whole of Siberia. There's all kinds of dimensions of this. The energy tool is not so simple to effect. I mean, I agree over the longer term.

MR. SHAPIRO: Yeah, no it --

MS. HILL: In the short to medium term, this isn't going to be an option that's going to turn Vladmir Putin around any time, because gas

proms, actual export volumes have gone up in Europe, in spite of the mild weather over the last years, because Norway hasn't had the capacity to basically substitute. And in fact, what's been coming more from the U.S. has been coal -- coal from Wyoming, Montana and all the coal fields of the U.S. which are being shipped out to Germany and elsewhere.

So you know, we are playing in this game all right, but it's a long game that we're in for. We can make the moves, but in the short to medium term, it's still a question of Russia dominating. We just have to stop you know, working on this. But we're not going to change the tide that way. And that gets into -- these are the questions, as well, about this sort of geo strategic and other large issues.

As I said before, Putin is basically moving now while he can. He may, you know, kind of look weak over the longer term. He may have all these difficulties of not being completely in charge. Over the longer term, we might be able to effect the calculations on energy and other issues, but right now, he's actually in a position of relative of strength geo-strategically, because of the weakness of others and the chaos elsewhere.

He actually benefits in the fact that Russia may be a direct democracy in his popular ratings in elections matters, but it's not a robust democracy. President Obama can't basically move for people biting at his ankles and clobbering him over the head. I mean, he can't be a leader

and to make a decisive action because at every front, everybody's like basically complaining about his activity.

Putin doesn't have to suffer from that. He doesn't have members at his Senate equivalent calling him an idiot, you know, at left, right and center. Or you know, members of his equivalent of Congress blocking his ability to do something on sanctions or pushing him to do something and take action.

He doesn't have his media hounding him. His media is in highly orchestrated settings essentially throwing him soft ball questions and praising him for his perspicacity and you know, his accomplishments. So he's actually, right now, able to actually move forward in a more decisive fashion.

It is, however, true, that what happens on the ground is often beyond the purview of Putin. And there's often a lot of reaction. He's been very opportunistic here. He's seeing the weakness of others, and he's acting like he did with Syria over the chemical weapons issue. And also, there's a lot of vested interest on the ground in Crimea and elsewhere. People who make their money out of these kinds of situations, corrupt elites, members of the military who actually think they might be better off being perhaps, kind of on the payroll of Russia, rather than the Ukraine, may not be able to pay its bills.

Time and time again in regional conflict from the 1990s, all the way through until 2000 at frankly in Georgia and Nagorno-Karabakh, it was highly apparent that there were local actors taking initiatives in the hope of getting rewards. In the 1990s in Moldova and Ukraine, over and over and again, there were actions that you know, various Russian politicians and political figures also basically exploited and took the opportunity of.

And I think we can actually say that that is definitely happening again. You know, we remember in many respects back in the '90s on Kosovo, it was rather in Yugoslavia, there was the Dutch to Pristina airport where it certainly seems -- I mean, Steve will remember this very well, where one of the local commanders thought, okay, right. Here's an opportunity. I'm going to you know, dash and try to do something in the middle of the Balkans conflict, and then I'll change the facts on the ground, and then, you know, there may be some greater opportunity here.

So, I do think we have to be very careful in interpreting events. And remember that there is, you know, kind of lots of crises that happened from the ground up. That's what's happened in the case of Ukraine. And the difference is that Putin has been better positioned to take advantage of the crisis than we have.

MR. SHAPIRO: Okay, so let's go back for one more round from the audience. The gentleman right there on the aisle.

SPEAKER: Thank you. Jacques (Inaudible) Daily of the China. I have some questions. First, in terms of legitimacy of the Ukrainian authority, I'm wondering, do you think -- is it a little regrettable that the February 21st agreement, it couldn't live longer. And on this issue, what kind of compromise were you expecting from all the players?

And finally, if there can be such a compromise, what will the crisis affect future big events like the EU, Ukrainian summits and the May election? Thank you.

MR. SHAPIRO: Cathy, I'm having some trouble seeing beyond the lights, so maybe you can just pick a couple of people in the back.

SPEAKER: Okay.

MR. SHAPIRO: Thank you.

MR. ALCARO: Riccardo Alcaro, I'm a visiting fellow here at Brookings.

MR. SHAPIRO: Oh, good choice (Laughter).

MR. CARDO: I have a question for the whole panel. I was wondering whether we can expand a bit of the discussion to include also the role of Russia in issues of international concerns outside Europe. And

so, what is in your opinion -- what impact is this crisis, in your opinion going to have on Russia's calculus that it is and its interest to cooperate with the west on, for instance, Afghanistan or to a certain extent, even in Syria? But above all, Iran. Thank you.

MR. SHAPIRO: So Cathy, one more person in the back, please.

MS. BOURBON: My name is Contessa Bourbon. I'd like to ask the panelists, how realistic is the idea of having a confederation that should include Russia? What are the objectives of this? And should this end the competition with Russia?

MR. SHAPIRO: Yeah, okay. Who would want to -- who wants to start with that? Do you want to start with that, Steven?

MR. PIFER: Let me -- I guess I'll -- let me start at the February 21 question. No, they're on -- on February 21, after three very violent days in Kyiv, there was an agreement reached between Viktor Yanukovych, the former president and the three opposition leaders -- the three main opposition leaders, and it was witnessed or actually you had the German, Polish and French foreign ministers there working overnight to try to encourage this.

You also had Ambassador Lukeem from the Russian Federation there, as well. And the agreement -- there was a draft done,

and it was initialed by Yanukovych and the three opposition leaders. And then, the four others that -- the German, French and Polish foreign ministers and Mister -- and Ambassador Lukeem initialed the draft as witnesses.

There was then the period of consultation. They came back and they finalized the document to sign. At that point, it's kind of interesting. Mr. Lukeem disappeared. He did not stay to witness the actual signature. So when you actually see the final document where it should have had eight signatures, there are only seven.

And I understand that this came after he consulted with Moscow, and it sounds like Russia said, don't associate yourself with that agreement. What then happened -- I mean, there's a question -- would that agreement have been able to go forward? It was pretty clear, and you even had sort of three major elements. It called for the creation of a national unity government. It called for revising the Constitution to go back to the 2004 version, which had more of a balance of power between the president on the one hand, and the prime minister and the parliament on the other.

And it called for moving up the presidential elections, which were going to be in probably March of next year, after sometime this fall between September and December. I think that last point was very hard

for the Maidan. The view on the Maidan was, wait a minute. Yanukovych ran the government. The previous day, 75 demonstrate -- well, I think members -- about 70 demonstrators had been killed, many by snipers.

And the Maidans' view was, we don't see this guy being in office for one more day, let alone until the fall. So, I'm not sure whether that agreement would have been -- whether it could have withstood that challenge from the demonstrators. But we never got to that point, because Mr. Yanukovych signed the agreement, walked out, went back to his estate outside of Kyiv, packed up all the valuables he could take, and fled.

He turned up very briefly the next day in a very short filmed interview where he asserted he was still the president. Then, he disappeared for another six days, until he turned up and gave a press conference last week in Russia. And as far as I know, he's not been seen since then.

So, the agreement kind of fell apart, because President Yanukovych abdicated, in effect. And so, I think there was a certain amount of ad libbing the next day with the Rada where you really had no executive authority. Remember, at that point, Yanukovych had already accepted the resignation of his prime minister, who I believe had then gone to Moscow. The Rada then basically took the steps that it did,

including appointing the speaker of the Rada as the acting president.

Now, I agree -- this was -- I think this was all consistent with the parliamentary rules in Ukraine, but I think, though, it does underscore the importance of having the presidential election in May, and having it be free and fair in a way that gives the Ukrainians confidence that yes, we now have a democratically elected leader who will then have a degree of legitimacy that the current acting president does not. So, getting to that point, I think is very, very important.

MR. SHAPIRO: Fiona, the Eurasian Union? How is this affecting the prospects for that?

MS. HILL: Yeah, if indeed that was the question --

MR. SHAPIRO: Was it?

MS. HILL: -- because you know, they questioned us about a confederation with Russia.

MR. SHAPIRO: Yeah.

MS. HILL: And so I wasn't entirely clear.

MR. SHAPIRO: Uh-huh.

MS. HILL: So there's two different ways that that question could be answered. Because unless we get a clarification, perhaps, afterwards, there is discussion about turning Ukraine into a federation that's happening right now that is being pushed from Russia and you

know, some other sources, as one solution to the problem.

So Crimea and many other regions, including parts of Eastern Ukraine get the maximal autonomy, which obviously dilutes the influence of Kyiv, and you know, it changes the current unitary states of Ukraine, and therefore would increase, you know, in many respects, the potential influence of Russia. That is something that actually in Ukraine has been rather unpopular as an idea for a very long time, since the 1990s, precisely because there is such a divergence of view, even within many of the regions, and the opinion polls that I have here really show that.

There is no such thing as the average Ukrainian, and even within regions, there's no average viewpoint within those regions. Ukraine, like any other country has -- you know, like the United States itself has huge divergence, regional differentiations, and then what we might call the different pockets of red blue you know, inside of each different state or sub-state entity. So, that's actually a very difficult issue.

The Eurasian Union discussion now has reached a different level. This is again, the customs union idea of bringing Ukraine into the Belarusian Kazak Russian and now Armenian customs union. And the idea that was initially put forward on the part of the Russians was that there would be a negotiation between the Eurasian Union and the

European Union to find, you know, some way basically of creating another higher level trade negotiation.

Some variation of that is now back on the table. There are now all kinds of talks, including coming out of the EU that there has to be a way of diffusing these kinds of tensions over competing trade blocks. I mean, the idea of the Eurasian Union, the European Union association agreements, the Trans-Atlantic trade investment partnership, the Trans-Pacific partnership were all coming out of the idea that the WTO had kind of ground to a halt.

But all the trade negotiations from the Doha Round were going nowhere, and that maybe the regional blocks could provide somewhere forward. Actually, we've seen now that regional blocks are actually more likely to be leading to confrontation and to more confusion. So now, there's a discussion going on behind the scenes about how can we get across that; how can we find different ways of discussing this and finding out really, what is the main source of strife perceived by the Russians and others by the creations of these blocks.

So, I think it is entirely possible that there could be some more discussion about the Eurasian Union and European Union association agreements taking down the temperature of the rhetoric and actually, having a very straightforward, very pragmatic discussion about

what is the real roots of the conflict and the confrontation over this.

Ricardo Alcardo asked about impacts further afield. And I think you know, Mike, in particular, could talk about this on Afghanistan. I think just from one perspective, there's going to be a great deal of complication on this Syria and Iran front in this, perhaps more so than Afghanistan, because we saw the blocking of the UN envoy into Crimea over the last few days.

There's been discussions about having a UN monitoring mission or some other farm out, which actually was also the case in Georgia. The Russians don't look like they're very happy about that. And yet, the whole discussions about Syria and Iran are taking place in the UN framework. And we do need to have Russia on board within the UN context, given its UN Security Council role for the Syrian and Iranian negotiations, the discussions of the peace process, or at least what resembles a peace process for the Syrian civil war. And obviously, the negotiations with Iran over the nuclear program. So this is going to be a really difficult item.

MR. O'HANLON: Can I take over that?

MR. SHAPIRO: Sure, please do.

MR. O'HANLON: So, it was an excellent question, Ricardo, and very important. And you know, a lot of us, even on this panel, but

certainly in the broader political debate, we're talking about how to punish Putin for what he’s done and make him pay a price. And we should and we must, but we also need to calibrate it. And I think you’ve heard a lot of calibrated suggestions today.

But this really cuts to the strategic core of why they need to be calibrated responses. And for example, if Putin annexes the Crimea after a referendum in a couple of weeks, then I think we need to have the kind of targeted sanctions that I mentioned, but not yet talk about preventing Russian companies from having access to western banks or having Russian firms prevented from having access to western oil markets and gas markets; leave aside the fact that our western European allies can't survive without some of that Russian fuel.

We also need to keep a certain degree of restraint in our own reaction, because there are other stakes here. Now, if Putin decides to take our firm but limited response and escalate further, we may wind up in an uglier place. And then, you have to have back up options. And some of your other core equities may be affected.

But the kind of proposals that I mentioned, going after Putin and his top officials and cronies with targeted sanctions on their travel and their finances has the advantage of being fairly hard hitting against them, but limited in a broader strategic sense, partly for the reasons that you

mentioned, partly because as bad as this crisis has been so far, and as terrible as it would be to see an annexation of Crimea, even under the kinds of auspices that are being proposed, at least there hasn't been widespread violence, and at least the limits on Russian military operations have been fairly geographically specific so far.

And I think we do need to continue to incentivize Putin not to escalate. So, that would be my overall response to your question.

MR. SHAPIRO: So, with that, and again if you're keeping score of the moderator, we've hit the time exactly.

MR. O'HANLON: He's also looking good today, so three for three (Laughter).

MR. SHAPIRO: So, I think I did very well here (Laughter), and I think also the rest of the panel also did well.

MR. PIFER: Well done, Jeremy. (Laughter)

MR. SHAPIRO: We've had an excellent panel, so please join me in thanking the panelists. (Applause)

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