



CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org
F: +44 (0)20 7957 5710 www.chathamhouse.org

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Transcript

Insights into Ukraine's Political Crisis

Robert Brinkley CMG

Chairman, BEARR Trust; British Ambassador to Ukraine (2002-06)

Orysia Lutsevych

Research Fellow, Russia and Eurasia Programme, Chatham House

Olexiy Solohubenko

News and Deployments Editor, *BBC Global News*

Chair: James Nixey

Head, Russia and Eurasia Programme, Chatham House

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INSIGHTS INTO UKRAINE'S POLITICAL CRISIS

James Nixey:

Good evening, ladies and gentlemen. Welcome to Chatham House. My name is James Nixey, I'm the head of the Russia and Eurasia Programme here. When we conceived of this title three or four weeks ago – 'Insights into Ukraine's Political Crisis' – we were, of course, talking about another crisis. There have been five or six or seven more since then but it still holds valid, the title, even if we meant it differently at the time. We have got a wealth of expertise and really up-to-date knowledge, after the conversation we've been having in the 'green room' equivalent backstage. I think you won't find any better or deeper analysis of the very difficult situation in Ukraine than we have right here. Having said that, of course, I suppose it is possible to have events which are too topical – if we'd had this event last week or two weeks ago it would have been very different, and if we have it next week I'm sure it will be very different again.

I need to do a couple of admin notices, if I may. Firstly, we're on the record. Secondly, we are being live streamed, so behave. Thirdly, people can comment on Twitter using the hashtag #CHEvents. They can ask questions using #AskCH.

Very briefly by way of introduction, on my immediate right, Orysia Lutsevych is a research fellow here in the Russia and Eurasia Programme at Chatham House. She is working on a project on Russian influence in civil society in Ukraine, Armenia and Moldova. To Orysia's right is Robert Brinkley. Robert is a former ambassador in Ukraine. He is also former head of the political section in the embassy in Moscow, and now is chairman of the BEARR Trust (that's British Emergency Aid to Russia and the Republics). To my far right, Olexiy Solohubenko was formerly head of the Eurasia service at the BBC and is now news and deployments editor for BBC Global News. Our speakers will speak for approximately eight minutes each and then we'll have about thirty to forty minutes' worth of questions and discussion. Orysia, the floor is yours.

Orysia Lutsevych:

Thank you so much, James. Good evening, ladies and gentlemen. We hope to stand up to James' expectations in terms of expertise. I have been following personally this revolution, euro-revolution, uprising in Ukraine – different names are attached to what's happening in Ukraine now for over

three months – very closely. A lot of images that we've seen on the front covers of media were orange, burning fires, and a lot of memories were coming back of the Orange Revolution in 2004, which was very peaceful. I thought to myself that this brings back these orange flashbacks, a reminder that this was an unfinished revolution in 2004. That was part of the frustration, that the old system of government remained in Ukraine.

Today we have a very important step forward, and in a way a battle that was won, in Ukraine by having a new government voted in the parliament by 331 votes. It's quite substantial support to the government, including from the former ruling party of now-fugitive President [Viktor] Yanukovich, the Party of Regions. The parliament established a new coalition which is called the European Choice Coalition, that includes all opposition parties – that used to be opposition – the party of the former prime minister Yulia Tymoshenko and Arseniy Yatsenyuk, the party of ex-boxer Vitali Klitschko, the party of Freedom Svoboda (the nationalist party) and two independent members' groups. So we have a government that was formed in Ukraine today in an unprecedented way. This government is a pluriform government and this government has a lot of new faces, a lot of professional people in it.

Clearly the core of this government is coming from the circle of newly appointed Prime Minister Arseniy Yatsenyuk, who is very young himself but who has already some experience as the acting chief of the national bank, as a foreign minister, as a minister of economy and the chairman of the parliament. He brought together a team of people: the lead minister of foreign affairs is also an experienced young diplomat, Andriy Deshchysia – he led the chairmanship of Ukraine at the OSCE over the last year. The economic bloc is very interesting too because the minister of economy is Pavlo Sheremeta, a former adviser to the Malaysian prime minister, never a member of any political party, but somebody who is very much on the liberal side of cutting down the red tape, liberalizing the economy, developing small and medium enterprise. The minister of justice – and a huge task he has, to restore trust and rule of law in the country – is also coming from his inner circle and is an experienced lawyer.

Another surprise in a way – we can take it as a surprise – is that there are so many people who have never been in government and coming from civil society. There are about six of them now who are in charge of the very important task of fighting corruption in Ukraine. They are establishing a new anti-corruption committee. They're also trying to clean the officials who are already in government, specifically judges – to look at their records, if they have been involved in any kind of corrupt practices before.

Interestingly also, Yulia Tymoshenko's representation in the government is quite weak. These are the two people from her former cabinet. This is the minister of energy and minister of labour. But it's important to pay attention to the minister of energy, because energy is a very corrupt pool of practices in Ukraine and it's a very key ministerial appointment. Finally, Vitali Klitschko is not represented in government at all. He said he will run for president. But a member of his party is appointed head of Ukrainian security services, Mr [Valentyn] Nalyvaichenko. Also an experienced professional who was leading the service during Yushchenko's administration.

So what does this mean, this new government for Ukraine? This is really not a government of national unity, in the way of including former Party of Regions representatives on board. This is a pluriform government, a government of people who have no presidential ambitions. Mr Yatsenyuk today stated that he will not run for president of Ukraine and he will implement very unpopular reforms that are urgently needed for the country.

This government has huge challenges to deal with, starting with internal security issues – we're all following events in Crimea. Already today, right after the appointments, the key people in the interior ministry, in the security services, said they are dealing with the Crimean issue. The government said the number-two priority is signing an association agreement with the European Union. They hope to do it in the coming weeks. Formally, Ukraine is now complying with the famous – or infamous – EU requirements: freeing Yulia Tymoshenko, restoring selective justice and changing the electoral code. This government is taking the business seriously, because when I looked at the programme presented today in the parliament, it includes changes to 35 laws. So not only they will try to get some financial assistance from the West that is very much needed for Ukraine, but they are making a serious statement in terms of rebooting the system of governance in Ukraine and making a serious effort in that direction.

Another very daunting task is to restore justice – in a way, dealing with transitional justice. Ukraine has never suffered the human losses we have seen – 80 people killed. These people demand justice. Under conditions where there is no trust in the legal system in Ukraine, this will be very difficult to achieve. Already the minister of interior is reporting daily, trying to report on some of the actions he is taking in this direction.

The Ukrainian system – the crisis was partly caused by very close links between businesses and politics. This is the knot that the new government has to cut. This is something that is hopeful because we don't see people

attached to famous or big financial clans in the government. We see a lot of people coming from various groups. So achieving this split between government and politics is important. The fact that another famous opposition leader, Petro Poroshenko – who is a chocolate magnate, so to say, in Ukraine – is not leading the government, is not even in the government, is a positive sign.

The Party of Regions officially declared that they are in the opposition. This is a healthy statement, I think. Any democracy needs strong opposition. Let's hope that they will really behave in a way that they stated.

So taking all these pressures and challenges into account, it's really daunting for the new government. But I was thinking, looking through a lot of pictures of young protesters on the streets, this is the biggest challenge. The new government is under the magnifying glass. Every step they make is judged. Maidan, or the people in Independence Square, they want to see change and they will not let it go easily. I think this is the biggest test they have to do, because the Ukrainians feel that they did this revolution on their own and they deserve to control this government. They want to see concrete steps taking place.

James Nixey:

Thanks, Orysia. Thanks for talking about the makeup of the government and the challenges ahead. Robert, you got back from Ukraine this morning. You've been there for the last five or six days. I know you're going to talk about a way ahead and some of the Western, including Russian, responses.

Robert Blankley:

Yes, thank you, James. I've spent the last six days – three in Lviv in western Ukraine, then three in Kyiv. What has been happening there is obviously hugely dramatic, tragic and historic days for Ukraine. There was a turning point on Friday/Saturday when the regime crumbled and Yanukovich ran away, but the crisis is most certainly not over. On Monday I walked around in the Maidan, in Independence Square, and [indiscernible] street where the fighting had been. The thing that struck me most was that already in the space of two or three days, it had been completely cleaned up. It was very orderly. The barricades have all been rebuilt and cobblestones neatly piled up for use as ammunition if necessary. There were plenty of guys walking around in hardhats, flak jackets, who mean business. I lived through the

Orange Revolution in Kyiv ten years ago, and by comparison that felt much more like a carnival. This time, this is much more sombre. Of course, all those people have lost their lives and hundreds more have been injured. And they're still there, they're not going away.

There is no euphoria this time, no illusions about what may happen. I think that is a lesson that the people of Ukraine learnt after the Orange Revolution. That time, when they got what they wanted – which was a rerun of the election and Yushchenko being elected – they packed up, closed the camp and went away. Then within just a few months the new politicians were back to the bad old ways. This time, what people were saying to me was a fear of one dictatorship being replaced by another, or in a phrase I heard from one person: the occupiers have been replaced by marauders. Indeed, one of my business friends there – a medium-sized businessman – told me that even in the last couple of days, one of the new people had offered to protect his business.

Acting President [Oleksandr] Turchynov, who has for a long time been close to Yulia Tymoshenko, introduced the acting interior minister, [Arsen] Avakov, who is also another one from that party, to his ministry on Saturday afternoon. Turchynov said: well, the Maidan has won, and now they can all go home. That was not what the Maidan wanted to do. And that evening, by the time Yulia Tymoshenko was out of prison and appearing on the stage, she was saying to them: you must stay here. And that is what they are doing.

So what we have now, as Orysia has already mentioned, there are now three different sets of political forces. There is not just the old government and the new government, there is also now those – people in the Maidan, representing the revolution, who are determined to hold the politicians to account. They really are pretty cynical about politicians as a whole, both the new ones and the old ones.

Yesterday evening, the new ministers were presented to the crowd on the Maidan and some of them were booed. It started off as a fairly orderly session, with people being introduced – I was watching it on television – and then it sort of disintegrated and became more chaotic as it went on. This is direct democracy, and I think we're going to see rather more of that in the next few weeks.

There are calls now to – this is from the Maidan – to ban the Communist Party, to disband the Party of Regions, for what they call lustration: a big list of people who should not serve in public office. There is a revolutionary fervour there.

In this situation, there are obviously some very big risks. The immediate risk is that the central government loses control of what is happening around the country, that there is disorder. The militia are badly demoralized, because they were used by the old regime to attack the people. They've lost the trust of the people. Already in many places around the country, self-defence militias are being set up and are on patrol.

There is a risk of the country fragmenting, particularly in the east and south, and very much in Crimea at the moment, where there are more of the Russian speakers. There are signs that there are quite a lot of people in Crimea who don't want to be subordinate to the new government in Kyiv.

There is also the enormous economic challenge. Ukraine is heavily indebted and faces a risk of default if they don't get this right and get major assistance quite quickly. The currency has already devalued by 25 per cent over the last couple of months.

And perhaps the biggest worry of all that I heard from all the Ukrainians I've been talking to in the last few days is: what is Russia going to do? This was another huge failure by the Russian leadership to understand Ukraine. A humiliating setback – they really very seriously misjudged what the reaction would be in Ukraine. Unfortunately, they have had a very well organized, coordinated campaign of lies, and I think it would be no exaggeration to say that what we've seen – what we're still seeing – is a campaign of which Goebbels would have been proud. It bears very little resemblance to what has actually been happening in Ukraine. Unfortunately, they've had a fairly easy run because so many people in the international media don't understand about Ukraine.

Russia fears that Ukraine is now going to slip out of their sphere of influence, but they also fear what this means for their own control – the control of [Vladimir] Putin and his regime in Russia. They've already been stirring things up with a congress in Kharkiv last Saturday of representatives from the eastern and southern regions, which was attended by the chairpersons of the foreign affairs committees of both houses of the Russian parliament and by four governors from neighbouring Russian regions. In Crimea they have the Black Sea Fleet, and that means they also have thousands of troops on the ground in Sevastopol, which could possibly be reinforced. What we're seeing at the moment is a struggle for control going on in Sevastopol, in the city, and more widely in Crimea, focused on its capital, Simferopol. Three-fifths of the people living in Crimea are Russians, Russian speakers, but there are a third

who are not – who are either Ukrainians or Crimean Tatars, who will resist very strongly any Russian attempt to take over.

Finally, how have the outside world, particularly the European Union and the United States, reacted to all this? I think the part that was played last week by the three foreign ministers of Germany, France and Poland was absolutely crucial. Not only did they fly to Kyiv to talk to Yanukovich, but they then decided they would stay, and they stayed altogether for 30 hours of constant negotiation. They stayed until they had negotiated an agreement between Yanukovich and the opposition. At one point towards the end, Radek Sikorski, the Polish foreign minister, had a shouting match with the leaders of the Maidan, and told them: you are all going to get killed if you don't let this agreement go through. Those three foreign ministers did a terrific job. What they did, in effect, they were midwives to the transition of power, because of course the next day – or even before they left – the regime was crumbling, Yanukovich ran away. Before the signatures were dry on the paper, the agreement was overtaken. But they did a very important job.

First priority now is to help the new government stabilize the country and restore order, and then to help the new government clean up the institutions of Ukraine, introduce democratic controls. There may very well be a role that some of the countries which have recently come from the East into the European Union can play, helping to advise urgently on the best way to do that. There is going to be a presidential election on 25 May. There is a very strong demand from the street, from the square, for parliamentary elections, but cooler heads are saying: let's not do everything at once, not throw all the pieces up in the air at the same time. So it remains to be seen when that will happen, but great dissatisfaction with the present composition of parliament.

There will need to be a big financial assistance package. People have been talking about the need for \$30 to \$40 billion over the next two years. The International Monetary Fund are the best place to coordinate this.

Another very important message at the moment is: we in the West must not be triumphalist about this, not back Russia into a corner. We've got to find ways of making Russia part of the solution. Perhaps it would be possible – maybe this is too hopeful – to tie in Russia's financial assistance with a wider package. Perhaps there can be some sort of negotiation with Ukraine about the future status of international relations of Ukraine – not over Ukraine's head but involving Ukraine and discussing it with them. Zbigniew Brzezinski has suggested in the *Financial Times* the other day, maybe there could be some agreement that Ukraine could have non-bloc status as well as

association with the EU. Let's see. There are various possibilities. One thing I'm quite sure of though: Ukraine is not going to join the Eurasian Union.

James Nixey:

Robert, thank you very much indeed for that somewhat gloomy point of view, but no doubt realistic. Olexiy, I know you're going to talk a little bit about the chances of success, so I hope you can be a little less gloomy – I'm not sure. And maybe some possible futures. I know you're also off to Ukraine tomorrow.

Olexiy Solohubenko:

Chances of success. Thank you for offering such a fruitful topic to me. I did two drafts and threw them away, because the situation is changing so quickly. Now I have two presentations for you: one very short, the other is the one I'm going to deliver now. The one that is short is the chances of success with outside intervention. That, I think, the answer will be bloodbath. It will be a very serious conflict on European soil. However, I think the more realistic scenario is chances of success without intervention.

What I think is interesting to look at, in my view, is the government. Just to add to what Orysia was saying, I think the government is certainly not inclusive and they've already made a very big mistake. In one of their first acts, they decided to repeal the law on Russian language as a regional language in Ukraine. I think even the leading politicians on the revolutionary front, if you may call them so, they say this is a big mistake. However, the revolutionary fervour and some anti-Russian feelings among a certain part of very vocal MPs have prevailed. I think this is a big mistake which is now being picked up by the opposition in parliament, by members of the Party of Regions and certainly by Russian diplomats. This is something that is being mentioned constantly in repeated statements from the Russian foreign ministry, as one of the examples of this kind of 'brown plague' overcoming Ukraine. So that's one thing.

The second thing about the government is that there are quite a few unsavoury characters there. There are some people with, say, rather right-wing views, some people who are advocating a total ban on abortions, for instance. Some of the leading lights of the revolution – or the protests, whatever your take on the events – have refused to join the government; they're supportive from the outside. I think two protesters there – Tetyana

Chornovil, who was the investigative journalist who was badly beaten in the car, you probably remember the horrible scenes – she is now looking after the anti-corruption committee, I think. I hope she will do a very fair job and perhaps will give the right of reply also to the people she will be accusing. The vetting commission, the lustration committee, which is now headed by the person who was leading after Maidan, this automobile activist who was either driving protesters around the city or blocking the roads, and who was also abducted and badly beaten, he is now looking after the vetting committee.

But that's the government. The government will have quite a few problems of its own. When Mr Turchynov was introducing the line-up of the government on the Maidan, on Independence Square, he said that this government will burn within three months – that they are sacrificial lambs, they are sacrificing themselves for the future of Ukraine, because they will have to take extremely unpopular decisions. They haven't announced those decisions yet but the financial situation is so dire that the current account is empty. They need \$3.3 billion by the end of the week in order to pay pensions or to pay salaries, to pay quite a lot of staff; \$15 billion, I understand, by the end of this month, which is this week. Also I think the capital flight from Ukraine over the past week – at least \$3.1 billion have been withdrawn. I think the hryvnia today slipped to 11.4. When I was there two weeks ago it was around 9, so this gives you the scale of the devaluation. It's not clear whether it will be stopped because the national bank probably would like to intervene but it doesn't have the money. So very serious challenges ahead and very quickly, very soon.

But in terms of authority of the government – we spoke about the ministers, we spoke about the programme – they seem to have sorted the authority issue, because the army has pledged allegiance, the ministry of the interior has pledged allegiance, the security service seems to be now under control. All three are leaking very important documents to the government investigative committee under Mr Moskal, and these documents are being published. We can talk a little more about it. Regional authorities have pledged allegiance to the central authorities quite forcefully. I don't think we can probably now talk about Ukraine being fractured, because with the exception of the Crimea all the regional governors, all the regional parliaments, even the most vocal anti-protesters – if we look at Kharkiv, for instance, the second-largest city of Ukraine, and Mr Kernes and Mr Dobkin, the governor and the mayor, one of whom was saying that there's no such thing as peaceful protesters in Ukraine, they are vermin who should be physically exterminated – this is his tweet, this is his quote. They are now saying that actually Mr Yanukovich is a page in history, that new authorities

need to be supported, that they certainly never advocated secessionism, they are all for united Ukraine and they will work together with central authorities and in parliament. Which is very important, I think – with the exception of Crimea.

I think what happened yesterday, if I can use the phrase, I think the Crimean Tatars have changed the course of history. Maybe this is something that is still unnoticed. But I think when they managed to bring out about 15,000 protesters, who joined the pro-Ukrainian protesters and confronted the pro-Russian protesters, I think they showed – certainly to the international media and to lots of Ukrainians and hopefully to people in Russia – that Crimean politics is not one-dimensional politics. That there are other factors as well, that Crimean Tatars should be reckoned with, that they have their own interests. They have their own representation and they have ability to mobilize. Today, when the Crimean parliament overnight was seized by two pro-Russian groups who then hoisted Russian flags and used weapons – there was a bit of a shootout but nobody was killed – the leader of the Crimean Tatars, Mustafa Jemilev, told his supporters to stay away and not get involved. I think if the Tatars are involved, the whole picture of what's going on in Crimea will change dramatically.

So Crimea remains the problem area. It doesn't help that today five armoured personnel carriers of the Russian naval unit were seen on the streets of Simferopol. At first there was no confirmation but then the Russian foreign ministry said yes, this is their APCs and there's nothing wrong in it and they don't have to notify anyone. But just like the drill and the fighter bombers flying across the Ukrainian border, of course the official line is this is all coincidence. But it's not viewed as a coincidence certainly in Ukraine and elsewhere.

In parliament, the opposition – I think the interesting question is about what the opposition are doing. The opposition are basically already attacking and criticizing the government, saying what's going on in the Crimea is their fault, is their responsibility and they're not doing enough to sort out the situation.

One other thing that I wanted to discuss is something we are certainly getting – as the BBC, we have a very large deployment now on the ground. We have people in Lviv, we have people in Kharkiv, we have people in Simferopol, Sevastopol and other places. We've sent teams basically across Ukraine, to villages, to towns. What we are getting is very interesting. Certainly the divisions may be pronounced in the cities and squares of large industrial centres but you drive 20 kilometres outside and the question of secession or

separation or some kind of autonomy, or not yielding to the central authority, it doesn't exist. It just doesn't appear. I think yesterday in Kharkiv there was a very interesting thing when there was a small group of 40 people guarding the monument to Lenin, and there was an interview with one boy – 16, maybe 17, a youth who was speaking decent English – under the banners of the Communist Party, saying: we are here to defend this against the fascists. When asked: against the fascists, do you mean people from western Ukraine? He said: yes, people from western Ukraine, but we want to be in one Ukraine. We want to keep the country together, but without the fascists.

So there is propaganda about the fascists, there are some right-wing groups. Just one final thing about right-wing groups – maybe these questions will arise. There is a lot of talk about Right Sector, their representation – or lack of it – in the new line-up. I think Mr Yarosh, their leader, may appear as one of the deputies of the national security and defence council, which is now headed by Mr Parubiy, who was the commandant of the whole protest. He was in charge of security, of logistics, of everything else. So this will be quite an interesting mark. But one of the key accusations against them, and they were all the time portrayed as anti-Semites, Nazis, fascists – they had a very interesting meeting with the Israeli ambassador today in Kyiv. There was a very interesting discussion of what they stand for, what they don't stand for. So I think there are moves on different parts.

Of course there is a political spectrum in Ukraine now, because it was a relatively pluralistic society, with pluralistic media – the spectrum is from extreme left to extreme right, and that's the reality of the situation. How the new government and new authorities and the new country will manage it, I think so far the first steps are promising but tensions ahead.