

# Wider Europe and the Transatlantic Link

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## Introductions:

**Zbigniew Brzezinski**, Former U.S. National Security Advisor

**Sorin Ducaru**, Romanian Ambassador to the United States

**Janusz Bugajski**, CSIS

## Panel 1: The Future of NATO and EU Enlargement

**Taras Kuzio**, George Washington University

**Omer Taspinar**, Brookings Institution

**Vlad Spanu**, Moldova Foundation

**Bronislaw Misztal**, Catholic University

**Victor Babiuc**, Romanian Chamber of Commerce

**Janusz Bugajski:** Again, I think some people have probably been delayed by the rain, but the tremendous response we've had, both in writing and in person, I think indicates the importance of some of the issues that we're going to be discussing during the course of today.

And let me just say very, very briefly that the purpose of our conference is to help provide a better understanding of Europe's evolution and the prospects for its further enlargement, as well as to examine what this portends for America's policy and American strategy.

And I think, at a time of uncertainty over the future size, shape and effectiveness of both NATO and the EU, it is important for U.S. policy makers and policy analysts to scrutinize closely developments in both organizations, and the implications for trans-Atlantic relations. In particular, I would say America's close allies in central Eastern Europe have been at the forefront, and indeed are at the forefront, of building a wider Europe, and a broader alliance, by seeking to expand both the European Union and NATO eastwards.

We need to be closely attuned, I think, to such intra-alliance debates, and the impact of either inclusion or exclusion on important countries such as Ukraine, Turkey of course, as well as Moldova, and Belarus, and Georgia,

shouldn't forget Georgia. And others.

Let me begin, though, by handing the microphone over to Zbigniew Brzezinski, who needs no introduction. Let me just say that he has been a consistent leader for many years, in promoting both a broad but also an effective trans-Atlantic community, and we are honored to have him kick off our proceedings today.

**Zbigniew Brzezinski:** Thank you very much, Janusz. Ladies and gentlemen, I have been, and am, a committed believer in the notion of the American-European alliance. I think it is the vital partnership for the development of the world, for the stability of the world, for peace in the world. And that point of view to some extent verges on being a cliché, but not lately.

Many of the most fanatic opponents of the war in Iraq have also been advocating, in effect, a very critical view of Europe, and perhaps the development of some alternative alliances, on the basis of opportunity, or expediency, as the case may be. So the issue is not really a moot one. It does involve a matter of choice. And in addressing that issue very briefly in my introductory remarks, I would like to note that we need to really think seriously about what is Europe, where is Europe, and what kind of a Europe America needs. After all, we know where America is, and we know what America is, and where it is. But we're not so clear about Europe.

Only fifty years ago or so, if I were to use the word Europe -- and people forget this very quickly -- I would have really been talking about Western Europe. That is what Europe was, in terms of our mental apparatus, in terms of our thinking. Western Europe. West of the Alp was Europe. Everything east of the Alp was Eastern Europe. And west of the Alp, that Europe which then existed, had really the potential at the time, for being a Europe not only a community, but also an entity with a political definition. That is a fact. Because it was a Europe in which France and Germany played politically the preeminent role. Britain was going along, but the momentum was towards not just social, economic and legal integration, but towards real genuine political, indeed military integration.

So while the notion that this was Europe was a geographical misnomer, there was a certain historical truth to the notion: This is Europe, this is the kernel of Europe that someday will be perhaps larger and more powerful, but in the meantime is developing an identity that is political, significant, not just a community. It was called the European community, it was not called the Union. It should have been called the Union. And perhaps what we now have should be called the community.

But as the case may be, the line in the Alp disappeared. And all of a sudden our definition of Europe changed. What was Eastern Europe from the Alp to Vladivostok all of a sudden became differentiated. There was no central Europe. And then east of Central Europe was Eastern Europe.

And that new Central Europe wanted to be part of Europe, on that Europe which was shaping. It aspired to be part of it. And it saw its liberation as the first step in becoming part of Europe. And it was an irresistible situation, one in which no choices could really be made. It had to be part of that larger Europe. There was no way of avoiding it. It would have been a political disaster in Central Europe, it would have been (inaudible) even in terms of western Europe. There was a general consensus that the new

central Europe really belonged in Europe.

But the obvious effect was the transformation of a new union, a proto-union, a union in the making, into in fact a larger community of twenty-five or so states. And thus we have today a Europe which is less a union and more a community, even though the official, chronological and definitional process involves a shift from community to union. We have a Europe which is larger but which finds it increasingly difficult to define itself.

Does that mean that the process should therefore stop, and the line should be drawn? And one should wait until this now larger community becomes the union. But is that a real choice, is that really a real choice? To make that choice, one would have to conclude that everything east of the new central Europe has to be indefinitely excluded. Can one exclude indefinitely Ukraine, the site of Mother Russe, of a great civilization, very much culturally a part of Europe, politically increasingly defining itself as part of Europe, and a neighbor to countries like Romania, like Poland, who definitely want Ukraine in Europe. Can that be excluded?

There was at one stage the argument made that one should not even include the Baltic states, because that would mean crossing a mythical red line. Have you forgotten about the red line, that so many people were so worried about, that we must never cross? We crossed it. The Baltic states are in NATO. And in the EU. They are more prosperous for it. And the relations with Russia are more stable because of it.

I think we have to ask the same questions regarding Ukraine. Belarus, in the long run, if Ukraine and Belarus become part of Europe, Russia has no choice but to be non-imperial and increasingly European. Isn't that in the interest of Europe? What about Turkey? This is obviously a more complicated problem because of religious and cultural sensitivities, but there is a historical dimension to it. The Europeans were creating a union, and were serious about it, led by the French and the Germans -- promised the Turks that they could be in Europe, if they met the requirements of being in Europe. Forty years ago. Forty-two years ago, to be exact, that promise was made. Those commitments were undertaken seriously.

And one has to ask oneself, what are the trade-offs between Turkey becoming part of Europe, with some potential admitted complications, and the negative complications of rejecting Turkey, and in effect bringing the Middle East, a volatile Middle East, into Europe in part, and affecting the southeastern Balkans.

And beyond that, there is of course the question of countries like Georgia, which are very much a part of the European civilization. So my point is that "where is Europe" is a geographically dynamic reality which cannot be artificially stopped. At some point it will stop itself, when its outer reaches have been attained. But this is nothing that can be stopped by political fiat. It has to be part of a process.

But that still leaves the question open, what is Europe? And what kind of Europe does America need? And in many respects in my view America needs a Europe that is not just community but is also a political actor. We need such a Europe. I think if on the eve of the Iraq crisis, there was such a Europe, and it spoke seriously to us, and was hesitant about some of our policies, but also willing to participate in a grand compromise, and going along

on the larger strategic basis with us, we would have had to listen seriously.

One of the reasons we didn't listen seriously to Europe was that two European leaders standing on their own, representing their own national politics, rejected what we wanted, publicly, thereby irritating us, and one European leader came to us, whispered privately very good words of advice, but publicly endorsed everything we did or wanted to do. So we naturally pocketed the praise and the support, and ignored the advice. If there had been a Europe, a union politically that was serious, I think that we would have had to listen.

And we needed such a Europe. Now can we have such a Europe, if 'where is Europe' is larger, and 'what is Europe' is more difficult to define. My view is that here we have to be pragmatic, and so have to be the Europeans. Namely, there is a number of European countries -- five, six, whatever the number, that have a wider view of their role than just the attainment of self-serving interest by membership in the European community, now called union.

They have foreign policy interests. And if that cluster could systematize its own activities, operate more or less as an informal process of at least concerting their collective views, then we would have something that begins to approximate the kind of a Europe that I think America needs, that is to say a Europe that speaks seriously about its regional and even global interests, in a manner that we have to take into account responsibly because such a Europe can obstruct us but can also support us. And that means that at our end, we have to take European interests into account and come up jointly with an approach in which we share the decisions and the burdens.

Right now we have a situation in which we say to the Europeans, we want you to share the burdens, but we make the decisions. And the Europeans basically say to us, we want to share in the decisions, but you carry the burdens. That is basically the status quo right now, with one or two exceptions perhaps. We need something better than that, and this is why there is a lot to be said in terms of what is Europe, where is Europe, and what kind of Europe America needs. Thank you.

**Janusz Bugajski:** Thank you very much. Thank you Zbig, as always. It's good to have you to kick off our proceedings, precisely the issues that we would like to consider today.

I'm also happy, before we turn to our first panel, to have with us Romania's ambassador to the United States, our good friend Sorin Ducaru. Let me just say a few words about Romania. I think Romania is at the forefront, not only of seeking to construct a wider Europe, but in trying to build a strong trans-Atlantic relationship.

And I would like to personally thank Romanian institutions, especially Radio Romania, with whom we have cooperated for several years, in helping in our efforts here at CSIS to foster international debate on important international issues, and I hope we will continue to host these annual -- what are now annual -- conferences here at CSIS, also working with Romanian NGOs, including the newly established Foundation for Democracy, Culture and Liberty. Dragos Seuleanu, a good friend of mine, is here today, represents the institution, working both with government and NGOs. So without further ado, let me give the podium over to Sorin.

**Sorin Ducaru:** Thank you, Janusz. I was asked to bring a perspective on the main topic, on the wider Europe and the trans-Atlantic link, from a country that is actually in the process of becoming a full EU member and just a year ago, became a NATO member, but a country that shares a strong interest on these two key items that are today's topic, both the trans-Atlantic link and the idea of a wider Europe. Let me start with the first.

I think Romania, as other countries in central Europe, were at some point perceived as countries that were needing, that had to choose between Europe and the United States, especially in those difficult moments where the debate over Iraq and so on became a bit heated. And I want to stress that then as now, we have been extremely powerfully stating that, even before the Iron Curtain fell, we evolved as a country, we grew up as a generation, myself and the generation that I grew up with, with the idea that the democratic Western world is a family, and we wanted to be part of the family.

And all of a sudden, when we were just at the moment of entering this democratic trans-Atlantic family, there was this really very heated debate that tested the relationship. And at every time, we have stressed that there is no choosing between the two, and actually that our membership within the North Atlantic Alliance and within Europe will have as a key objective, actually strengthening this trans-Atlantic relationship.

Is the entrance into Europe of the Central European countries changing the dynamic or the debate within EU or within NATO? I think to a certain degree it does, but not in the sense of threatening the key values or foundation of these organizations. I would say that it strengthens them, and it gives them a broader scope and a broader area of expansion I would say, of covering. And even while still being in a process of, I would say, strong transformation and reform to become full EU members, we are pretty much outspoken in Brussels, both at the EU headquarters and at NATO, about our interest *visa vis* -- and our concerns and our ideals -- *visa vis* our neighboring areas, for two reasons.

Number one, yes there is this sense of idealism, that the kind of chance and support to consolidate freedom, democracy in our country that we got from the United States, from the European Union, has to be really spread out towards our neighboring regions, the Balkans, the Western Balkans, the Black Sea area, eastern Europe at large. It's something that one of my good friends and friends of many, Bru Jackson (?) would say, spread of the frontiers of freedom. So this is idealism. But there is also a lot of self-interest, I would say.

Yes, there is in our self-interest, both in Romania's or Poland's or Central European countries, and Western European countries, self-interest to anchor countries like Ukraine and Turkey and those in the western Balkans and the broader Black Sea area, to this unbelievable new construction that is the construction of the new United Europe and I would say, united trans-Atlantic link.

There's one particular area that I was asked to give a bit of a special focus, and this is what we call the broader Black Sea area, because when we speak of a wider Europe, I would say the immediate vicinity areas one would look -- would be the unfinished business of course in the western Balkans, but now the eastern border, let's say the eastern part that neighbors the European

Union which is the Black Sea area. I was reading, re-reading actually, recently, some parts of Dr. Brzezinski's book, and in terms of if you will look to this Black Sea area in terms of the great gain that he challenged us to imagine already some time ago, I would say that this area is at the intersection of three key geopolitical tectonic plates.

The trans-Atlantic, democratic world, if you would imagine on a map, would be like the flag of NATO or the blue world on a map. The space of the former Soviet Union towards the east, and towards the south the broader Middle East, and all these areas meet in what we call this broader Black Sea Caspian region.

So the point is, if you want to address these very important global issues: Middle East, the evolution of the space of the former Soviet Union, with its challenges, with opportunities, with the role of the energy resources in that area that will very much shape the interests and the politics of the countries, we have to look to this bridge area which is the broader Black Sea region. It is in this context that Romania, I would say, started debate, a discussion, about the future of this area and how to connect it, at large, to mainstream trans-Atlantic community, and how to generate more synergy in this area and cooperation that would actually help the transformation.

And I wanted to mention that there are a couple of initiatives that are already in the area, shaping the debate. You might know about the cooperation between the so-called GUUAM countries, Georgia, Ukraine, Moldova, Azerbaijan. You might have heard about the so-called three plus three, formed out of cooperation between the three Baltic countries and three countries from the Black Sea, sharing experience both in terms of democratization, but also in terms of preparing for an eventual integration in the trans-Atlantic mainstream.

Recently, in a joint declaration, the Presidents of Georgia and of the Ukraine mentioned the idea of a community of democratic choice which would be values-driven, and would actually support cooperation among the countries in the region, towards consolidated democracy, and this idea of choice. And on its hand, Romania issued the idea of having a broader Black Sea forum, that should actually generate a dialogue both on key political and values issues, but also on some areas of practical cooperation that are in the region.

Last but not least, we have since the early '90's the so-called Black Sea Economic Cooperation Forum that is geographically defined and has a strict economic dimension. I think the key -- we don't have any answers right now, and at times one might look at us as a kind of competition of initiatives and so on.

What we actually are doing, especially since the spring, summer, is intensifying meetings, dialogue, coordination, from the top level, at the level of presidents, to the working level, in actually finding the complementarity and the essence of these things, and I think with this I will finish. We should look at this area like... and the initiatives, with the perception of a variable geometry in approaching it in terms of initiatives and concrete actions, based mainly on the values, not mainly or not necessarily on the geography, and actually strengthen those links to connect it to what we would say mainstream trans-Atlantic community and to the wider Europe. Thank you very much.

**Janusz Bugajski:** Thank you very much, Sorin, Mr. Ambassador. Let's

take a one minute break while we gather our panelists up here. One is stuck in the Metro, apparently there is a lot of difficulty in traveling through the system today. But we have four of our panelists here. Let's take a two minute break while we rearrange things. Thank you.

### **Panel 1: The Future of NATO and EU Enlargement**

**Janusz Bugajski:** Let me just start by saying that some people say there are both optimists and pessimists in Europe. The optimists believe that Belarus will become an EU member during a Ukrainian presidency. [Laughter]. Whereas the pessimists believe that Ukraine will become an EU member during a Byelorussian presidency. [Laughter].

Anyway, humor aside, we're talking facts this morning and this afternoon. Let me very briefly introduce -- I'll introduce all five panelists. Our focus this morning is on the EU and NATO aspirants and what the prospects of their either inclusion or exclusion from both institutions. Of course some like Turkey are already a member of NATO of course for many years, but what their inclusion or exclusion portends for the future development of both institutions but also for the Transatlantic relationship.

So let me very briefly introduce the order of our speakers. First to my right is Taras Kuzio who is a Visiting Professor of International Affairs at the Elliott School for European, Russian and Eurasian Studies here at GW. He previously served as an adjunct professor at the Department of Political Science, University of Toronto. Also Senior Research Fellow at the University of Birmingham in the United Kingdom, in Britain. He is published very very widely. I won't even mention all his books and articles. Suffice it to say he's one of the most prolific and informative writers on Ukrainian issues, I was going to say living today, but hopefully you'll be with us for a long time. [Laughter].

Secondly, also to my right, we have Omer Taspinar. Omer is the Co-Director of the U.S. Turkey Project at the Brookings Institution and an Adjunct Professor at the Johns Hopkins University School of Advanced International Studies, SAIS. Prior to teaching and research he worked as a consultant on the strategic planning unit of TOFAS-FIAT during the '80s. We have all the handouts. You can go into more details in terms of if you want to know more about the background, but Omer is going to say a few words about the Turkish situation. We're very happy to have him with us.

Third we have, on my left this time, Vlad Spanu. Vlad is, we call him Mr. Moldova in Washington. He's the Executive Director of the Moldova Foundation and was the senior Moldovan diplomat and served in policy positions at the Ministry of Foreign Affairs in the 1990s. He was also Charge' d'Affaires Minister, Consular, and Deputy Chief of Mission here in Washington for the Republic of Moldova. While in the Foreign Service he was part of the new team of young diplomats who established bilateral and multilateral

relations of this new independent country and negotiated various trade and investment agreements. So he has a lot to say not only about the situation in Moldova, but about what really needs to be done to get Moldova on track for the major international institutions.

Fourth, he's not here but we have Bronislaw Misztal who is the Professor of the Department of Sociology at the Catholic University here in Washington. I thought it would be a good idea to bring Bronislaw in. We initially had Radic Sikorski, but he decided to become a Senator in Poland so he's not here. But Bronic is, as a sociologist I think he is able to bring into this debate some of the social implications of enlargement and non-enlargement, not only for Poland but also for its neighbors, particularly its largest, most important neighbor to the east, Ukraine.

Last but not least we have, again on my left, Victor Babiuc who is the President of the Chamber of Commerce and Industry of Romania. He's served in so many positions, let me just very quickly outline them for you. He was Minister of Justice, Minister of Interior, and Minister of National Defense - - not all at the same time, but at different times during the course of the '90s. Victor's speech actually is printed and copies are available for those of you who would like to read, not during his speech, but afterwards.

So let me without further ado begin with Taras. The podium is yours.

**Taras Kuzio:** Thank you, Janusz, and thank you CSIS for inviting me to what I think will be a very interesting day.

I think all the speakers don't have much time so I'll, without further ado, sort of launch into a short presentation of how I think things have changed and how -- what are the problems that lie ahead.

Firstly, in terms of Ukraine's security policy. What has changed?

Let's recall that under Kuchma Ukraine also desired EU and NATO membership. So in that sense the strategic goals of EU and NATO membership have not changed under Yuschenko. So therefore what we really have to look at is what has changed in terms of policy and individuals and personalities.

What we have in effect is a movement, I would argue, away from the empty rhetoric, the Ukraine fatigue, where under Kuchma where you had a contradiction between internal -- I would call it Eurasian domestic policies, and pro-European integrationist foreign policy. That is one of the main differences that we have today.

We have a revival of the language that we saw in Central Europe and the Baltic states in the 1990s of back to Europe, in the rhetoric of President Victor Yuschenko.

In what way have the people in power today, the National Democratic Alliance around Yuschenko changed?

Well, the National Democrats were a political force throughout Ukraine from the late 1980s. First of all, in the Ukrainian popular movement, Ruhk. Our Ukraine is a kind of continuation of that to some degree, but the main difference in the way that Yuschenko has changed the National Democratic program is I think crucial to understanding how today's National Democrats are different from those in the 1990s.

Today the Yuschenko National Democratic camp is a far more pragmatic, less anti-Russian, if you want to put it that way, National Democratic camp, less romantic nationalists than the Rukh of the early 1990s and late Gorbachev era. That is extremely important.

Unlike shall we say the old romantic nationalist Rukh, the current National Democrats in power in Ukraine certainly understand that they cannot integrate with the West on a platform of anti-Russianism. And Victor Yuschenko has tried his damndest to try and have good relations with Russia. That was his first visit abroad after he was inaugurated in January. That comes on the back, let's recall, of Russia's most, biggest intervention in the election last year in Ukraine and probably Russia being behind some of the, or all of the three assassination attempts on Victor Yuschenko. So it wasn't exactly easy to try and mend relations with Russia. But the kind of program that National Democrats and even President Kravchuk in '93, '94 were proposing, that Ukraine would be fit for integration into the West on a platform of Ukraine creating an anti-Russian [cordon savinteur] is no longer the kind of program promoted by today's Ukraine leaders, so there has been an evolution in the National Democratic camp as there has been in Georgia, between camps Gamsakhurdia and Saakashvili.

Thirdly, what are the aims then of those in power today? Well, obviously it's difficult to know. We're talking about the future, whether these are going to actually happen or they won't happen.

By the March 2006 elections, the Ukraine authorities hoped to have the lifting of the Jackson-Vanik Amendment. Prior to, and that seems to be on the cards, and prior to its lifting in Russia. Jewish-American organizations seem to have far less reservations about lifting it for Ukraine because of the lack of an anti-Semitic environment, that's one reason, in Ukraine than in the case of Russia.

Market economic status, possibly during the British presidency of the European Union by December of this year when there's an EU-Ukraine Summit in Kiev. I think those two are potentially on the cards. Let's recall that Russia obtained market economic status in 2002 and I don't see Russia as being a profoundly better market economy than Ukraine. And WTO membership. I think that possibly is unlikely this year. Victor Yuschenko will certainly have to take some of the blame for that. But also Parliament is stalled on that.

There was an attempt to push through legislation required by WTO by the summer recess on July 8th, but only half of the required legislation was pushed through and it's probably therefore too late maybe this year. But the main factor here is the competition between Ukraine and Russia to get into WTO first because of course then they can dictate conditions.

Secondly, the whole question of NATO membership. I think it's highly realistic if there isn't another crisis, as of last month in September, if reforms go well, if the battle against corruption continues and I've just noticed that Transparency International, the Germany NGO which produces an annual corruption perceptions index just released its index for this year and Ukraine does seem to be making progress in that battle against corruption. And one example of that is the open tender, transparent tender of Kryvorizhstal yesterday which obtained 4.8 billion as opposed to the 800 million which was

paid by two oligarchs in June of last year.

And of course the final factor which was important to holding a free and fair elections in March of next year. If those factors go ahead I think we can expect, I think it is not being duly optimistic to expect that Ukraine could be upgraded from its current intensified dialogue on membership issues within NATO to a membership action plan at the May 2006 summit, thereby joining Croatia, Albania, and Macedonia, also with membership action plans.

But I think what's wrong here is to assume as some Western media have done, and Ukrainian media, that that automatically means you have a date fixed for membership down the road. That's not the case, I don't think.

I think it's wildly optimistic to believe that membership could be as early as 2008, but certainly to be on track I think next year, providing if events go well, including the elections I think is realistic.

Thirdly. and the most problematical of course is the European Union. Ukraine does have two aspects of its relationship with the European Union, both of which end in 2007 -- a three year action plan as part of the Neighborhood Policy and also the ten year Partnership and Cooperation Agreement. Both of them end in 2007.

What will follow those two aspects in 2008 with the European Union is probably impossible to know. I would assume that the Ukrainian authorities would be very reluctant to sign anything, some kind of new agreement, which doesn't have at least some prospect of future membership hinted at in the document.

Anything that the European Union wants to offer in 2008 would certainly be a very positive inducement for the elections in 2009 when Victor Yushenko stands again.

Fourthly, let's look at some of the difficulties inherent in the Ukraine. Firstly, the pro-European lobby in Ukraine is potentially narrower than that in many Central European and Baltic states, particularly on questions of NATO membership.

The pro-NATO camp you have in Poland, for example with [Kuesnievski] doesn't exist in Ukraine really. The left, on the whole, are anti-membership of NATO.

The other issue, a very important issue, is what will be the outcome of next year's Parliamentary elections. With the constitution reforms going into effect in January, Parliament will increase in importance and therefore will be what the new system will be, the Parliamentary majority that's created after the elections will then form the government. The President will still have a say over law enforcement, but on the whole Parliament will increase its importance in the Ukraine political system. That's positive in the sense of Ukraine moving towards more a Parliamentary democracy, away from the super presidentialism of the CIS which was often open to abuse and which has led to autocracy and authoritarian regimes.

But this Parliament is going to be very crucial. The next Ukraine Parliament which will have a longer life than before, it increased its life from four to five years, will be the Parliament that decides, in effect, Ukraine's future geopolitical future. Therefore it's key to obtain a pro-reform, pro-

Western majority in that Parliament. The key to that, in turn, is the reuniting of the Orange Coalition.

These coalitions, inevitably as they have in all countries including Solidarity and Lithuania and elsewhere inevitably fall apart, but it's far too early, I think Zbigniew Brzezinski pointed this out at a conference recently, it's far too early for the Orange Coalition to fall apart. The coalition was unwieldy. It included nationalists, anarchists, socialists, businessmen, reformers, and populists. So it was potentially unwieldy. But the key to a pro-Western, pro-reform majority will be the coming back together of Yulia Tymoshenko and Victor Yushchenko.

I think the Financial Times in an editorial a week ago said exactly the same, and I quote, "A Yushchenko-Tymoshenko coalition remains Ukraine's best chance for a reformist, Western-orientated government."

That coalition could potentially draw in some shall we say moderate centrists from the Kuchma camp. The kind of talk we're hearing is people around Parliamentary Speaker Volodymyr Lytvyn.

Fifthly, another potential problem area is public opinion. Here's one area that's always talked about in the case of Ukraine. Public opinion in support of NATO membership did decline in the last three to four years from around a third of the population which it always was during the 1990s to around 20 percent. So it's now gone back up to a third. The reason for that decline was the anti-American campaign launched with the help of Russian political technologists in last year's presidential elections and of course Iraq, Ukraine's participation in Iraq.

Ukraine will pull out its troops from Iraq by the end of this year, before next year's elections which I think will positively help that. I don't think it's going to be that difficult to increase public opinion in support of NATO membership from a third to over 50 percent. What we've had throughout the 1990s is in effect a third opposed, a third in favor, and a third undecided. The third undecided could, I think, very easily with a government campaign dedicated to that, be moved into the pro-NATO camp. Especially as the issue of membership is way down the road, and I would argue the best time to do it would be in a second Yushchenko term in office after 2009.

Another factor which is going to be always asked is the whole question of Russia. Will Russia allow, it's a question which I find very strange, will Russia permit Ukraine to join NATO.

At least from what I've heard in talks and in conferences in Washington, that issue is certainly not something that's raised or taken into account here. NATO and the U.S. Administration always talk about an issue such as NATO membership being a sovereign issue for Ukraine without Russia having a veto.

I think another factor which works here in Ukraine's favor is ironically unilateralism. I think that unilateralism has its down side, but on the question of not having to listen or not wanting to listen to other sides in the equation, unilateralism here possibly plays a positive role in the case of Ukraine's membership in NATO.

Also what's changed I think in Washington during Bush and Putin's second term in office is a complete see-saw in perceptions of Russia and

Ukraine, from that we had in Bush's first term and Putin's first term.

In Bush's first term and Putin's first term in office, from 2000-2004, Russia's image was positive in Washington and Ukraine's image was very negative. That under Putin II and Bush II has completely changed with Ukraine's image being positive and Russia's quite negative. I think that also certainly could work in Ukraine's favor.

On that note, just finally on the European Union, 2007-2008 will be the key when those two documents, those two agreements, the action plan and the PCA, and will be key for the European Union to decide. It's extremely difficult, probably impossible to wonder how the European Union will decide on that, particularly with enlargement fatigue and the issue of Turkey down the road.

I would hope that the U.S. works together with Britain in leading, as it did with Turkey, in leading a pro-Ukraine lobby together with Poland inside the European Union.

I noticed in a poll just released yesterday by the European Social Survey that of all the countries in the survey, Ukraine was included for the first time this year, that Ukraine, Greece and Poland were the biggest proponents and supporters of EU enlargement. So I hope that's going to be the case.

Thank you very much.

[Applause].

**Janusz Bugajski:** Thank you, Taras. We'll go straight over to Omer.

**Omer Taspinar:** Thank you for inviting me.

I'll just speak about Turkey-EU mainly since Turkey's already a NATO member. I'll cover NATO in the framework of Turkish-American relations. But let's first start with the EU.

One would expect now that Turkey is beginning accession negotiations, the mood in the country would be very festive. So the question that I would like to tackle first is the following. Why is Turkey not celebrating? The mood in Turkey, in fact, is very cautiously optimistic. I have to emphasize cautiously because there's no illusion that this will be an easy process. In fact one major reason why, according to opinion polls, there's less and less enthusiasm in Turkey about the EU, is because a lot of people began to believe that this will be an endless road and that the best Turkey will get is a privileged partnership.

This is rooted in facts because when you look at the document which has been signed between the EU and Turkey in December 2004, and then when you look at the document called the framework of accession negotiations, you realize that what Turkey has agreed to in fact very much looks like a privileged partnership. And that's why I think the political leadership in Turkey is not very happy with the situation. But this was just a second best that had to be accepted given the realities in Europe.

Why does it look like a privileged partnership? For three main reasons. Freedom of movement of Turks in Europe, even when Turkey becomes a member let's say in 2015 optimistically, could be subject to permanent exemptions. That means that unlike Poland or Hungary or the new members

of the EU which have a transition period for freedom of movement, Turkish workers, Turkish families, Turkish citizens may never be able to have free movement within the EU. That looks like a privileged partnership to many Turks. In many ways one may argue it's even against the basic idea of a union between Turkey and the EU.

Second, Turkey again may be subject to permanent exemptions on the common agricultural policy. One may say in 2015 probably the common agricultural policy will no longer be there, yet if there are such subsidies Turkish farmers, Turkish agriculture, will not be able to benefit from it.

Finally, Turkey will probably be exempt again from regional aid policies.

Now add to this Angela Merkel, the new Chancellor of Germany who is favoring privileged partnership and who will try to bring up this issue during the negotiation process at the first opportunity of a political crisis in Turkey, she will be probably saying look, we have been on record for a very long time that privileged partnership should be the deal with Turkey.

Add to that Nicolas Sarkozy, the likely President of France in 2007 who is opposed to full Turkish membership, and the French political class in general being opposed to Turkey.

Add to that the referendum in France and in Holland this summer which showed that basically Turkey is a problem issue. One reason why the French voted against the constitutional referendum of the European Union was the fear of globalization symbolized with the Polish plumber. The joke in Turkey was what would happen if there was an Anatolian plumber issue? What would happen if there was an Islamist plumber issue in France? Obviously Turkey's a big challenge for France and France is a country which takes Europe very seriously and they have been asking the question of if Turkey is in, where would Europe stop? If Turkey is in, is there a way to say no to Ukraine? Is there a way to say no to Georgia and down the line even to Armenia and Azerbaijan. And probably Morocco one day.

So these are the major questions that the French Federalists, the people who believe in a strong Europe, deepened Europe, a multilateralist world, multipolar world. They have major questions about whether such a Europe with Turkey in would be no more than a common market, a free trade area.

In that sense you can see why in Turkey the mood is very very cautiously optimistic. There is a general tendency to look at the process and to say that well, this will be a long road and we have to do these things anyway. We have to basically reform the political system, the judicial system, and most of these reforms that will be demanded by the EU in the 35 chapters which will have to be negotiated between Turkey and the EU are good for the Turkish political economy, for the system anyway.

Finally, there is the issue of Cyprus which is not resolved and Cyprus, the Republic of Cyprus as the sole representative of the island is now an EU member, and as Popadopoulos has been saying, Nicosia, Cyprus, will have 70 chances to say no to Turkey, to veto Turkey. Thirty-five multiplied by two, at each chapter, at the beginning and the end Cyprus can use its veto. In that sense it is a problem.

On the other hand we have to understand also why the mood is turning

very very nationalistic in Turkey. Here I would like to single out two major issues. One of them is the Kurdish question and it's really important compared to the other one which is the Armenian problem. Armenia, the Armenia question, especially the question of genocide recognition is also part of the EU process now. The EU Parliament decided three weeks ago that as one of the items that Turkey will have to come to terms with before becoming a member of the European Union and even during the process of negotiations, will be genocide recognition on the Armenian question.

Well that creates major problems in the Turkish political establishment. Even if we were to imagine that Turkey would do the right thing if the right thing could be called genocide recognition, opening the borders with Armenia and establishing diplomatic relations. The mood in Turkey is that we have done a similar right thing on Cyprus.

Remember, Turkey was the country which was perceived by the international community that was always blocking a solution for reunification in Cyprus. In 2003-2004 the AK Party government, the government of Mr. Erdogan basically forced the nationalist leader, Turkish leader of the island, Denktas to a compromise. At the end of the day Turks voted for the reunification of the island and the mood in Turkey is that since then there has been no reward given to the Cypriots of the north, to the Turkish Cypriots. The isolation of the island still continues and Turkey has not reaped the benefits, really, of supporting a solution in Cyprus.

Now if we do the right thing once again on the Armenian question by compromising, by trying to establish a platform where there would be recognition and let's say diplomatic relations with Armenia, what will be the reward? Would the EU all of a sudden say well, wonderful, now you can progress smoothly towards full membership? No. The mood in Turkey is that there will be prices to pay down the road and that each step will demand more, and this is an endless pit of demands coming from Europe. And the next step will be a federation for Kurds, minority rights for Kurds, and then acceptance that basically the Kurds should have autonomy in Turkey as well, which leads me to the Kurdish question which is the main reason why we have a more and more nationalistic mood in Turkey.

As you may probably have followed, the Kurdish terrorist organization, PKK, has become much more active in the last six, seven months. The nightmare scenario of course in Turkey right now is a major terrorist attack coming from the PKK in Istanbul, which would really ignite Turkish resentment towards the United States, because these two issues are, fortunately the Kurdish problem in Turkey, the PKK problem essentially; and the fact that the United States now is in charge of Iraq and is not doing much in order to curb the Kurdish terrorist organization which found a safe haven in Northern Iraq, is totally linked in the Turkish psyche, the Turkish collective understanding.

The Turkish people believe that the United States has a double standard when it comes to fighting terrorism. That you have Kurdish terrorists in Northern Iraq which have a safe haven, and because Turkey has not participated fully with the United States in the invasion of Iraq, because Turkey basically vetoed U.S. troops on its territory and gave them the right of passage, which basically meant there was no northern front during the invasion, this is the price we're paying. That basically the United States is not

taking action against the PKK. Rightly or wrongly, this is the perception in Turkey, and this fuels a bitter sense of anti-Americanism in Turkey. And it fuels also a sense of frustration with the broader Middle East project, with the democratization, with the freedom is on the march agenda of the Bush Administration. Because when you take it to the logical conclusion for Turks, the agenda of democracy in the Middle East means a state for the 30 to 40 millions of Kurds in the Middle East, and Turkey happens to have about 15 to 20 million Kurds.

So when you give basically a quasi-state, quasi-independence to the Kurds of Iraq as the constitution now stipulates, this will have major implications for Turkey's own Kurdish community and Turkey is very nervous about the developments in Iraq.

In that sense it is really this Kurdish question which has broke the back of Turkish-American strategic partnership and it really impacts the way Turkey looks at the Middle East. Turkey is reluctant to fully cooperate with the United States on Syria, on Iran, on a number of other issues, and even regarding the Black Sea region and Ukraine and Georgia, there are certain problems because Turkey is overall concerned about this agenda of democratization, which would mean there would be destabilization in the region. And especially when it comes to destabilization in Syria, in Iran, this would be the beginning of a Kurdish-arc emerging and a Kurdish state emerging which will have major implications for Turkey.

The Turkish government may have improved its rhetoric in terms of paying lip service to the idea of freedom and democracy and the need for democracy, however the mood is very cautious again in the sense that this has to be very carefully administered. That democracy is not instant coffee as the Prime Minister often mentions. He says that we have to be careful about democratization. It cannot come with regime change, it cannot come through external pressure, it has to be really nurtured from the inside.

This is why Turkey for a long time opposed the U.S. rhetoric of isolating Syria and wanted to have basically better relations, improved relations with Syria.

All these have implications on the Black Sea, as I said, and there I think if the EU track and if the U.S. track is problematic, then that means that Turkey has a problem regarding its relations with the West. And what would happen down the line if Turkey basically has problems with the United States because of Iraq, because of the Kurdish problem, problems with the EU because of the privileged partnership and the perception that Turkey is being offered a second class membership.

Well, one alternative is to look east and to look north for Turkey. That's where Turkish-Russian relations come into play. I think what we have seen in the last couple of years is an increased rapprochement between Turkey and Russia, not only fueled by trade relations -- and trade between Russia and Turkey has reached, thanks to energy deals, about \$15 billion now and the projection for 2007 is about \$25 billion. But also there is a sense that Turkey and Russia decided not to scratch each other's minority problems. Turkey decided not to support really the Chechnyan movement, and mind you that there are more Chechnyans in Turkey than in Chechnya, and the Chechnyan Diaspora in Turkey is very very powerful in terms of logistic help. Not the

government, but it's very hard for the government to really control the Chechnyan Diaspora in Turkey, but the Turkish government decided to do as much as it can. But also Moscow as a quid pro quo decided that the PKK should not have a safe haven in Moscow. And there has been improved intelligence cooperation between Russia and Turkey, especially after the Beslan tragedy.

But more importantly, Russia and Turkey see eye to eye in the Black Sea region. When the United States applied for observer status some months ago to BSECO, the Black Sea Economic Cooperation Organization, the Russian answer was, well if the United States is in, why not Belarus also? They said basically that they would not allow such a thing, they vetoed. And Turkey stayed silent as a NATO member who could have said no, we want the United States to have observer status. Turkey could have spoken up. It did not.

I think down the line what is emerging is a vision shared by Moscow and Ankara that instability and democratization go hand in hand. And that this democratization wave, although in the long run desirable, especially in the case of Turkey, because it's a NATO member and it wants to have good relations in the West, can be [inaudible]. And Turkey more and more I think is sympathizing with the idea that this should be more a slow process which would not challenge the stability in the region. There is a tendency not to let the United States really become a hegemon in Central Asia, in the Black Sea region, and as far as Ukraine and Georgia is concerned there is also a Turkish concern that these countries will emerge as potential rivals to Turkey in the European Union. Once they apply for membership, probably this will give ammunition to Merkel and Sarkozy who will say well, a privileged partnership is the best Ukraine and Georgia could get, but let's put also Turkey in the same bandwagon and let's have a deal with Washington, probably would be the logic of Merkel and Sarkozy, which would say why don't we give privileged partnership to both Turkey, Ukraine and Georgia. That's not acceptable to the Turkish political establishment, because it would be perceived as second class membership.

I'll just stop here.

[Applause].

**Janusz Bugajski:** Thanks very much.

**Vlad Spanu:** My presentation will be focused on Moldova and security threats that it's Eastern Region, Transdnistria poses for the region.

The region that is uncontrolled by the constitutional forces of the central government and an entity supported politically, financially and militarily by the Russian Federation, and has a negative impact on the developments in Moldova and in Ukraine as well as in the whole southeastern European region.

After giving you a bit of background, I will try to answer the question why Moldova needs to be part of the Europe [inaudible] structures and why the West needs a stable and predictable Moldova. Then I will briefly outline some scenarios for development of Moldova as a state and give some food for thought.

Why should we speak about a small nation of 4.5 million, insignificant

from the economic point of view for the international community. Now in the last five years as the fourth country of Europe that every article in the international press likes to underline.

Moldova is a place where geopolitical interests of major powers, civilization, religions collided and continue to collide due to cross roads locations of this small country, like a larger region of the Black Sea.

It was the case 2000 years ago when the Roman Empire conquered [Dutcha], Kingdom of [tritiations] north of Danube. Then in the 2nd Century when the great Tartar invasion took place. Followed by the Ottoman Empire's control that began in the 15th Century. Then Russian invasions started in 18th Century. And it would conquer the east part of Moldova that is underway until today still, and because of the Russian troops, are on the ground in Moldova.

Today Moldovans fight the same fight that their predecessors fought for many years with a difference that today they have, they are less successful than their predecessors. It's time that the international community should turn their eyes on what is going on in that part of the world.

If you look at and try to analyze the Moldovan foreign policy during the last 10-15 years since independence, you will see a zig-zag line of the official [kishno] of struggling between the two magnets. The West and Russia.

The only time Moldova was on course in aligning itself with the Baltic states that shares with Moldova similar fate as a result of the [inaudible] Pact of 1939, was in 1989-1992 when the Popular Front seized power from the Soviets. But masterminds in the Kremlin got it off course pretty easily with the Transdniestrian conflict, armed conflict in 1992, inspired and sponsored by Moscow that ate all political, social and financial resources of the newborn state. And a weak Moldova headed by inexperienced politicians lost to a stronger Russia.

The West was not interested at all at that time what is happening in Moldova and had little information and presence on the ground.

After 1992 the Moldovan politicians that were in power started to look eastward. All the Moldovan Presidents, most of the Prime Ministers and Foreign Ministers that had a stake in forming the Moldovan foreign policy were formed during the Soviet times. They were trained there, held administrative positions, and were communist party *aparatchiks*.

Furthermore, in 2001 the communist party took full control of the entire country. The Parliament, presidency and the government. And even the [inaudible] system and businesses. The communist party won elections without hiding their names and they were exposing their pro-Russian visions. But surprisingly in 2004, a year before new parliamentary elections, the communist party turned 180 degrees in the foreign policy from uniting Moldova with a Russia-Belarus union and opposing privatization, economic reforms to a new foreign policy. Now its priority became to integrate Moldova into the European Union, thus [orientating] itself with pro-Western opposition in Moldova headed by Christian Democrats and Liberals.

Why these radical changes happened, and what it was that has driven hard core communists to change their views?

Number one, Vladimir Voronin who is the most powerful man in

Moldova as the President of the Country and the head of the communist party failed to keep his 2001 electoral promises to unite Transdniestria with Moldova. Despite his unprecedented efforts to do so he could not find [inaudible] from Vladimir Putin and Leonid Kuchma whose cooperation he had sought. Neither of them were interested in a united Moldova.

Since 2001 main personalities in the communist party got a Western first-hand experience and they saw with their own eyes the difference between anti-Western propaganda during the Soviet times they were used to and reality in the West, democratic developments and economic developments.

Third, the West [inaudible] came to Moldova to assist in building and strengthening democratic institutions -- elaborate, new markets, legislation and reforms. And those investors started to bring their fruits by 2004.

In 2004 the communist party started to lose support of its constituency and could no longer keep itself in power just with their pro-Russian slogans. Ultimately they gave to [inaudible] what they wanted.

Moldovans, including the communist party, saw that only the West can solve their major problems within the internal establishment and also in foreign policy, mainly the Transdniestria 15 years conflict, withdrawal of Russian troops from the territory of Moldova and boost foreign investment and trade without undermining Moldova's political and economic stability and independence.

And Moldovans looking around their neighborhood found easily the good examples to follow in Hungary, Poland, Baltic states. But most importantly in the neighboring Romania, a country that shares with Moldova its language, culture and history.

Just in the early 1990s the levels of development of the newborn state Moldova and the [inaudible] Ceauscescu Romania were quite similar. Today starting with the high quality new roads, increased average [size and fashions], booming economy, are seen by Moldovans as soon as they pass the border with Romania. So this good example started to bring to life some pro-Western ideas.

There are many arguments why the West needs a stable Moldova. Today we live in a totally different world than in 1991. The geopolitics has changed. In 2004 NATO became Moldova's neighbor as Romania joined the organization and the European Union soon will be a neighbor of Moldova in 2007 or whenever Romania becomes a full member.

Both these organizations, NATO and the European Union, started to realize that Moldova is not exclusively Russia's business any more. The West does not need any stable country where about one-third of its labor force fled abroad searching for better jobs. Mostly illegally in Russia, Greece, Italy, Portugal and Spain. A country with unpredictable foreign policy. With a separate [inaudible] in the eastern region that became a smuggling haven for foreign goods, drugs and humans, that is ready to escalate again into a non-conflict that would engage not only Moldova but also Russia, Ukraine and other countries in the region. A country where Russian troops still consider themselves at home despite numerous requests and demands of Moldovans and Russia itself's commitments in 1999 in Istanbul.

If the U.S. and European Union are champions in supporting democracy around the world, how can violations of human rights in its back yard could not be noticed for about 15 years? For 15 years the majority of population in Transdniestria and Moldovan eastern region, mostly Moldovans, about 40 percent; Ukrainians, 28 percent; live in fear, cannot exercise their rights to study in their native language or enjoy freedom of speech or form political parties. For 15 years this region is ruled by people like Igor [Snivnov] who is there, the so-called president of this entity, who was sent by the Soviet KGB from a military plant in Kamchatka just with one main mission -- to separate the country, separate Transdniestria from Moldova.

Who is going to create a democratic environment for these people in Transdniestria in order for them to freely exercise and tell us what they really want? Many analysts who follow regional events had high expectations of forced evolution, forced Orange Ukraine. The disappointment was high when we saw a new Ukrainian plan on Transdniestria designed by [Poroschenko], a native of Transdniestria with strong business interests there.

[Poroschenko] passed the plan into the hands of President Yuschenko to be promoted under the wings of Ukrainian Orange Revolution. But the plan was not advocating for democratization and diminutization of Transdniestria as the Ukrainian Foreign Minister [Tarasuk] stated immediately after the exciting events in December in Ukraine, in Kiev. Instead the plan was pushing for elections in Transdniestria in 2005 with the aim to legitimize the current leadership. More than that, the length of the plan was followed by a summit of the champion of democracy in 2004, Victor Yuschenko and the Soviet Times [inaudible] Igor [Snivnov].

Fortunately the EU and the U.S. started to become more involved in the region than ever. For the first time this month the European Union and the United States accepted to be part of the Transdniestrian conflict settlement process.

Recently the European Union approved its first ever border assistance mission, now being launched on the Ukrainian-Moldovan border to control what goes in and out of Transdniestria. The idea to involve the West was launched first by the Moldovan civil society, then it was contemplated in a 3D strategy called so because of democratization, diminutization, and [declaration] of the Transdniestria region, and a document that was elaborated and prompted with direct participation of our foundation.

Then the initiative was echoed by the Moldovan opposition and the government and it became a unified position of the Moldovan society.

Now what are scenarios for future developments of Moldova? Depending on the level of involvement in Moldova of the West, Russia, Ukraine, I see four scenarios.

Number one is full engagement of the United States and the European Union. Number two is preserving the status quo of Transdniestria and of Moldova in general. Number three, Russia marginalized EU and U.S.. Number four, the Ukrainian factor.

So shortly each scenario. Full engagement, of the United States and the EU. Moldova avoids stabilization model and implements the 3D concept, settles the Transdniestrian conflict, and manages to integrate the region with

the rest of its territory. Russia withdraws its troops and munitions and Moldova becomes associated member to European Union and a full NATO member and then a full European member. Status quo is clear, what we have now, and is not acceptable. Russian marginalized U.S. federalization model is imposed. Transdniestria is able to quit Moldova and become either an independent state or becomes part of Russian territory, a second Kaliningrad model. And the third, this Ukrainian factor of where Transdniestria quits Moldova and becomes a part of Ukraine.

So the scenarios as I laid out, I will not speak about all of them. But I believe that the scenario number one will prevail. All the indicators tell us it is the best interest for every player involved, even for Russia at least in the long run.

Thank you.

[Applause].

**Janusz Bugajski:** Thank you very much, Vlad. Sorry for hurrying you, but we do have two other speakers.

Also, I think I'll take this occasion because Taras has to go back to teaching in about 20 minutes. If there are any comments or questions on Ukraine at this point, I think this is the time to do it, sort of five minutes before we go into our last two speakers.

**Question:** Bob Hershey, I'm a consultant.

Could you comment on the Odessa Brody Pipeline?

**Janusz Bugajski:** Maybe take a few questions if there are any others.

Bob Hershey: My question is you made the comment that the environment seems to be improving for addressing corruption issues because of this transparent tender that took place. Are there institutions being built, is the groundwork being laid for fighting corruption in Ukraine on a sustained basis?

**Janusz Bugajski:** Any more? This is your last chance with Taras, unless you go to class with him. [Laughter].

Okay, Taras?

**Taras Kuzio:** I think Ambassador Smith is probably a better person to answer this question, but I think under Yuschenko that Ukraine will revert to what the Kuchma regime had until I think until the middle of last year then it suddenly switched to the Russian option of bringing in Russian oil through Odessa, i.e. doing the north/south route as opposed to the south/north route where there's Azeri oil.

Under Yuschenko I think it's probably no doubt that they're going to go back to the south/north route, bringing in Azeri oil and taking that through up into Central Europe.

I think the more pertinent and more difficult question is the whole relationship of dealing with gas and dealing with the problems of the Russian-Ukrainian gas consortiums, transeuro gas, and Russeucker energy which were around from 2002 to 2004 which were highly corrupt entities which had links all the way up to Putin and Kuchman. That kind of relationship. Those two organizations were involved in the bringing of circling gas through Ukraine

and into Central Europe. That seems to be more of a bigger problem, I would say, at the moment. Maybe Ambassador Smith has something to say more on this particular issue, I don't know.

He's worked on this more than I have.

Ambassador Smith: Well, I'm not sure I have the answer but I'm very skeptical of the intermediate possibilities of an Odessa-Brody pipeline carrying oil to the West. I mean you don't have a source. Chevron/Texaco which was interested in it at one time is not so much interested in now. The economics of it, the feasibility studies really don't show that it's in the, at least over the next five years a real possibility.

The big issue for Ukraine this winter is the gas contracts. There isn't a contract to bring in gas through Russia to Ukraine this winter and it's being used by the Russian government as leverage to gain control of the gas network within Ukraine. My guess is by winter when things start getting cold, there will be an agreement with the Russian government which will allow the Russians gas prime to take over the gas pipeline system in Ukraine, something which in the past even the Kuchma government resisted. But Ukraine is really in a bad fix because of world market prices. Russia controls the pipeline route that comes in there. And for now [Yefanirov], the new Prime Minister went to Moscow last month, sat down and tried to reach an agreement. The Russians wouldn't even talk about it at that time, and they wanted to wait. In fact I understand from the meeting with Fredkov was a real disaster. Even the Ukrainian flag was flown upside down on the table when the two met. [Laughter].

So I don't see an early resolution to any of those energy issues. Sorry.

**Taras Kuzio:** So it's not as bad as Kuchma at the NATO summit where they used French not English so he wouldn't sit next to Bush and Blair.

I think on corruption, the opinion polls inside Ukraine and outside sources such as monitors like the Transparency International, show that there's been progress but there could be a lot more progress. That seems to be I think the conclusion both inside Ukraine and outside. The authorities have tackled to some degree the main causes of it, but not completely.

The areas that they've looked at and what Yuschenko's targeted are firstly the underlying causes, I think. I looked at a comparison of what happened in Russia after 2000 vis-à-vis the oligarchs and what happened in Ukraine, what's happening in Ukraine vis-à-vis the oligarchs, and although the oligarchs have been taken out of the picture in Russia in terms of politics, the underlying causes of that corruption remain. The system [inaudible] never tackled and corruption has increased under Putin.

I think the same issue has to be dealt with in Ukraine. Yuschenko seems to be dealing with those issues by removing in particular areas where corruption has spread, and that includes areas such as the granting of licenses and the need to sort of go to 30, 40 or 50 organizations in the government to set up a business, for example, which is one of the ways that corruption proliferates.

So dealing with those, creating one stop shops to register a business, one stop places to bring things in through the customs as opposed to having to go through many different institutions and pay many different bribes to do

that.

The issue of the oligarchs, and I referred to Russia liberally here, is I think a more complicated issue. One of the issues which divided the Orange Coalition was how to deal with the past, how to deal with those oligarchs. It's I think a very very problematical issue for all of these regimes, particularly after revolution, like the Orange Revolution, were some of the slogans were bandits to prison, i.e. oligarchs needs to be dealt with.

With Timaschenko adopting a more radical position on, for example reprivatization, Yuschenko adopting the more moderate position. Now the more moderate position has been put in place, there will only be a limited number of reprivatizations including yesterday's [Criborishtow] which is a good example of an open transparent tender. But at the same time Yuschenko has attempted, of Putin had his meeting with oligarchs in the summer of 2000 where he laid down the new ground rules, Yuschenko had his two weeks ago. The ground rules are the transition from robber baron capitalism to playing by the rules, as it were, in the new regime.

So if you're asking about reduction in attempts for corruption, one of those will be that the big businessmen, the new bourgeoisie as it's now called, they've gone from being oligarchs to new bourgeoisie, is that they no longer can make exorbitant rents and corrupt income from having a very cordial relationship with the executive. That no longer is the case. But we'll have to see how Yuschenko really deals with the underlying sources of that corruption which I think was never dealt with in Russia.

**Janusz Bugajski:** Thanks very much Taras.

We'll go over to our next speaker, Bronislaw Misztal.

**Bronislaw Misztal:** Thank you very much. I will not make an argument for Poland's admission to NATO and to the European Union because [inaudible] is there. However, what I would like to do is I will try to present to you a case or actually an argument which is layered in such a way that it involves both economic and political issues in Poland. And of course one of my arguments is more or less like this, that Poland resembles a woman who is recovering from a condition which sometimes it's called brilliant madness or bipolar disease, which means that it goes from one extreme to another and frequently it acts by its whimsical moods and therefore it's not always very easy to predict how it will act. The most recent political elections in Poland have been a case in hand and as well. Many people wouldn't actually predict.

Now what I try to say is that in the future of course it is also possible that Poland will be acting whimsically, and depending on those actions it actually has a capacity of through diffusion affecting not only the stability in Poland, in Central Europe, but in the entire Europe. I recently heard a comment from a colleague of mine who commented on the election of the current President in Poland, two days ago, and he said well, now we're going to have a war both with the Russians and with Germans and he rubbed his hands. So of course this is a possibility.

What I'm trying to say is that the future policy of the Polish government towards the European Union and towards the Atlantic community will pretty much depend on the coalitions that the government will be making with French political organizations that are anti-European and that can be anti-

Atlantic. Therefore basically what happens is that the degree to which the government would have to bend to all those French groups depends on economic situation. Should the economic situation be good, the government probably would not bend. Should the economic situation be worse, then the government probably would have to strengthen its coalitions.

Then the last part of this argument is that the economic condition in Poland pretty much depends on the energy, security in the region and in particular on the oil situation and where does the oil come from, who buys it, and who benefits from being the middleman as I will try to demonstrate.

Of course I would like maybe to start with what Zbigniew Brzezinski has suggested some time ago, that the project of transformation in Poland and elsewhere is not completed, which means it is an open-ended project. He basically lectured the leaders of Eastern Europe in a Gdansk Commemoration of the 25th Anniversary of Solidarity and he argued that while the project started, it's far from being concluded. And something which has not been concluded of course potentially can be unstable, at least has some degree of volatility. So this is one of my contentions, that this system is prone to certain level of volatility.

Another thing is that there has been an argument going on not only in Poland but in several other countries and I think that other cases that we have discussed here like Ukraine. In other countries you would see similar argumentation. Whatever transpired in Poland for the past 15 or 16 years has been what was called a soft politics of opening which resulted from an erroneous belief that nation states are in decline and that the road to Europe requires to dilute national cultural identity, to weaken its normative structure, to deconstruct traditional, rather than to cultivate and to cleanse such identity.

So what we're going to see is that there is going to be an argument that A, in defense of identity; B, in defense of the nation state. One would have to revisit many of the policies that have actually been enacted by the previous governments, and one would have to cleanse them in the name of national identity.

Therefore it is my contention that any prospective surge in populist and neosocialist or extreme conservative attitudes in Eastern Europe may adversely affect the Transatlantic in terms of European links and processes.

In a work that has been actually produced in this building by Simon Serfaty, the outer states that for nearly five decades Europe's transformation has depended on several main conditions that influence each initiative embraced by a growing number of European states. But when Brzezinski mostly looks at the political products of transition, Serfaty concentrates mostly on the economic underpinnings of affluence and stability in European societies.

I propose to focus on the dynamic factors that can frequently, in a unperited way, sway the security situation especially in Central Europe.

Economic stability and economic growth that translates into increased society affluence are a factor which will enhance the political conditions and stability. On the other hand, economic downturns and in particular decrease in GNP and increasing unemployment will produce a burden to the national budgets that would have to bear excessive social payments, with weakened

governments and fewer populist positions, thus prompting the anti-American, anti-European, and the anti-Atlantic attitudes.

What one has to beware of are the high [inaudible] sensic, as I call it, ideologies and programs that would reiterate the primacy of our nation and national interests under the banners of cleansing. Protecting tradition, and also that would subject economic rationality to the idea of protecting the weakest.

As the German example demonstrates, it comes at a cost and unless the economic system turns profitable production it has a definite horizon and at some point it comes to an inevitable end.

It is my contention that promoting welfare policies without a viable economic possibility of fulfilling such promises is by itself a detonating mechanism that has been demonstrated by the Gierek era in Poland. Therefore I believe that political groups offering slogans of social protection for the poor should also be given attention for they may inadvertently destabilize political situation in their respective countries.

Having said this, it is obvious that currently in Poland none of the two major members of political coalition, who won in both parliamentary and presidential elections, intend deliberately to change the major scope of Poland's involvement in NATO and in the EU.

In terms of declarations and intentions, the civic platform will most likely try to soak into the existing bureaucratic structures of the European Union. The civic platform politicians will most likely try to improve and enhance Poland's position in Eurocratic structures, thus contributing indirectly to the relative increase of power of Brussels.

It is possible that in order to secure a place and a recognition among the members of the European community, the civic platform politicians will support the enlargement of European institutions: Most notably the European constitution project, the voting platform, and would be permissive as far as France's and Germany's attempt to gain primacy within the European structures.

In the mean time the senior coalition partner to law and justice is more likely to block such ideas as an establishment of the office of the Europe president, will oppose the constitution and budgetary reform within the EU.

Most importantly, law and justice is likely to slow down any attempts to give a new political access between Berlin and Moscow. And more often than not would seek an opportunity to hamper difference in German attempts at domination of the union. Because of the fact that the Europe deputies from the law justice enjoy as much of the salaries and benefits they receive from the union as the other deputies, one can expect a dynamic situation between Warsaw and Brussels, and law and justice deputies may in fact vote in an erratic pattern.

Therefore, I contend that for the foreseeable period of time the EU will benefit from these dynamics and that no significant change in the attitude of the Polish government is eminent until the economic problems in Poland force the Kwa?niewskis to stiffen their position to make a coalition with the [inaudible] and with the League of the Polish Families, which is a political organization within the right part of the spectrum.

At that point I would expect that Polish attitudes towards the EU will become more indicative and that Poland will try to seek more direct subsidies to its national economy. Likewise, the fact that the President-elect has publicly called for the reestablishment of the capital punishment, as well as he has sought separate from groups affiliated with an institution which is called Radio Maria and its Eurotransnationalist director. This may introduce into the political discourse both [inaudible] and postulates that will sit only with European ideology.

The anti-sexual minority stance of the Kwa?niewski brothers may also increase the gap between Warsaw and Brussels while it may bring him closer to the current political tenor in Washington.

The EU observer, which is the Internet Portal of the European Union, indicates that the relations of the administration in Warsaw with the European socialist elites will be very difficult. In other European capitals, like in Rome, the law and justice victories actually received with mixed feelings and the criticism expressed both by the Republica and by [Corerra de la Sera]. The [Margogary Pace] in Poland concluded La Republica calling [Kuchenski] a populist.

As far as the NATO policies, Poland will most likely continue its generally open and collaborative attitude towards the alliance. One major change that most observers expect, though, will be dissolution of the secretive military information service, the WSI is the acronym, and the delegation of majority of its functions to the civilian agencies. The law and justice program specifically calls for the dissolution and accountability of those institutions that have their roots in the communist [inaudible] apparatus.

One may expect a reasonable number of legal proceedings against former politicians and people who have collaborated with the communist regime, thus the type of cleansing activities which will most likely be used as a tool of societal consolidation will allow limited scapegoating.

This may involve a number of former diplomats and military officers, as well as the last and still alive although aging quickly batch of the politicians of the late communist era.

The increased vindictiveness and controls of persons or cleansing will probably unravel a number of scandals, corruptive deals and unfinished or unconsumed but promised offers of foreign investment. It is my contention that such activities may in fact involve the reevaluation of the so-called offset or diplomist benefits that involve the F-16 deal.

The most interesting economic predictable aspect of the Transatlantic policies will result from the line the new administration in Warsaw will adopt towards its eastern neighbors -- Russia, Belarus and Ukraine. As noted by [Jazinski] in his recent interview for the [Maskovsky com Somolits], Russia's position in Europe will depend on its attitude toward democratization and stabilization of Belarus. However, I believe should Poland become directly involved in Belarus the way it has been involved in Ukraine, it may produce serious tension with Moscow where honor and ambition may prevail over rationality. With the imminent succession in the Kremlin, should a populist win the presidency, a clash with Kaczy?ski may be unavoidable.

The political rift with Russia may have considerable economic

consequences. Poland imports crude oil through the pipeline called Friendship. The oil imports from Russia has increased from five million tons annually in the early 1990s to 30 million tons in 2005. The Russian Crude, known as [Ooraz], is cheaper than the West European import known as [Brend]. Actually over the last ten years despite the fact that the price of crude per bottle has increased six-fold, the price differential between the Russian and the Western supply has increased from three to seven dollars per barrel. This of course is being governed by the Polish middlemen. Any political claims to economic independence from Russia, likely to be made by Kaczyński and his political advisors, will in fact become a political double whammy. They will lower the import of the cheaper crude and increase import of the more expensive one and here they will deprive Poland of the transit fees, price differential loss on imported crude and loss of transit fees.

Likewise any aggravation of the economic relations with Germany and in particular what seems imminent, the fact that Poland will ask Germany for war reparations for the damages sustained by Warsaw, may cause Germany too, in order to lower its dependency on the oil, the middle man may lower the volume of oils.

Venezuela may play a role here because actually what may happen is that Venezuela will probably be entering a European entity, market, thus providing cheaper oil, but then this cheaper oil will go through [Rostok] and not [inaudible]. Of course this will considerably change the situation in Poland.

In conclusion, I believe that the current political economic situation in Central Europe with regards to NATO and the EU is hinged on the following factors:

One, the parity between economic rationality and moral claims that Poland will make with respect to its two largest neighbors, Germany and Russia.

Two, the relative influence of the minor coalition partners and the allied political elites on the other [inaudible] populist leadership in Poland.

Three, the stability of a two-pronged energy security policy in Central Europe and a stable supply of the Urals crude.

Four, decisive parliamentary approved social payments and the magnitude of unemployment.

Five, the willingness of the Transatlantic partners to offset the cost of economic restructuring of the Polish economy.

Six, the tolerance of the European governments vis-à-vis newly emerging Polish protectionism.

Seven, and finally, the degree of cohesion between the EU proclaimed [inaudible] of tolerance and inclusion and the newly emerging [inaudible] of intolerance and exclusion in Poland.

Thank you.

**Janusz Bugajski:** Thank you very much.

[Applause].

**Janusz Bugajski:** Last but not least -- by the way, let me just say that all these talks if they are indeed printed and electronically available, they will be on our web site, and hopefully we may even have some copies here for

those of you that want to read the entire thing.

Last but not least we have Victor Babiuc who will go through a translator, and I'll try and get him to stick to ten minutes so we have at least some time for questions before we have to break up for Dan Fried.

**Victor Babiuc:** [Through Interpreter] Because of the language I will sit instead of standing and I'll try to respect the ten minutes limit.

The address I have prepared for this conference speaks about the impact of the development, socialist diversification on the evolving security issues.

The wider Europe was a result of the dismantlement of communism and the Soviet Bloc in the eastern part of the Western world. Freed from communism, the new European states had to take over the Western development model. Such an evolution cannot be avoided, yet it will develop on the long term and with oscillations.

In their turn, these oscillations were produced by the domestic problems of the former communist countries and they were facilitated by the liberation from the political domination of Russia.

Immediately after 1990 the internal tensions of the new European society, conflicts between ethnic groups, conflicts between religious groups and others took in many cases a form of military conflicts. In some cases these conflicts resulted in the outbreak of wars in the European continent for the first time in the last 50 years.

To better understand these problems I would suggest a theoretical model explaining the emergence of new security issues at the outer edge of the advanced and democratic Europe through the diversity of development sources.

The essence of my argument is first, the society that shares the same development sources shows a reduced [inaudible] to develop inevitable conflicts.

Two, societies oscillating between several development sources show a high probability to generate threats to security.

Three, the future of NATO depends on the capacity of the member states to assure the interdependence of development sources.

In order to gain time I will read the rest of the text.

At present the major development sources are concentrated in a few development regions so that [inaudible] such of development resources has three theoretical options. First, it can join if accepted one of the existing development regions. Second, it can try a combination between different development elements acquired from different development regions. Three, it can oscillate between two or several development regions until settling to one of them eventually depending on conjunctures.

What I am trying to say is that the countries in the first category are unlikely to develop conflicts among them. Countries in the third category will eventually correlate their interests with those of the development regions where they find the most advantageous conditions and the most optimistic perspectives and, if the potential conflict develops that far, it will depend on

the relationship between the development regions.

The situation of the countries in the second category, those attempting to make of their own in terms of development by using a combination of internal resources and international resources acquired from several development regions is much more difficult.

When communism was dismantled the countries between the NATO borders and Russia had suddenly to choose between two or even several regions capable to work as development sources. First on the list were the two nearby regions -- the European Union and Russia. Second on the list came the United States, the Near East, and even the far off Japan or South Korea. In this new situation, regional alternatives, the former communist countries have shared all these three categories. The enlargement of the EU and NATO in stages, as a development resource for the former communist states, complicated the evolution in the region even more.

Here are some remarks as resulted from the application of this model.

First, all the Eastern European countries decided from the beginning in favor of the European development region. The accord of the letter was first selective and limited to a small number of states -- East Germany, Czechoslovakia, Hungary, and Poland were first given access to the development resources of the present European Union, access that was shortly expanded to the Baltic states and Slovenia.

Mention should be made that none of these countries generated local or regional security issues despite the fact that all kinds of tensions: ethnic, religious, development gaps, even whole territory claims existed and acknowledged the internal political life of these countries.

Second, the countries that had limited access to the European development region oscillated between choices that considered the American, Asian and Middle East option as an alternative of complement or a substitute for the European development source. The structure for an investment in these countries in the first years after the collapse of communism might be a good indicator for such an oscillation.

Third, the UN/NATO getting nearer to the border of the former USSR generates for former Soviet Republics an additional alternative -- the access to the development resources of the European Union and resources of the United States. They cannot react in any of the three patterns mentioned above.

Four, while the diversity of developments resources independent from one another generates uncertainties, that's [inaudible] eventually. Regional security issues with potential global impact. The interdependence of development sources curbs uncertainty and therefore generates regional and global security. A security strategy whose aim is to assure the interdependence of development source may have the capacity to work out solutions to a large number of existing potential threats to local, regional, or global security.

Thank you.

**Janusz Bugajski:** Thank you very much. You didn't incur even a yellow card.

[Applause].

**Janusz Bugajski:** We have about 15 minutes or so for any comments or questions. Dan Fried should be here about 12:00. His remarks will be about 15 or 20 minutes so we'll have time for questions.

Let's begin and maybe take a whole bunch and then have each of the speakers respond.

If you could introduce yourself as well.

**Question:** I'm Howard Wiarta from CSIS.

My question is actually for Mr. Taspinar, and it has to do with this. The usual polite fiction which we and the Europeans live with is that the Americans pretty much decide NATO entry issues and the European Union largely decides EU entry issues. But in fact the Americans have an enormous influence on EU entry issues as well, including in the Turkish case over the recent decisions to enter negotiations, where there was considerable American pressure on the European allies.

I wonder if you might comment a little bit about how you see this working out in terms of Turkish membership, particularly given the rising anti-Americanism that you also saw and indicated in Turkey.

**Janusz Bugajski:** Maybe take this one, unless there are any other questions pertaining Turkey that he can address.

**Question:** Jim Townsend, I'm a principal director for Europe and NATO over in the Pentagon and have worked Turkey for many, many, many years to include the past couple of years. You've laid out a story here which illustrated how our relationship has had a rough patch over the past few years to say the least.

I have some issues with what you said but I think just in the interest of time I'd like to say that there is not any type of attempt by the United States government to punish Turkey for what happened with Iraq and the northern front. I want to make sure that you understand that and also that the audience here today understands that is just not the case. In fact we are working very hard at the very senior levels, and particularly intensely over the past six to eight months to try to bring it back to the very strong relationship that we've had in the past and try and get past a lot of these problems that we've had over the past couple of years. That includes the PKK. It's been quite active in developing some approaches on PKK over the past month.

So I just wanted to say that and wanted to say that I was particularly intrigued by your discussion of Turkish-Russian relationships, both the intelligence relationship and the Chechnyan relationship going on with Turkey. Thank you.

**Omer Taspinar:** First on the role of the United States and the EU, there is a big debate about it backfires or not with the Europeans, and my take is that it depends on Transatlantic relations and the mood of the Transatlantic relations.

In 1997 at the Luxembourg Summit the EU had decided to totally marginalize Turkey, not to give Turkey any prospects for membership. From '97 to '99 despite the fact that nothing has changed in Turkish domestic

politics, the Clinton Administration lobbied very heavily each European capital and in 1999 the European Union reversed course and decided that Turkey could become a member.

There I think the U.S. lobbying played a major role. In this latest example I think Secretary Rice's phone call to Papadopoulos and also to the Turkish Prime Minister Erdogan, regarding the Cyprus question and the fact that Cyprus, the Republic of Cyprus would not be allowed to become a member of NATO any time soon, which was a major concern in Turkey, also played a role.

So the U.S. by its own nature plays a role, it has a stake in this process. The fact that it is an Islamic government, a moderate Islamic government which is pursuing this whole EU reform democratization process, has huge symbolism for the United States in terms of challenging the scenario of a clash with civilizations, having a Muslim Turkey led by a moderate Islamic government. Starting accession negotiations speaks volumes about the clash of civilization scenario and how it could be in fact challenged thanks to Turkey. In that sense I think the symbolism is not lost on the Europeans and the U.S. acts as a strategic reminder to especially France, Germany. Britain needs no reminding because Britain basically sees things as the United States does.

In terms of the perception, my view is that the U.S. and Turkey are working together on many issues. However the perception in Turkey, and I would like to emphasize that, is still that the United States has not done anything substantial on the PKK. Each time Turkish soldiers are being killed in the southeast their funerals turns into PKK bashing, Kurdish bashing events, but also the next sentence is usually down with the USA, because the perception is that the United States is in control of Iraq and you simply do not have the willingness, the troops, and the capacity to take on the PKK camps in the north. There are people who understand that, at the highest echelons of the government who don't want to push this issue too far, but it's very hard to explain this to an average Turk in the streets who basically blames the United States for breaking up Iraq, for supporting the Kurds now and for basically willingly or unwillingly having created a situation where a Kurdish state will emerge in northern Iraq and in this Kurdish state the PKK right now, unfortunately, has found as it did before a safe haven. And unless something dramatic occurs, as in the form of military action against the PKK, just working on more superficial issues will be perceived a cosmetics in Turkey.

**Janusz Bugajski:** Thank you, Omer.

Let's open it up to questions and comments for all the panelists.

**Question:** Jim Goldgeier, Library or Congress. I have a question for Mr. Babiuc about Romania's accession to the European Union scheduled for 2007 and whether or not -- how deep is the concern that that accession will be delayed because of the increasing concerns within some of the leading EU countries about issues relating to the enlargement that just took place.

**Janusz Bugajski:** The Ambassador from Latvia as well has a comment.

**Question:** Yes, a short comment.

I got the impression that many of the speakers were focusing, talking

about NATO enlargement and EU enlargement, focusing more on geopolitical considerations and political decisions, but I think at the same time we should not forget that the EU and NATO are performance-based organizations. This is about economic reforms, it is about legal reforms, it is about military reforms in the case of NATO. It's about not least popular support to those Transatlantic aspirations. In the case of Baltic states, and this has been mentioned here, there were a lot of discussions about the red lines, about so-called Russian factor. And at that time we were focusing ourselves more on our performance and our reforms and we tried to shift at that time debate from the questions why Baltics should be admitted to the question, what is the reason to reject them.

Our lesson, this is what we are trying to convey Baltic lessons learned to our friends in former USSR -- to Ukrainians, to people from Moldova and others, that you have to look at your reforms first. Political decisions are important, but without reforms there will be, I'm afraid, no political decisions. Thank you.

**Janusz Bugajski:** Any Other comments? Either general or specific?

**Question:** Matthew Murray with Sovereign Ventures.

I have a general question and anybody should feel free to pick it up.

In the late '90s the OECD fostered the anti-bribery convention with the aim of reducing the amount of activity, the amount of bribery activity by foreign investors coming into a given country. And thereby universalized certain laws prohibiting corruption of foreign officials. There are a bunch of countries that are outside that convention that still can freely do business without being worried about the convention and obviously many countries that are constrained by the convention still conduct bribery.

I guess the question is, do you have concerns, for example in Romania or in Poland over whether you are doing business with foreign investors who are under that convention? And do you have policies trying to encourage investment from companies that are under the convention versus companies that are not under the convention? Let's say companies coming out of Russia or China.

**Janusz Bugajski:** Maybe one more.

**Question:** Kenneth Oscar from Fluor.

There's been a number of newspaper reports from Romania and the U.S. recently, the last couple of days, about Romania and the U.S. coming to an agreement on several U.S. bases in Romania. How do you feel this will affect the speed of Romania getting into the EU?

**Janusz Bugajski:** I think that's a good point to stop. Maybe start with Mr. Babiuc. Several questions concerning Romania.

**Victor Babiuc:** [Through Interpreter] I'll try to answer briefly to all the three questions.

I would prefer to know the result of the debate that today takes place in the European Parliament on the report of the European Commission about Romania before answering about the chances of Romania getting into European Union starting with the 1st of January 2007.

As far as I know the European Commission noted real progresses in reforming Romania in all the areas where some problems were signaled like justice, where there were problems related with involvement with politicians into the justice or corruption, where the government was not effective enough in combatting corruption, or the problem of the frontiers of the borders of the European Union that Romania, whose security Romania has to increase.

During the visits of European officials in Romania in the last month and statements of [inaudible] officials were favorable and they remarked real progresses in all the areas of interest and expressed the opinion that Romania is now a little bit in front of Bulgaria in almost all the areas. That is why we think that the country report will be positive. It is not the final one which will be issued in April next year. But I think we have good reasons to be optimistic about the integration of Romania into European Union and we hope it will start with 1st January 2007.

The problem of bribery and the treatment that -- or the difference we make between companies that come from countries that are members of the convention against bribery and countries that are not. I can state that there is no formal distinction between such companies. So it doesn't matter where the foreign investor comes from. He gets the same treatment. Depending of his intention and his activity and not depending of any other belonging to a country which did or not sign the convention. Romania is a part of this convention. Romania knows that this is an area where we have some problems. We try to issue a good legislation in this respect. We try to make the government more aggressive against every illegality in this area. I think that already good results have started to appear. Even if we cannot state that, as we wish, that corruption in Romania has reached a low level.

The question related to the American bases, Rumanian authorities and the population were glad to receive or to have American bases in Romania. I don't think there is a direct link between the existence or the presence of such bases and the EU accession, or the speed of the EU accession. But perhaps in that area, as well [as where] these bases will be established, we expect to have some economic growth that will help the development of those local areas. That will be for sure a positive influence, but it will be not very significant in respect to the speed of accession to the European Union.

**Janusz Bugajski:** Okay, thank you very much. I think we should stop there. Save any questions and comments for Dan Fried, but also for the second panel. We'll have more input from some of the EU representatives in Washington.

Thank you very much. We have lunch available. Please help yourselves and eat and come to the table.