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RUSSIA AND ITS WESTERN AND EASTERN FRONTIERS

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P R O C E E D I N G S

MR. BUSH: Good afternoon. I'm Richard Bush, the director of the Center for East Asia Policy Studies, and it's my pleasure to welcome all of you to our program today on Russia and its western and eastern frontiers. The premise of the program is that the United States and Japan are close allies, and we were getting closer in terms of our security ties. But between allies it is always important that the points of divergence on foreign policy be kept to a minimum. If allies disagree in a major foreign policy issue, then we could be in trouble.

And so what we wanted to do today was to introduce Japanese and western perspectives on Russia and its foreign policy. So we're very pleased to have four scholars to help us to do that. Two from Japan, Professor Shigeo Mutsushika who is from the University of Shizouka. He is I think is probably the first person I've ever met, and probably the only person I will ever meet, who has a doctorate in law from Bucharest University. Romania was his second language.

Second is Ambassador Steve Pifer who is a Senior Fellow here. Works on arms controls and Russia. For our purposes the most important point in his background is that he was U.S. Ambassador to Ukraine for a while.

Third is Shinji Hyodo, who's the Directors of the Regional Studies Department at the National Institute for Defense Studies, NIDS in Japan. He's a Russian area specialist. He's held a number of official positions. He also teaches Russian studies at Aoyamagakuin University and the International Christian University.

Finally, we're pleased to include Alar Olljum, who is affiliated as a Visiting Fellow with Center for United States and Europe at Brookings. He's the holder of a European Union Senior Fellowship. His current affiliation is with the European External Action Service. He was also head of policy planning for external relations at the

European Commission. And has also served senior positions in the Estonia Foreign Ministry. And as we know, Estonia is now on the frontline of NATO.

So each of our presenters will speak and do so in the order that I've cited them. And then we will move to a discussion and questions and answers. So first Professor Mutsushika, please.

MR. MUTSUSHIKA: Thank you. Good afternoon ladies and gentlemen. Thank you very much for kindly inviting me to the highly respected Brookings Institution. It's a great honor for me to be here with you. I'm a Romanian language speaker, as well as Japanese. I've visited the Republic of Moldova for the first time in November in 1989. Since then I have followed the Russians foreign and the security policy, not from Moscow, but from its neighbors.

So what I have observed of the Russian imperialistic character. Even the President Yeltsin pursued a dual policy toward former Soviet republics. Russian government officially recognized territorial integrity of Moldova, Georgia, and Azerbaijan on one hand, where unofficially it supported Transnistria, Abkhazia, South Ossetia, and Nagorno-Karabakh known as unrecognized states.

In such a situation both the government of these three countries, and the leaders of unrecognized states were forced to rely on Moscow as they needed the support from Moscow for their aims to be realized. The President Putin has succeeded with this dual policy since 2000, but he overturned his policy by issuing the presidential decree in April 2008 immediately after the NATO Bucharest Summit which declared Georgia and Ukraine would be the members of NATO.

The presidential decree ordered the establishment of official relations with Abkhazia and South Ossetia. And Russia recognized their independence after the Russian Georgia War in August 2008. Furthermore, in March 2014 Russia annexed

Crimea and it started to support the secessionist movement in the eastern part of Ukraine on April 7, 2014. Like this Russia became a revisionist state indeed. And Russia embarked on bombing Syria on September 30th this year.

Here we have a question, why has Russia become revisionist country? My answer is that the Soviet Union became a potential revisionist country in 1990. And its successor state Russia became under President Putin a real revisionist country due to external factors and as well as an internal one.

Firstly, why did the Soviet Union become a potential revisionist state in 1990? It is because the idea of Mr. Gorbachev to create a post-Cold War corrective security system on the basis of the CSC and to keep Russia's voice there was not realized through the negotiation process of the German Unification. Therefore, Russia could not participate in the decision making process in the post-Cold War European security structure based on NATO and European Union. And it became an unsatisfied state.

Secondly, what are the external factors which changed Russia from a potential revisionist state into the real one? One is historical continuity of international politics around the region between the west and Russia, and between the Baltic state and Black Sea. Historically the big power struggle amongst themselves in the region and they either divided it amongst themselves for their peace, or the strongest occupied it monopolistically.

According to this historical pattern after the end of the Cold War, the stronger the European Union and NATO indulged toward the east. And the Baltic state in the center, and the east European countries became the members until the spring of 2004. Since then the struggle between EU, NATO, and Russia intensified over the region of the western new independent state and South Caucasus. And it led to the

struggle between the EU's eastern partnership and the Russian led customs union. Consequently, the First World War and the Second World War, and the Cold War started as a result of the struggle for power around the region, a new Cold War is now beginning as a result of the struggle between the west and Russia over Ukraine.

But we have to pay attention to its historical discontinuity, as well. The EU and NATO never occupied the region by forces as Hitler and Stalin did. They accepted the new members with conditionality of the value such as democratization, the Copenhagen criteria, and the membership action plan map. The diplomacy based off of values such as democratization and a market economy have caused conflicts before reformed-minded forces and status quo-forces within Georgia and the Ukraine. And they led to the Rose and Orange Revolution in 2003 and 2004. The problem is that it is difficult to keep a conflict over the values within the state, within the state's border. There is a tendency for it to extend beyond the border.

Thirdly, what is an important internal factor to make Russia a real revisionist state? It is a tradition of President Putin's power base from realist states, internationalist forces. The year 2007 seemed to have been the turning point for Russian foreign policy as Putin's speech in Munich in February, the presidential decree on the creation of the Russian World Foundation, *Ruskiy Mir*, in June, and the suspension of the CFE Treaty in December suggests.

Fourthly, why did President Putin decide to annex Crimea when the Euromaidan Revolution broke out in Kiev? It is because Mr. Putin became the loser of the revolution so he had to become the winner in order to keep his regime. That is why he annexed Crimea and increased Russian nationalism in order to stop the extension of the revolution into Russia.

So he did it and it became null in Russian supported by around 90% of

the Russian people.

Fifthly, why did secessionist movement start in the eastern part of Ukraine on April 7, 1914? It is because Russia had to step to the next measure as the annexation of Crimea increased the possibility that Ukraine would approach the EU, NATO without Crimea. At that time Russia seemed to have three options. To divide the Ukraine by annexing Novohrad-Volynskyi to create a corridor from Russia to Crimea and to federalize the Ukraine with the two republics of Donetsk and Luhansk. But meanwhile it became clear that the majority of the people in Kharkov Odessa wanted peace and did not support the integration with the Russian Federation.

In addition to the Hague declaration of G7, NATO summoned its foreign minister meeting on April 1 and embarked on deterring the tens of thousands Russian forces surrounding Ukraine. Therefore the first and second scenario were rejected and the Crimean started to realize the third scenario, which resulted in the Minsk 1 and Minsk 2 agreements.

The third scenario was made according to Kozak Memorandum in November 2003 which was created by Mr. Kozak, Chairperson of the presidential office, in order to settle the Transnistrian issue. Its essence was to federalize the Ukraine and to offer veto powers in the foreign and the security fields to two republics in the east by which Russia can prevent Ukraine from exiting the EU and NATO.

However the best scenario for Ukraine is to keep a military state by offering a special status such as autonomy to these two republics. In this case Ukraine will determine its own alliance by itself. Therefore, Ukraine and Russia have been struggling over these two models. But there is a fifth scenario between these two scenarios, the Transnistria model and recognized state model. In this scenario, two eastern republics can create a kind of independent state, but they cannot intervene in the

decision making in Kiev. So the secessionist leaders might be happy that Mosco cannot prevent the Ukraine from its decision to become members of the European Union and NATO.

It will depend on the decision of the EU and NATO whether they will accept Ukraine with such unrecognized state as their members.

Finally, how can we understand Russian bombing of Syria? We can see the direct interconnecting between the annexation of Crimea and the bombing in the Syria. The aircraft and the other military equipment of Russia were carried from the Russian military base in Sevastopol to that in Syria. So we can recognize how important that the annexation of Crimea was for Russian military capability and its influence on the Black Sea region and the Mediterranean and the Middle East as well.

In addition, we can't fail to take note of the difference of political meanings between the annexation of Crimea and the bombing in Syria. The victory of Russia over Ukraine would contribute to the increase in power of Russia as a regional power in Eurasia while its military existence in Syria would lead Russia to become a world power.

In addition we observe the common point most of them happen as the Obama Administration move their strategic interest from Europe and the Middle East to Asia Pacific region. Mr. Putin simply filled in the vacuum caused by the reverse policy of Obama Administration. Therefore, as the title of this seminar aptly suggests our foreign and security decision making should be done taking into consideration Russian policy toward the eastern, western, southern, and nowadays even northern frontiers. How the United States, Europe, and Japan cooperate will be discussed later.

Thank you very much for you kind attention. (Applause)

MR. PIFER: Okay. Well I'm going to cover some of the same ground,

but hopefully from a slightly different angle on a couple of points. And as I look at how Russia deals with its western frontier, and I'll start with the observation that for two decades after the end of the Cold War the United States and Europe and the west in general thought there was a chance that you could integrate Russia into the western world. That Russia would be a partner. It would accept and would play by the rules of the transatlantic community. And that, I think, underpinned the approach that you saw by United States and also by European countries towards Russia.

I think it's become evident in the last several years, however, that we're dealing with a different kind of Russia and a more difficult Russia. A Russia that to some extent sees itself outside the west and to some extent has set itself up as in opposition to the west particularly to the United States. And that's going to require that the United States and Europe and the west adapt their policies accordingly.

Now, the clearest example we've seen of this new Russian behavior has been in Ukraine in the last two years. The Maidan Revolution, which lasted three months, end with Viktor Yanukovych then President of Ukraine leaving the country and the appointment the next day by the Ukrainian parliament of an acting president and an acting prime minister who made clear that their first foreign policy priority was to bring Ukraine closer to the European Union, to sign an association agreement and make Ukraine look more like Europe.

That was not acceptable in Moscow and you saw actions both in Crimea and then a little bit later in eastern Ukraine into Netishyn Luhansk, but they were very different actions. In the case of Crimea Russia moved to seize Crimea. Russia wants Crimea. If you look at Crimea it's the only part of Ukraine where ethnic Russians constituted a majority, about 60% of the population.

There also is a very strong historical connection. Crimea was colonized

by Catherine the Great, and its major city of Sevastopol was founded specifically to be the homeport for the Russian Black Sea fleet. So Russia wants it and it's very hard to see analytically the conditions under which Russia would be prepared to return Crimea.

I believe Donbass was different. In the last 18 months you've seen no suggestions out of Moscow of any interest in annexing or somehow taking in Donetsk and Luhansk. And I believe what the evidence shows is that Russia actually sees Donbass more as a mechanism to distract, to put pressure on, and to destabilize the government in Kiev to make it more difficult for that government to both achieve its internal reform needs, of which there are many, but also to make it more difficult for that government to draw close to the European Union by implementing the Association Agreement.

And so although you've seen recently some good news in terms of you now have about eight weeks of a cease fire, now that cease fire should have actually begun in February, at this point I'm not sure that it's yet clear that we've seen a major change in Russian policy as opposed to just a tactical shift in the Donbass. So looking forward in Ukraine it seems to me that the most likely scenario is in fact a frozen conflict. That's not the desirable scenario.

In the best case you'd see implementation of the Minsk 2 Agreement, but that's gonna prove very difficult. And thinking through how frozen conflict work, I'd offer a couple of observations. One is that it would allow the Russians to continue to pressure Ukraine. They can modulate the pressure up or down depending on how they wish to do it in the terms of a frozen conflict.

The second point, as the professor made the reference to the Kozak Memorandum, I was actually in the U.S. government at the time that the Moldovan government came to us about the Kozak Memorandum. And my guess is that actually

that's the kind of federalization Russia would like to see in Ukraine. But I suspect that's going to prove unacceptable to the government in Kiev. Because what the Kozak Memorandum envisages was Transnistria having the right, if it disagreed with Moldovan foreign policy, to be able to veto such policy.

And while I think the government of Kiev is prepared to devolve some authority down to the regional and local level in Donbass, it's not prepared to give up control over national policy, foreign, security, macroeconomic policy. But what it seems to me is you see the Russia on the verge of creating in Ukraine another frozen conflict just as you have Transnistria in Moldova and you have South Ossetia and Abkhazia and Georgia. And these may well serve an additional Russian purpose. The Russians, if they paid attention to the 1995 NATO study on the how and why enlargement, put a big premium on new or aspiring member states having no territorial conflicts. The reason being NATO did not want to bring in a country into the alliance that automatically confronted it with an Article 5 contingency. And the Russians may well see Transnistria, South Ossetia, Abkhazia and perhaps the Donbass as breaks on how far those countries can go with NATO.

Let me talk for just a moment about Russian motives behind this. And I see a mix of motives. First of all, there's Vladimir Putin's concept of Russia a great power. And his view that Russia as a great power merits a sphere of influence. The term that was used by then President Medvedev back in 2008 was a sphere of privileged interests.

Now, I think that this has actually been a goal of Mr. Putin going back to 2000. But in 2000 when he became president he didn't have the means to achieve that, in part because of the economic dislocation in Russia in the 1990s. Mr. Putin actually became president at a very lucky time, because in 2002, 2004 as the price of oil went up,

you saw a significant influx of revenues into Russia and the Russian government budget. And among other things that allowed the Russians to do modernization of the military and you're seeing some of those developments reflected in Syria today.

Russia now has the means to exercise more in terms of being a great power, and also has more means to press its neighbors to come into the sphere of influence. And where this gets to Ukraine is if Ukraine is implementing an Association Agreement, if Ukraine is moving closer to the European Union, it's definitely leaving a big hole in that sphere.

But as important as this, there's also I think the question of NATO and NATO enlargement, and to some extent the European Union enlargement. But if you look at how Vladimir Putin talks about NATO's enlargement, it was driven by the United States, Britain, and Germany specifically designed to hem in Russia and bring military force to NATO's borders.

Now, I believe that narrative is false. I think I can show lots of instances what would explain why it's false. But it may be a moot point because Vladimir Putin I believe has talked himself into that. So to some extent the policy that you're seeing on Russia's western frontier is Mr. Putin in a defensive mode pushing back against his view of an aggressive NATO.

But as important as these foreign policy questions are, a bit part of the motivation between what Russia's doing now I believe is domestic politics within Russia. From 2000 to 2008, Vladimir Putin, according to Russians, had this implicit social contract in which he basically said you're not going to have much political voice, but you will have economic security, economic growth, you're going to see your living standards rise. And during those first two terms as president he delivered spectacularly on that.

When he returned to the presidency in 2012 the economic situation for

Russia was far more complex and you, I believe, saw them a change in that narrative. No longer based on economics, it's now based on Russian nationalism, restoration of Russia as a great power, Russia matters in the world.

There's also an aspect of this I believe in Kremlin which is this fear of success in Ukraine. And the concern goes like this, if Ukraine succeeds, if the government that emerged from the Maidan Revolution if they make Ukraine a successful modern European state, with a growing market economy, strong democratic institutions, now that's a big if. But if they succeed, does Ukraine then become a model that Russians envy and may seek to emulate? And I believe there is that fear in the Kremlin.

So I look at these sorts of factors, this embrace of great power status, and these domestic politics, and it seems to me that that's going to affect not only Russian behavior on the western frontier, but also on the eastern frontier. And unfortunately I think on an issue of great importance to Japan my guess is that the last several years this embrace of this nationalism and this appeal to Russian great power status, is going to make it more difficult for Japan to realize return of Kuril Islands or the northern territories.

Just a couple of comments on the impact, what this means I think more broadly for the United States and the Transatlantic community, again, we're dealing with a different Russia from what we'd hoped for. Russia has violated the cardinal rule of the European Security Order going back to the 1975 Helsinki Final Act, and that rule was you do not use force to change borders or to seize territory.

And you couple that, now this Russian readiness to use force, and I couple it with something else Russian have been talking about, which is this assertion that Russia has a right to defend ethnic Russians or Russian speakers wherever they are and regardless of their citizenship. And I look at that and I think we have to ask in the

west, is there a concern here about, for example, the Baltic States?

Now, I do not think the appearance of little green men in Estonia or Latvia is a usually likely scenario, but three years ago I would have said it's a zero probability. I don't think NATO can afford to take that chance now. I think NATO has to begin to think about this in a way that it has not thought about this in the past.

And I'll close just briefly with how does the west respond on the western flank here? And it seems to me that the organizing principles could be encapsulated in three words deterrence, constraint, and engagement. And I'll talk about each one very briefly. Deterrence is primarily the United States and NATO doing some things which I would argue would include marginally increasing NATO's conventional force presence in central Europe and the Baltic States. And that's done with two goals. First of all to assure those countries, who are far more nervous about Russian actions and potential Russian actions in the future than they were two or three years ago, but also to make sure that that dividing line between Russia and NATO territory is very clear, very bright, and very red.

The second point constraint is looking at how you deal with the states I would call the in-between states: Ukraine, Moldova, Georgia. States that are one side have institutional Europe, that's NATO and the European Union, and the other side Russia. And this is primarily an action for the United States and the European Union, is to take steps to bolster those countries, strengthen their resilience to they become less susceptible to Russian interference and Russian mischief making. And then at the same time, I would argue it's also important in the Ukraine case for the west to continue to maintain sanctions on Russia until such time that Russia makes a genuine change in its policy and promotes a settlement within Ukraine. And that's important not just for Ukraine, but I think as a signal that the kind of egregious behavior that we've seen by

Russia in the last year and a half, the use of force in Europe is not going to be countenanced by the transatlantic community.

And then the third aspect is engagement. There needs to be a conversation with Russia. Certainly there will be some areas where the end where despite differences over Ukraine, the west and Russia will have a common interest. Things like Iran, counterterrorism. It's also going to be important to leave the door open to engagement with Russia for a conversation on a settlement in Ukraine. Ukraine is not going to enjoy peace and normalcy if the Russians do not want it. They have too many levers to complicate life in Kiev. And fortunately up until this point we haven't seen the Russians prepared to accept a reasonable agreement on terms that would be remotely acceptable to the Ukrainians.

And then the third part of engagement is to leave the door open to a broader warming of relations if and when Russian policy begins to turn back to what we'd hoped we seen in the last two decades.

But I'll close by just saying I think this is going to be a complex strategy. Deterrence, constraint, engagement, it's an interesting combination. It's going to require western unity. It's going to require strategic patience. And my last observation would be to the extent that we can get the deterrence piece and the constraint piece right, the more likely we are to see that the engagement piece will prove successful. Thank you very much. (Applause)

MR. HYODO: Good afternoon ladies and gentlemen. My name is Shinji Hyodo, at National Institute for Defense Studies. And I'm very happy to be here in Brookings Institute. And National Institute for Defense Studies policy think tank of Ministry of Defense, but today my presentation is completely based on my individual analysis, as an independent scholar.

And today's theme of our seminar is Russia's approach to western and eastern frontiers. And I'd like to mention eastern frontiers, Japan and China, and not eastern frontiers maybe northern frontier, the Arctic, Russia's approach.

As you know that we Japan are preparing for President Putin's visit to Japan. And I understand I know that some are not positive reaction from the western countries including United States. Our Prime Minister and President Putin also met 11 times and this picture shows that 2014 Sochi Olympics opening ceremony the only leaders from G7 countries participated in the Sochi ceremony, our Prime Minister Mr. Abe.

And also at that meeting they agreed that Japan will invite President Putin in the near future, and President Putin's visit Japan planned last year, but after Ukraine crisis his visit to Japan was postponed. And now just we try to realize his visit in the near future.

And also at that 2013 an oversight visit of our prime minister, it is the first time in ten years they agreed to establish the Two-Plus-Two dialogue between Japan and Russia. And November in 2013 the first meeting of the Two-Plus-Two dialogue was held in Tokyo. However, unfortunately, second meeting was suspended after Ukraine crisis.

And why should Japan try to enhance the cooperation with neighboring Russia? I'd like to introduce the key sentences of our national security strategy which is the first time made for Japan, such a written national security strategy. And regarding Russia, I'd like to read sentences. So under the increasingly severe security environment in East Asia, it is critical for Japan to advance cooperation with Russia in all areas including security and energy. Whereby enhancing bilateral relations as a whole in order to ensure its security.

So this shows us the main reason that Japan should promote cooperation with Russia is related to the increasingly severe security environment in East Asia. And also I would like to add one point, cooperation with Russia, so security is first and energy second. So, we, Japan established Two-Plus-Two dialogue and also now realize a second meeting of the Two-Plus-Two dialogue. And both countries sees that security areas cooperation is very important.

And the Russian side, then President Medvedev visited northern territories November 2010, and after his visit our bilateral relations became worse since the collapse of the Soviet Union. And after Putin's became revival as a president the Russians attitudes towards Japan has been changed. And the Russian side repeatedly proposed Japan to promote cooperation especially in the security area.

And now, we, Japan, established national Security Council channels. And Japan also established National Security Council in 2013 and we hold the channels between the Russian National Security Council and Japanese Security Councils. And Russian needs and the soft bonds between China and other Asian countries including India, Vietnam, Japan, of course China is a first priority for Russian foreign policy toward Asia. And after Ukraine crisis Russia has isolated in the international community and Russia approaches more to China. But I understand that Putin knows that it would be dangerous for Russia because Russia would be junior partner of China.

And after Ukraine crisis and Japan Russia relations, thus movement is unfortunately got slowed down. But basic both countries attitudes towards each other has not been changed because strategic environment East Asia is completely different from that in Europe.

Next I'd like to let me touch on the sign Russian strategic partnership. Love or convenience? From my research outcome I dare to say the nature of China

Russia strategic partnership is marriage of convenience without divorce. The President Putin repeatedly says that China Russia relations could not be a military alliance. I totally agree.

And Putin, as I said, cannot accept junior partner of China and so in the sense and Russia see Japan as a very important Asian countries. And in terms of the soft balancing. And we look at Russian armed forces activity or Russians and military policy especially in the Russian far east. I dare to say that some China factor exists. And not only exists, and the China factor is growing. When we look at behavior of Russian armed forces in the Russian far east.

So I think that politically speaking China Russia enjoy the honeymoon, but militarily speaking and growing distrust.

Secondly, I'd like to mention a little bit Artic. This map shows that Chinese advancement to the Artic. This is a 2012 and the sailing route of Chinese investigating ice breaker, Snow Dragon. And ice breaker, Chinese Snow Dragon, sails from China through the Sea of Japan and the Soya 0:40:35) Strait, and across the Sea of Okhotsk, and Kuril Islands to the final destination to the Iceland Lake Havic. This is 2012.

And this year also China made an investigation by this ship to the Artic. And not only the ice breaker, so Chinese military vessels, also proceeding up to the north. 2008, China's and the military vessels crossed to the Tsugaru Strait, which locates between the mainland Japan and the Hokkaido. That was a 2008. And after five years, 2013 it is the first time for China to achieve reach to the Soya Strait to enter to the Sea of Okhotsk. And this summer finally Chinese military vessels approached to the near Alaska, so Bering Sea.

So gradually Chinese advancement to the Arctic is going on. So I think

that Russian armed forces reacted immediately and currently has a conducting their large scale military exercise, Russian far east especially in the Sea of Okhotsk.

And also from my latest research about Russia's sphere of influence, and as we understand that former Soviet States, Russia regard this area as Russia's sphere of influence, we know. However, I try to realize my thesis and Russia becoming to regard Arctic and Russianized. Russianize is a Russian expression, it means in the Sea of Okhotsk Russia regard Arctic and the Sea of Okhotsk as Russia's sphere of influence. So in the sense Russia, last December established the fifth United Strategic Command of Russian armed forces in the Arctic and also now Russia is enhancing the military presence in the Arctic area. It is a fact.

So in my conclusion a current movement between Japan and Russian including Putin's visit to Japan is a normalization process of both countries. Ambassador Pifer said that we have a territory disputes and no peace treaty. And it is very important for Japan to normalize the relationship with neighboring countries. Of course, we, Japan never admit that change by forces such as annexing of Crimea in Ukraine, of course in the northern territories also the change incident of the change by forces for Japan. And it takes more time to solve the territory disputes. However, we also need more so a close relationship with neighboring countries Russia, to make a final solution about the northern territories and also we secure and stabilize east Asian strategic environment. Thank you very much. (Applause)

MR. OLLJUM: Good afternoon ladies and gentlemen, first of all let me say that I'm speaking here in a personal capacity as a Visiting Fellow at Brookings and not representing an official statement of the European Union. Secondly, as the last speaker, I realize that I have the honor of having the last word, but also the problem of trying not to repeat what has been said before.

The title of this event, the western and eastern frontiers, begs at least two questions. One is quite simple and I think was already referred to in the presentation we just heard, that there's actually interesting connections with the northern frontier. And I would also add to the southern frontier. But what I wanted to say was that the question of Russia's frontiers what is interesting about it in this context is that it is no longer just a question of a philosophical, historical, cultural, or linguistic issue to debate, but rather it is very much a question of global politics, and this thanks to facts on the ground and this didn't start only with the intervention last year in Ukraine, but let us recall already in 2008 where there was a direct intervention by Russian forces in Georgia. And at that time it was seen very much at least in Europe, and I think in the United States, as a so-called wakeup call. And led to some conclusions being made. However, I would say that those conclusions in hindsight were not sufficient to prevent a repetition and even a worse aggression happening in Ukraine in I would argue similar conditions where the people of that country like Georgia, before it, had sided democratically that their future was linked with the European Union and also with NATO. And that this was not in the cards for Russia for many of the reasons that we've heard here that Russia has claimed a special sphere of influence.

But let us just recall that the current President Putin, one of his most famous statements was the following, "The greatest geopolitical catastrophe of the 20th Century was the dissolution of the Soviet Union." Now one could take that as an academic question, but also if you link it with other thing that he has said and done, then one could come to the conclusion that he has in fact the ambition at least to establish a sphere of influence over the whole of the former Soviet Union, if not also to regain lost ground as far as territory.

By invading and illegally annexing Crimea and also and supporting

directly and indirectly armed incursions into eastern Ukraine, Russia has in the words, and I quote, of a recent resolution of the European Parliament, "Profoundly damaged its relationship with the European Union by jeopardizing the basic principles of Europe's security by not respecting borders, and by breaking its international commitments." And not just since '75, but actually back to the UN Charter, 1945, and past the Helsinki Final Act, also the Budapest Memorandum, specifically regarding Ukraine where the great powers gave assurances, not guarantees, by assurances of the security of Ukraine if it went and unilaterally disarmed its quite substantial nuclear stockpile, which it did. And unfortunately, in my opinion, those assurances were not forthcoming as much as they should have been considering the Russian aggression against Ukraine. And the 1990 Paris Charter for a New Europe, which Mr. Gorbachev did sign and which was supposed to settle the post-Cold War Europe, which possibly as the first speaker was saying did foresee a common house, and maybe that was a kind of a reinsertion of Russian imperialism. However, I would see it more as a genuine attempt by Russia to try to make the best of a very difficult situation. And that was to find a common ground with Europe and with the United States by also finding a new solution which would transcend both the Warsaw Pack and NATO.

And one could go back to that time and say what are the things that we should have done differently? Should we have taken that? But, I mean history overtook the events, and we all know what happened. Gorbachev was unceremoniously taken from the thrown and Yeltsin stepped in and led Russia to its resurgence.

So seeing what has happened now with Ukraine and especially with the annexation of Crimea and the ongoing intervention in the east, there was nothing else that the EU could do, even if there was some argument over the extent the way to do it, but to declare that there would be no business as usual with Russia until the annexation

was reversed. And Crimea was again returned to Ukraine. And also that the fighting in the east would have been defused and also that the Ukrainian unitary state would be preserved.

One of the means to effect that was the sanctions regimes which, again, was not easy for EU, especially to agree, because of the immediate countermeasure of counter actions from Russia which hurt some member states more than others who had depended on Russian markets for especially agricultural goods. However, I think it's remarkable and I'm confident that this will stay the case, that Europe will remain unified in implementing and extending the sanctions if the current conditions that is the full and uncertain implementation of the Minsk agreements is not fulfilled. And by the way, it looks like it will not be fulfilled by the current deadline which is the end of this year. Meaning that there should be a decision by the heads of state and government of Europe by December European Council to extend the sanctions.

And I think it's important here to make a distinction between two sets of sanctions or restrictive measures. One being specifically tied to Crimea and there is no sign of those being possible to lift, as we heard earlier that Russia's very much anchoring itself there and not only in the political economic sense, but also in a military sense. However, the sanctions with regard to the east, there is a possibility that those could be relaxed or lifted eventually if the Minsk agreements are fully implemented.

That said, there are still meetings going on between European and Russian officials, even at a senior level. And even despite these difficulties in our so-called common neighborhood, there are still areas that we do cooperate and to successful degree, I would name here the EU 3+3 negotiations on the Iranian Nuclear file, where Russia did play a positive role. Also with regard to the Middle East peace process, where Russia's a member of the quartet. And despite the early indications that

Russia's intervention in Syria is specifically aimed to bolstering its old ally the Assad regime, there's still at least theoretically a possibility that somewhere down the road, I hope sooner rather than later, that Russia could play a constructive role in seeking a political resolution. Even at the moment its role is more destructive and constructive, in my opinion.

As I said on the economic side of the relationship, European sanctions and restrictive measures and the counter sanctions have led to a reduction in trade. However, energy provision is one exception to the rule. Still Russia's by far the biggest supplier of energy, especially of gas to the U, however, that proportion has been reduced and it is conscious policy of the European Union to diversify its supply of gas and make Europe less dependent, especially certain member states who are even up to 90% or more dependent on Russian gas to have alternative supplies, in case there is a temptation again, as we have seen in the past, especially with regard to Ukraine to use its leverage as being the dominate gas supplier to extract political concessions on one or another question.

Here, I think there's a real clear divergence between the EU and Japan. Where Japan after the Fukushima disaster has looked to diversify its supplies of energy and has looked partially also to Russia as a possible new, or at least a more substantial of gas. So we're both interested in diversifying our energy supply. But for us diversification means reducing dependence on Russia, and for you it means increasing the dependence. So maybe there's a balance to be found here between east and west that could dominate our discussions later perhaps.

Steven Pifer really well described the situation of the so-called in-betweens. We call them kindly enough, and the Russians agree, to call it the common neighborhood. And I agree that there is plenty that we can do to bolster those countries.

At the moment, the European Union is just in the final stages of reviewing its so-called European Neighborhood Policy, which is actually now already ten years old. And it's not only aimed at this in-between area in the east but also to our southern neighborhood that is more and more in the news these days because of problems not only Syria, but also elsewhere in the southern neighborhood. But of the six countries in our so-called eastern neighborhood that are subject to this Neighborhood Policy, we have the experience over ten years that there is a clear split between three of the countries that are very much enthusiastic and engaged and want to take full advantage of the European offer of closer integration, and three who are for various reasons either skeptical, unwilling, or unable to take advantage of that.

And part of the reflection is to see how we could better differentiate between those different partner countries and concentrate more resources on the integration aspect and also acknowledge the interest of the those who are not interested in closer integration, but still would like to interchange with Europe to do that in a mutually interesting way.

If I may, if we have still a few minutes I'd speak a few minutes about this new Neighborhood Policy which is slated to be issued on the 18th of November, we call it a communication it will be issued by my boss the high representative Vice President of the European Commission for Foreign and Security Affairs and the Commission of the European Union. And the first, as I mentioned already, differentiation means that we will have a greater rate of engagement with those partners that want to engage and more limited and some call it a transactional relation, as opposed to the former transformational relationship with those that are not.

And interesting looking at also the south and east that we see this difference in both areas. So in the south we have countries like Morocco who are very

much like Moldova or Ukraine or Georgia, very much interested in taking advantage of the offer. And in the east we see a country like Azerbaijan who is not very interested in engaging in reforms, but would very much like to have a transactional relationship, especially founded on energy supply. Very similar Algeria in the south. So there is a reason still to keep a unified Neighborhood Policy, even if there are clear differences between south and east.

Another aspect would be to focus more on our own interests. I think in the past the Neighborhood Policy was very much portrayed even by the U as kind of an idealistic reform agenda and very much it was driven by the reform agenda. And that was across the board with all partners. So with the hope that all would eventually buy into this agenda. Now I think it's a clear realistic realization that this is not the case and for the near future it will not be and therefore we should also look at other interests, for example, on migration, energy security, counterterrorism, climate policy, as well as on human rights and judicial reform, because that's something which we are required by our own legal basis, the constitutional treaties, and also by our own public opinion to do. So it will not become overnight a non-idealistic and realistic policy, but one which is following both tracks, but in a more successful way I would hope.

Also in the mean we will be focusing more on stabilization and this entails a greater focus on spurring economic development, employment and employability, these are key to tackling many of the challenges including migration and radicalization. We also need to look at faster and perhaps a bit lighter free trade arrangements and trade measures, growth missions with European investors, more seed funding for small and medium size enterprises, more student youth exchanges, including on vocational training to invest in future generations and look into new avenues for legal, what we we'll call circular migration, just to name a few ideas in that score.

And we also need, and this was completely missing from the original Neighborhood Policy, but evidentially from the state of affairs of our neighborhood now it's very clear why it's there. A focus on security per se with much closer linkages with the common foreign and security policy of the EU, and through European Union support for conflict resolution, security sector reform, border management, and judicial reform.

Finally, in addition to generating a stronger ownership of the Neighborhood Policy among our partner countries, it's very clear that the new Neighborhood Policy will depend very much on the buy in of our own member states, and there's a realization that the first decade of the NP was very much Brussels driven, Brussels-centric, in which the EU institutions would give reform advice to partners and negotiate bilateral frameworks, but that is clearly not the most effective way. And EU member states themselves have unanimously called for a stronger involvement in the policy both in terms of its design and implementation.

I already mentioned one parallel with Japan being energy supply leading to also a slight divergence with regard to Russian supply. But I think another obvious one, which I think was at least alluded to in the early statements, is the commitment of Japan and Europe to the upholding of the international order. And I come back to my original statement about Russia's adventure in Ukraine and really upset the international order and establishing a precedent for changing borders or resolving territorial disputes by force is of course not only a concern for Europe, but also for Japan. Thank you.

(Applause)

MR. BUSH: Thanks to each of you, I think we saw a range of views and some differences of perspective, and that's good. It would be very boring if we all took the same view. In view of the time, I'm going to resist the temptation to ask any questions myself. I want to open it straight up for questions from the audience. So once

I call on you, please wait for the mic, and then identify yourself and if you want to pose a question to any specific member of the panel, please so identify.

So I saw that this gentleman right here.

MR. MIDUREF: My name is Michael Miduref. I am management professor at Georgetown University. I have kind of a question to all of you. I want to come back to the last comment that Russia's policy in Ukraine or toward Ukraine established threat or dangers president of revising the border. I want to know that Russia was not the first country that did this. In 1974 Turkey established, well I think it was 1974, or 1975 established Northern Cyprus [inaudible] it's part of [inaudible] when they assist part of Northern Cyprus. And also since 1994 Armenia invaded Azerbaijan while I (inaudible) myself and then they occupied not only Karabakh but about 20% of territory of Azerbaijan, while Tom De Waal said it's not 20% it's 16% taking account Azerbaijan territory of mount Karabakh. So right now Azerbaijan has around one million, well maybe not one million, maybe 600,000 refugees. And nobody ever talked about sanctions against Armenia. Nor Armenia really was excluded from any international meetings. Any a lot of people in Azerbaijan are upset that there is so much attention to Ukraine, but nobody said anything when it happened in Azerbaijan between Azerbaijan and Armenia.

Can you please make any comments about this? Thank you so much.

MR. BUSH: Thank you, who would like to have a go at that question?

MR. PIFER: Well let me start. Certainly there are historical cases and Russia's use of force is not the first case in Europe. But I think you saw the strong western reaction that you did see because of the size of Russia, because of what is motivating Russia here, and I think different circumstances than in Turkey and in the case or Armenia and Azerbaijan. And then a concern that Russia's policy now if there was not a response could actually then lead to Russian actions elsewhere. So I think there were

specifics that led to a western response in the case of the aggression against Ukraine that were not evident in the other cases.

MR. BUSH: Anybody else? Different view? Okay, next question.

MR. OLLJUM: Just specifically on Turkey and Cypress I wouldn't want to comment in detail, but as far as I know Turkey has not annexed Northern Cypress and --

SPEAKER: (off mic)

MR. OLLJUM: Well there also I don't think Armenia has annexed the territory legally, has it?

SPEAKER: No, there is --

MR. OLLJUM: No.

SPEAKER: And similarly you talked about Georgia --

MR. OLLJUM: So the border has not been changed. In fact, there is an incursion and there is, you know, occupation, if you will. But it's not the same as an annexation. So there is a difference.

MR. BUSH: Let's go to another question. This gentleman right here in the front.

MR. ONISHCHENCKO: Good afternoon. My name is Kirill Onishchenko. I'm a Hubert Humphrey Fellow from the University of Minnesota. I have a question primarily for Mr. Olljum, and Mr. Pifer. You definitely know about the so-called Narva scenario.

MR. PIFER: Which?

MR. ONISHCHENCKO: Narva scenario. Narva is a small border town next to Russia and its population is primarily Russian speaking, like Crimea there are more than 90% of Russian speakers in Narva. And let's imagine that at a certain point

the Kremlin decides that Crimea, or Donbass, or South Ossetia, or Syria don't provide enough leverage in a geopolitical strategy that Kremlin is pursuing at this moment, and they decide to occupy Narva by proclaiming Narva People's Republic, or using the results of a referendum, or some sort of a referendum from 1993. Do you think that at this point the European Union and NATO are ready to be involved militarily in securing Estonia and Estonia's interests?

MR. OLLJUM: Well, I can answer that because I'm also from Estonia and in fact, if I may, I just digress a little bit because Narva actually did not appear on the scene now. It was even in the early 90s, I know because I was working in the Estonia Foreign Ministry at the time and it was -- actually participate in setting up the first crisis committee of the Estonia government that had as one of its main issues was to settle down the situation in Narva where there was a fellow in the Saint Petersburg administration very much involved in stirring up the situation in Narva. His name was Vladimir Putin. (Laughter) And fortunately, we were able through I think very smart political moves, to engage with the population of Narva at that time and to show them that their future lies with Estonia.

Now in the meantime, I would admit and I would say that the Estonia government has neglected Narva. And perhaps in some ways also neglected the Russian speaking population and has not made enough efforts really to integrate the Russian population. So there is a danger there definitely that could be exploited if there was a ill will from the other side.

Fortunately, I think the situation in Ukraine and before that in Georgia has forced the Estonia leaders and population to take the issue more seriously and there have been greater efforts made now. Recently there was a Russian language television station finally set up. This was something I had called for 20 years ago and I was told to

mind my own business. But it has finally been set up and it really does have a positive effect. It will not change things overnight.

At the same time you have Estonia government meetings taking place in Narva on a monthly basis. You had the Independence Day parade taking place there in February. I was really moved almost to tears listening to the speech of the Commander of the Estonia Armed Forces who reminded Estonians, he was himself from this area of Estonia, and he reminded Estonians of the role that Russians, Estonian Russians had played in the Independence War of Estonia. Some of the greatest heroes of that Independence War were ethnic Russians who fought together with Estonians in the War of Liberation. Which by the way was not only fought against the Bolsheviks, but also against the German forces. So we fought on two fronts at that time.

Sorry for the digression, but.

MR. BUSH: It's okay. It was interesting.

MR. OLLJUM: I think that at the moment, to answer your question, EU is not ready to militarily engage, because EU doesn't really have the military arm. We engage in peacekeeping operations and security operations. But NATO certainly is. NATO has not any permanent bases but they have persistent presence now in Estonia. There are not only the overflights to ensure the safety of Estonia air space, but also during that same parade the NATO airplanes didn't want to fly over the parade, as they usually do, because it's very close to the Russian border, as you said. And they didn't want to cause any provocations. But certainly there were American armed forces on display in armored striker vehicles, which was clearly a display of NATO commitment.

And one could say that it's perhaps not enough to deter a huge onslaught, but it is definitely, as Steven said earlier, marking a very clear red line. So I think that any sort of fears of a Narva scenario emerging are not to be totally discounted.

I agree with Steven here. But certainly they should not be overplayed either.

MR. BUSH: Let's go to the gentleman in the back in the red sweater or shirt.

MR. COBURN: Thank you, Stanley Coburn. On Sino-Russian relations, in May of this year Sergei Karaganov, a leading Russian foreign policy commentator wrote an article in one of the leading journals, *Russia in Global Affairs*. He said in the 21st Century new geopolitical macro blocks, he called them, are being formed, one around the United States. The second, a great Eurasia around the cooperation of China, Russia, India, I find that interesting, some other countries under the leadership, but not the hegemony of China. He openly acknowledges this that China will be the leader of this macro block. This is a Russian scholar in a Russian journal. So I think that threshold may have been crossed.

MR. BUSH: Mr. Hyodo, do you want to respond to that?

MR. HYODO: Yes, I totally agree that opinion from Professor Karaganov. And I think that the China Russia relation is a very key factor of East Asian strategic environment. So we not only we Asian countries, but also the United States and now the western countries should pay more attention to the future of China Russian strategic partnership.

MR. PIFER: Could I?

MR. BUSH: Please.

Mr. PIFER: Two points, I still would tend to discount somewhat Russian readiness to accept a longer term alliance of a strategic nature with China. Because I don't think most Russians appreciate the idea of Russia as a junior partner in that partnership. And Russia would be the junior partner. I just don't think Russia's collective ego could handle that.

The second point though is, there's a lot of talk about these building of blocks. But I think they discount certain factors. One of which is the economic factor. If you go back and you look to when President Putin was last in China, he and the Chinese leadership agreed that they're going to increase bilateral trade between Russia and China to a hundred billion dollars a year. I think that goal was set about a year and a half ago.

Well this year in fact, because of economic circumstances in both countries, Russian Chinese trade is actually going down. It's not moving towards that goal. But if you take that goal, even if at some future point they attain it, they will reach a point that's about one-fifth of the economic relationship between the United States and China. Probably a quarter of that between the Chinese and the European Union. And I'm not sure, but also still a fraction of that relationship between China and Japan. So my guess is that economic factors here are going to weight pretty heavily against that kind of alignment.

MR. MUTSUSHIKA: Very short, I agree with that opinion. That's why Mr. Abe wanted to promote rapprochement with Russia, not only for the settlement of the northern island, but also for the promote the relationship with Russia to use that rapprochement as an instrument to negotiate with China. So this is the European international community should pay attention that if we push Russia too much, then Russia approaches to China, so that alliance between China and the Russia is not so good environment for the international community.

MR. BUSH: Alar?

Mr. OLLJUM: I'd be prepared to discount this theory completely; however, I recall the same Mr. Karaganov came up with the so-called Karaganov Doctrine in the early 1990s, which portended the Russian spheres of influence and the

Russian right to interfere and intervene anywhere where there's a Russian speaking population. That was very much a red flag for Estonia at that time, and so we paid a lot of attention to it.

Unfortunately, most of our western partners didn't take much notice of it. But it became a kind of self-fulfilling prophecy. So I don't discount this could become a self-fulfilling prophecy, but there are huge hurdles to overcome. One is the traditional reluctance of Russia to allow Chinese to lead it. Secondly, I think also India's involvement would be highly problematic seeing that China's investing heavily in its relationship with Pakistan. And as far as I know, Pakistan and India have not resolved their differences. On the other hand Russia and India have been traditional partners.

So I wouldn't completely discount it for those reasons, but I would be very skeptical about it becoming any real macro block in the near future.

MR. BUSH: Well isn't there an assumption also in this idea to play the Russia card on Japan's part, that China is in some existential way afraid of Russia and so would take seriously this sort of realignment? But if China is already in a dominate position then I don't think it would be so impressed that it would change its own behavior vis-à-vis Japan, but that's just my speculation.

Let's stay back there and then we'll come over here. The gentleman who's in front of the person with the red shirt. Yes, you. You still have a question?

MR. BUGASLOWSKI: Alsia Bugaslowksi Elliot School of International Affairs. So my question is about the strategies proposed about constraining Russia because of the chances over its further involvement in the regions of Russian speaking population. But actually my question is what could be done with the influence that could leverage on countries where this Russian speaking population is living because actually all the cases of Russian involvement, they are often involve in very strong cases of local

extreme nationalism, like Georgia or Ukraine, or even Baltic States in the '90s. And for example, I myself I'm from Kazakhstan and no one really cares for -- there's no chance, or at least people are not talking about Russia involvement in Kazakhstan to defend Russian speaking population there, just because ethnic relations are really profound there. So could anything be changed with the policy of those countries instead of just constraining Russia? Thanks.

MR. PIFER: I guess I would disagree with the premise of the question, at least as it regard Ukraine. When I served in Ukraine at the end of the 1990s, there was a sense of Ukrainian nationalism, but sort of that strong nationalism and the anti-Russian nationalism was limited to a very small portion of the population in western Ukraine. In eastern Ukraine when I traveled there, certain there were differences, but first of all people saw the East-West difference I think in Ukraine incorrectly. It's not an ethnic difference. Again, aside from Crimea, the majority population every other part of Ukraine is ethnic Ukrainian. The difference is more language than ethnicity.

And when I traveled in eastern Ukraine to places like Donetsk and Kharkiv and to Dniprodzerzhynsk outreach in Mariupol, you got a sense that folks were very practical. On the language question somebody would speak Russian, the answer would come in Ukraine. That was a normal thing. And my own sense at the time was I would never have seen the conflict of the severity that you've seen in the Donbass for the last year and a half, had the Ukrainians been left on their own. You would not have seen 8,000 dead. It would not have gone this way at the time. I really believe that without Russian instigation, you would not have seen this tragedy that you've seen. The Ukrainians would have found a much more practical and a much more peaceful way to work out the differences.

MR. BUSH: Alar?

MR. OLLJUM: I'm surprised to hear what you say about Kazakhstan because as I understand proportionately there was a much bigger exodus of Russian speakers from Kazakhstan as compared to other former Soviet Republics and the Kazak government has had a very strong national bent. So you're telling me now that there is a very good relationship between the Russian speaking minority and the Kazak majority, but I've heard other stories as well. In fact, I've met some of those Kazakh, they call themselves refugees from the Kazakh oppression in Siberia. I was visiting there last summer and quite a number of people in that village where my cousin still lives were from Kazakhstan, and they complained that they had been really driven out of that country.

As far as things that we can do, I already mentioned that I think, yes, mea culpa, I think that Estonia could have done more. But there are reasons for that historically, psychologically, and I won't go into that now. On the other hand, what I'd like to point out is that one of the biggest drivers of extreme nationalist forces in Europe is Russia. Russia is funding, and there is evidence of this Russia is funding extreme nationalist parties in European Union member states and even with the reorganize in Saint Petersburg recently, Congress of European extreme rightwing, nationalist, xenophobic parties, it's very interesting to see this kind of correlation happening. Even in Estonia in the last elections, unfortunately, for the first time, I mean the '90s you did not have any extreme nationalist forces getting any seats in parliament. For the first time now you did find a party who was also in this new wave of European extreme nationalism and xenophobia, and who is taking a very strong line against refugee and migration placement in Estonia.

Unfortunately, it's not just the responsibility of those countries, but unfortunately Russia is also driving this phenomenon in Europe at the moment.

MR. BUSH: The woman in the back.

SPEAKER: Thank you, reporter from Voice America. I have a follow-up question of the triangle between U.S., China and the Russia. With the tension in the South China Sea escalating, it seems to me that U.S. has seen worsen relationship between U.S. and China, U.S. and Russia. So my question is which country pose more threat to the United States? And also China and Russia sort of strengthen their ties, should U.S. worry about this close ties between the two countries? Thank you.

MR. BUSH: I think that the bigger threat to U.S. interests has to do with the situation in East Asia particularly in the maritime domain. I do not dismiss or discount the importance of what is going on in Eastern Europe, that is very important. But I think because China is a rising power, or a reviving power its ability to change the status quo in East Asia in a fundamental way is probably greater than Vladimir Putin's ability to change the status quo in Eastern Europe. My colleagues may disagree with me.

MR. PIFER: Or we may agree with you.

MR. BUSH: I would, after exercising restraint, I'm going to abandon that policy. I think there's an interesting analytic question here concerning the events of last year. And that is was Vladimir Putin's action vis-à-vis Ukraine somehow the norm of Russian policy, or was it abnormal? I mean it seems to me that his more typical modus operandi is to rely on subversion and intimation and those sorts of things. And given sort of the weak state capacity in some of the countries we're talking about, you can gain a lot at a lower risk. And so I'd be interested in -- do you want to start?

MR. PIFER: Yeah. But actually just to talk just briefly around the question about Russia or China, I mean I think there's a focus on Russia just because the only thing that makes Russia great today is they have a whole lot of nuclear weapons. They're the one country in the world that I think could pose an existential threat to the United States simply by their ability to physically destroy the United States. But if you

look at the trends, you know, China's a rising power, if you look at what's going on in Russia, the demographics. And unreformed economy, which remains still basically dependent on the export of oil and gas and commodities. I mean does anybody here own something that the Russians make? The Russians export weapons. But they don't really export much else.

And if you look at these trends, I think Russia is very much a country in decline. China's on the rise. So I think the longer term challenge is much more in the Pacific region and how we cope with a rising China.

But on your question, yeah, this I guess is a surprise too, because if you look at Ukraine, which is a country that I think has a lot of weaknesses and vulnerabilities, first and foremost not because of anything the Russians did, but because of 20 years of bad leadership where they put off hard decisions on economic change, on fighting corruption, they basically doomed the country to this current situation because they didn't want to do things that were hard, or in some cases Mr. Yanukovich, being the prime example, were far more interested in personal enrichment and corruption than they were in doing anything good for the country.

But so what you've had there is a country that I think would have been susceptible to other forms of pressure. A colleague of mine, Fiona Hill, we wrote a paper back in January of 2014 said we think Putin's going to do something after the Sochi Olympics. What we expected though was the economic pressure, they could have cut off gas, economic pressure. There were lots of things that they could have done, that would have been I think sufficiently under the radar that would have not provoked the strong reaction from the United States and Europe. And instead Mr. Putin went for the military tool, which I think in the long run they're now finding has many more costs than they thought about when they used the tool beginning back in February of 2014.

MR. BUSH: What do the rest of you think? Yes?

MR. HYODO: When we look at European security, of course Russia is a big concern. And when we look at the East Asia and China, is a big concerns, not only for United States, but also for Japan, and there is some slight perception gap between the United States and Japan. So we should share the common interest and the common view about Russia in terms of the international security.

MR. BUSH: On this normal, abnormal issue?

MR. OLLJUM: I would chime in on that, I think I would say more yes the former, the norm, that what is different is the speed and the extent and the power of the intervention. But the principle it was already established in the early '90s in fact. The frozen conflicts most of them have their roots in the early 1990s. And I mean you can dissect those all you want, but I mean there is a, as we say in Estonia, a hairy Russian hand behind all of those (laughter) conflicts. And in fact, some of those lessons have been learned by the west. But unfortunately, we didn't take them to heart. And even Georgia should have been the wakeup call to really change the calculus on our side. But it took Crimea and Ukraine to really change the situation and to realize where this trend was taking us, unfortunately.

MR. BUSH: Do you have a comment? You don't have to, if you don't.

MR. MUTSUSHIKA: How we can cooperate between United States and the European and Japan relationship to Russia and China? So I think there's a divergence between the United States and Japan in relationship to China and particular in relationship to Russia. I think it seems to me that the United States want to isolate Russia in this station.

MR. PIFER: I don't think that's part of our policy, yes.

MR. MUTSUSHIKA: But Japan, in particular Abe administration, of

course contributed the support to Ukraine and cooperated with the sanctions to Russia. But at the same time, Abe administration will not engage Russia so how we can find the common point in relationship to Russia? So of course I agree completely that we should continue the sanction to Russia, as long as the Ukraine crisis continues, considering the wrong experience of the appeasement policy. But we should have the longer strategy how to deal with Russia in relationship to China.

MR. BUSH: Thank you. I think on that note, we have to close. We're past our time. But I want to express my deep gratitude to all four panelists. This has been a very interesting discussion. I've learned things that I didn't know about. Please join me in thanking them. (Applause)

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