TRANSCRIPT

Hybrid Event
“Armchair Conversation with the Ambassador of Ukraine to the U.S. Oksana Markarova”

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FEATURING
Oksana Markarova
Ambassador of Ukraine to the United States

CSIS EXPERTS
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Transcript By
Superior Transcriptions LLC
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Daniel F. Runde: (In progress) – is something that I think has inspired all of us. And she represents President Zelensky here and has had a very interesting career. She started her career at the International Foundation for Electoral Systems in the early 1990s. I'm on the board of the IFES. And she represented President Zelensky and the Ukrainian government on Tuesday night at the IFES awards dinner. She then went to the Western Newly Independent States Enterprise Fund, which was an investment fund for Ukraine and Moldova set up in the Clinton administration. I sit on that board.

And she had a fabulous career in helping set up entire industries, modernizing the Ukrainian economy. She was then asked to go into public service. She was deputy minister of finance of Ukraine, and then she was minister of finance of Ukraine. She then went into the private sector, and then she got a phone call saying, your country needs you again. And so, she came here. She’s an unbelievably effective advocate for Ukraine, and it’s a real privilege to have her.

Let me just also mention Dr. John Hamre was going to introduce and make some introductory remarks. He’s not well, not feeling well, so you got me, sorry, but I’ll do my best to stand in for him. But it’s such a privilege for CSIS to host Ambassador Markarova. We really are so grateful for you for being here and we’re going to have a conversation today, and so thank you so much, Ambassador.

Please welcome Ambassador Oksana Markarova. (Applause.)

Thanks, Ambassador. Thanks.

OK, so, Ambassador, tell us about what is happening in Ukraine and what do you need from the United States and Ukraine’s friends?

Amb. Oksana Markarova: Thank you. Thank you very much for having me here together with my team, Katrina Ismaili, who works with you and all the expert community.

And it really has been a war which was very difficult for all the eight years, because just to remind that Ukraine is at this not 112 days ago, as we count today, but eight years ago. But the last 112 days have been the experience that I think no one was fully prepared for, even though we knew the intent was always there, even though we knew Russia always wanted to destroy not only us but try to return, as they say, you know, the countries that they put in their sphere of interest somehow, and we know that goes way beyond Ukraine, and the threat is not only to us. So, but, you know, this 112 days, the battle that we had was changing from the day one, so first, as you will recall, a lot of people said that Ukraine would fall, would fall within three days, you know, Kyiv would fall within a week, the government would flee. You know, there were all kinds of
expectations, but we can now say that the two things that the majority of experts got wrong: one is they underestimated Ukraine and, two, all of us, including us – overestimated Russia.

Now, it doesn’t mean the battle is going to be very easy, it’s not, and the battle that we have now you don’t see it on TV, but it’s more brutal and difficult than anything we had during 112 days because at the beginning of the war there was a battle for Kyiv, you know, you saw the rockets flying pretty much everywhere. You know, the destruction of cities like Kharkiv and Chernihiv is unbelievable. The city of Mariupol literally does not exist; you know, 95 percent of the city is destroyed. But the artillery duel that we have right now in the south and east, especially in the east, is tens of thousands of rounds of shells shot at us on a daily basis. You know, they learned the lesson that people is their weakest link and is our greatest asset, so they’re trying not to come into contact battle with our armed forces, and that’s why they just are shelling from afar with all their artillery and MLRSs. And, again, as much as they are war criminals, people without morale, people without, you know, any red lines, but there are so much – big amount of them and equipment. So, it’s still very devastating and our fight is exactly the same as it was from the beginning, from our side, is to hold, stop, and try to liberate as much as possible. So, what do we need for that? You know, the question – sorry for the long –

Mr. Runde: No, but it’s important.

Amb. Markarova: – wait or it’s what do we – every phase – I mean, of course we need weapons. It’s the number one ask. You have been – you heard me saying that everywhere, and the constant line is we are very grateful for everything that the U.S. and other allies are providing us with, and U.S. clearly is in a leadership role here; nobody, no other country provided us as much assistance as the United States. And we need more, again, because the enemy doesn’t stop, the enemy doesn’t change the tactics. If anything, they become more brutal in trying to, you know, not even try to occupy but essentially try to destroy, so we still – we need the continued support with the weaponry and, again, it shifts now to the artillery and the MLRSs and the air support, so everything that is tailored to this battle. The second is sanctions because, again, as much as the majority of wars are won on the battlefield, especially when you are meeting with the enemy that is fighting the 19th century war – and this is what Russia is doing – but we also need to, A, punish Russia for what they’ve done, but, B, also to weaken their capacity and possibility to finance this war. The sanctions are very important.

And we need the support for Ukraine because, again, 50 percent of economy is destroyed. We are collecting less than 50 percent of the revenues that we used to collect. At the same time, the needs of people
multiplied because we have 14, almost million – 14 million of people combined who are either internally displaced people inside the country or live in the areas that are under constant fire. Which means that they don’t have water, food, you know, electricity is on and off. So actually, the government – and, again, it’s a full-fledged hot war. So, we don’t have a lot of international organizations that can come in and serve people near Kharkiv, or near – or in the occupied areas.

Which puts the Ukrainian government – which, again, it’s remarkable that the whole government is operational under this, the whole banking system works. But we are in a unique position to be able to reach out to everyone and support. That’s why, you know, this huge mismatch between the revenues and the spending that we need, and which amounts now to $5 billion U.S. per month. And we’re very grateful that the U.S. has been helpful there as well, because 7.5 billion in this new supplementary budget is a direct budget support. And 1 billion from the previous 13.6 also went directly into the budget.

So the goal is how to get more weapons, more sanctions, more support so that we can stop Russia faster. Because, A, it’s going to be much more expensive the longer it goes for Ukraine, in terms of lives and our economy and our peaceful life, which is no longer there anywhere. But also, more expensive for everyone who believes in democracy. And, you know, in general I think the answer to this question whether Ukraine can win and, more importantly, whether Russia will be defeated, is a very important question for everyone who believes in the same values and in international rule of law.

Mr. Runde  So, absolutely, the stakes are beyond – far beyond Ukraine. Ambassador, I heard you speak several weeks ago. And I was so impressed. And I came up to you, I said I was so inspired by what you had to say. And you said, I’m just a soldier. And I wanted to just talk about the sense that the whole society of Ukraine, I get the sense, is very committed. Could you talk about the level of commitment in your society, and how your country has – the entire country has mobilized and responded to this threat?

Amb. Markarova: Yes. I think this is the key ingredient of the fact that we were able to stand for 112 days. I mean, of course our president, who has shown remarkable bravery and leadership in this time, who stayed in Kyiv, who said he will fight with the people, for the people in this war. But the fact is that it’s not only the armed forces of Ukraine that Russia met when they crossed the border and attacked again in 2022. It’s not only the veterans, who we knew would go ahead and volunteer to defend the country. But it’s everyone.
So, when you compare the numbers of our military forces, even if we mobilized the maximum, you know, and you compare what Russia has already, even without counting what they can potentially mobilize, I mean, of course there is a huge mismatch. They outnumber us by number of people, number of tanks, number of aircraft, helicopters, you name it. But they are not fighting with Ukrainian armed forces only. They are fighting with all 40 million of Ukrainians. So regardless of whether we are, you have seen the pictures of farmers towing the tanks, you have seen people resisting in Kherson, that has been under occupation for more than now – almost for two months. And people still coming out without any weapons.

And they know they're in, you know, danger. I mean, we know what happened to people in Bucha, and Irpin, and other places which were occupied, how people were killed, raped, tortured, just for the tattoo with anything Ukrainian on your body, just for the fact that they think that somebody of your relatives is in the armed forces, just for speaking Ukrainian, just for telling them, either in Ukrainian or Russian, that we don’t want you there, go back home. So, the resistance has been remarkable everywhere, and from day one of the war, we saw a remarkable unity – again, regardless of the political differences of anything else.

All TV channels in Ukraine on day one joined forces, and they created what we call now the media marathon. So, the majority of TV channels pulled their resources together, and they split the time between them. And they have the same – they almost work as one TV channel. They just, you know, support each other 24/7, and use all of their resources throughout the country to get the signal everywhere.

All the people, you know, who has been lawyers, you know, teachers, bread growers, who has stamina and also, you know, qualifications to fight, they signed up for the territorial defense, they train. And some of them are not only guiding their own villages or towns, they are also at the front line if they are capable.

Whoever cannot do it, do whatever they can. So, people volunteer. People help the internally displaced people. And the whole country is actually with one goal only, to win.

Mr. Runde: I’ve seen surveys from the International Republican Institute that talk about the very high level of support and moral in the country. So, it’s quite noticeable. I mean, the approval rating for President Zelensky in the country is extremely high. There’s a high level of moral and confidence in the future of how Ukraine will – how the outcome of the war will be from the Ukrainians’ perspective.
I think it’s very encouraging to have those – you need those sorts of levels of support to succeed, and it’s clear just in terms of the response and the mobilization that you were just talking about, Ambassador.

We’ve had a number of votes in the U.S. Congress to support Ukraine. For the most part, they’ve been very strong and very encouraging. There’s been some folks, unfortunately, in my party, in the Republican Party, that haven’t been – come along the way that they should in supporting Ukraine.

What is your message to folks in the United States who may have not wanted to – who didn’t vote, which I would describe as the right way. I think we ought to be giving Ukraine whatever they want. Whatever financials needs, we’ve got to give it to you. Whatever military assets, we’ve got to give it to you.

But there was a significant number of folks – and I worry that that number over time – what is your message to them? What would you say to them, for those folks who are – who didn’t come along on those votes? Because there will be other votes.

Amb. Markarova: Thank you. Well, you know, Ukraine is a democracy like the U.S., and we understand how difficult it is to get all the decision making in place in order to move forward because you have to discuss it with all the stakeholders.

And like now – and I agree with you that it’s not only encouraging, but it’s actually surprising and remarkable how united Ukraine is because during the peaceful times, we really enjoy our democracy and we use it to the fullest. So, we criticize each other. We fight with each other. Which again, to some extent, that’s what democracy is, right? You have to be able to debate, to voice your differences, to criticize, and you know, the civil society is a very vibrant part of Ukrainian society.

So, when I was in the government – and I was not a typical kind of governmental official because I spent all my life in private equity and only came out of the Revolution of Dignity – and the first week after I became the government official, the whole people in the civil society who used to be friends suddenly started criticizing me, which, again, it’s a good thing. You want to have your officials, whether appointed or elected, under control. So, again, it’s part of democracy.

But, you know, coming back to your question about why is it important and why is it a good policy for the United States, regardless of party affiliation, to support Ukraine? I’ll give you a couple of reasons.
First, a practical reason. U.S. is part of NATO, and a number of NATO members have been directly threatened by Putin. So, we know it’s, of course, about Ukraine for Russia, but it’s beyond Ukraine. It’s not only about Ukraine. We have heard Mr. Putin repeatedly publicly saying that the collapse of the former Soviet Union, and now he goes back as to Peter the Great with his nonsense speeches – public nonsense speeches – that essentially you can clear – and he names the names of the countries. So you clearly see that the Baltic states are under threat, that Poland is under threat, that some of the –

Mr. Runde: Moldova.

Amb. Markarova: Moldova is under threat.

Mr. Runde: Sweden.

Amb. Markarova: Sweden, and some other NATO countries are under threat. Now, it’s the obligation of the Article 5 for any NATO member: When one is attacked, all is attacked. So if we fall, it’s a hundred percent guaranteed that Poland or others will be attacked.

Mr. Runde: He’s going to come for them. He’s going to come for them.

Amb. Markarova: So it means that the U.S. will not only have to spend more to stop him there, but to send the boots on the ground. So I think it’s a very fair ideal that we are talking about here, that we all know he already attacked us. He attacked us twice. He is fighting this brutal war now. It’s existential for us. But it’s also very important for all NATO members to help us to stop Putin while it’s still in Ukraine. So that’s reason number one. And it’s actually, you know, more efficient to spend money now to stop this dictator while he’s still in his 1939, you know, 1940 mode than to pool all the resources when we’re in 1942/43 and the war is everywhere in Europe.

The second reason is I think, you know, for every country that is a democracy and truly believes in these values, this battle is so much bigger than just about whether Ukraine will exist, whether Russia will be able to do it. Because essentially what we see here is an autocratic regime, a nuclear power, that in early ’90s already attacked Moldova and created this problem in Transnistria; in 2008, attacked Georgia; in 2014, attacked us; after that, shot down MH-17 from the – from the skies with innocent passengers just flying to their vacations; poisoned people on the streets of London; and attacked us again. Now the question is: If they can get away with it again now, why are we pretending that the international rule
of law, the architecture that was put after the world war, really works? What would stop not only Putin but everyone else –

Mr. Runde: Like China.

Amb. Markarova: – who thinks redrawing the lines or redrawing the borders or swallowing the neighbor who’s smaller or not that powerful, what would stop them? So I think the help here is a help to any country – any democratic country to show that democracy can also be strong and can deliver for its people.

And the third is, you know, I think this fight that we have now – and a lot of people discussed it as the David-versus-Goliath fight –

Mr. Runde: Totally.

Amb. Markarova: I think it’s in the heart of a lot of Americans. I think this fight is something that Americans remember in their genes from the fight for independence, and we approach now the greatest holiday in the U.S. It’s the fight that America, you know, always held very close in the heart. It’s the – it’s the fight for your home; you know, your ability to decide how you want to live; your ability to elect your especially local officials – you know, somebody you know, somebody you trust, somebody you hold accountable because you went to school with them, you know them, they live next door. I mean, this is something that is very, also, you know, in the heart of Ukrainians. So that’s why we see such a massive support among the American people.

I have never seen – I mean, I studied in the U.S. in 1999. I traveled to the U.S. many time. I have spoke to many people who supported us a lot and who didn’t support us. But never in the past 30 years I’ve seen –

Mr. Runde: All the flags, all the bumper stickers.

Amb. Markarova: – such support among ordinary Americans.

Mr. Runde: I think, Ambassador, we have a sense of fairness and fair play, at least we like to hope we do, and this is so against fair play. This is just so deeply unfair and so wrong. I think it deeply offends Americans. I agree with you about everything you’ve said, but I think there’s this sense of this is just so unfair. It’s dirty. It’s disgusting. It’s offensive. So I so agree that – Ambassador, that’s great.

I want to talk about the future. I am – I’ve been to Ukraine a number of times. I was with the – I went with the International Republican Institute to observe several elections – the 2014 election, the 2019 election. I’ve been to your great country with the Western Newly Independent States
Enterprise Fund board meetings and, as you know, all the folks there. And so my wife and I love Kyiv. We love Ukraine. We have a lot of family members from Argentina who have – who are Ukrainian Argentine, because the diaspora’s all over the world.

So talk about the future. What are your hopes when this is over and when you win? And I hope and I want – you know, we want, everyone here wants Ukraine to win. What’s the future look like? Do you hope to join the European Union? What does – countries like Moldova 25 years ago had most of its economic ties to Russia. And then they got sort of a soft divorce. They said we’re going to – we’re going to orient to the West economically. And I know your economy is – Lenna Koszarny, who you know, told me, and she chairs the AmCham in Ukraine. She said, Dan, it’s hands, Which is manufacturing; it’s brains, which is ICT – it’s an amazing ICT sector; and it’s grains, so it’s agrobusiness and agriculture. Hands, brains, and grains. And you have an amazing, an unbelievable human talent. We’ve seen this in the war.

So what does your – how do we – what does your economic future look like? How does the European Union fit into this? And what could – is there going to be an opportunity – I mean, in this horror, in this awful – I don’t want to be – gloss over what’s happening. It’s terrible. It’s awful. One of the worst human tragedies. You know, this is just awful, and it’s – but can we think a little bit beyond when the war ends and Ukraine wins, what does that look like?

Amb. Markarova: Well, that’s a great question. But there are a couple of layers in the answers to that question. So first is what Ukrainian people want and what has been the inspiration and the reason behind our fight, not only against Russia in this war since 2014, but also against the pro-Russian, autocratic dictators who tried to rule Ukraine, like Yanukovych, which led to the Revolution of Dignity. So the people of Ukraine has been very clear in where do we see them, where do we see the country?

In 1999, at the beginning of the independence, 98 percent of Ukrainians voted to be independent, everywhere, including Crimea. That has been a choice, a civilizational choice, I should say. People did not know exactly what they were voting for. They have been – because at the beginning of 1990, you know, the economic situation, horrible. Then we went through a period of hyperinflation. The country was poor after it had been occupied by the Soviet Union for such a long time. The Ukrainians had been oppressed, you know. And but, you know, all people wanted to live free.

And I think this desire to live free and to be independent comes from a long – centuries-long history of Ukrainians fighting for freedom. And,
again, remember in our, you know, genes how we have been free before Russia took over – Russia empire took over, you know, as late as 1708, or even earlier. So, to be free. Then we always felt and we wanted to be European. So, for us, it’s not joining the European Union. It’s returning to our true self. It’s who we are.

It’s respecting the freedoms and principles that are shared by all the European countries. It’s, again, remembering that the Magdeburg Law and everything else in Ukraine have been exactly at the same time when it was everywhere in Europe. It’s having one of the oldest universities, Kyiv-Mohyla, Ostroh Academy, others which are Ukraine. So, Kyiv, in roots, has been once a very vital center of Europe. And city of Kyiv, even though at that time it was 100,000 inhabitants, has been one of the largest cities in Europe at that time.

But, again, so to be free and to be European. And it’s something I just want to remind you. In 2013, it was couple of years after a brutal rule of Yanukovych. Couple of years after Russians, through Yanukovych and his team has been overpopulating our governmental institutions with Russians, like Russian Russians. I mean, the head of our minister of defense was a Russian citizen. Our secret service head was Russian citizen. So, they had been preparing for this for a long time. They had been oppressing business. I mean, the pressure on business and Western

Mr. Runde: And you were in the private sector.

Amb. Markarova: – can tell quite a number. And I was in the private sector, so we saw it all. But one thing that led to people to revolt was not that, was not oppression of business, was not anything else. It was the time when Yanukovych decided not to sign the association agreement with the European Union. So that tells you how important for Ukrainians is to become members of the European Union, again, not to get some economic perks from it but to feel that we’ve returned where we always have been.

And the third part is also the NATO, which actually is in our constitution, and I know during the full-fledged war we do not talk about the NATO membership that much because, I mean, of course, it’s a very difficult discussion to have right now, but more than 60 percent of Ukrainians support Ukraine joining NATO. It’s in our constitution that not only European integration but Euro-Atlantic integration is something that we view as our future, which, again, is understandable because we will always have, regardless of when we will win and defeat Russia, they will not move somewhere from our border. So, we will always have a hostile country that unless they go through a big process of de-Putinization and
de-imperialization, you know, will always be a threat, not only to us. So, this is on the strategic layer where we see ourselves.

Now, how to get there and how we will do it after we win, and it’s not even a question for us whether we will win, because for Ukraine to exist, we must win. And we all believe, and that previous 112 days gives us not only hope but also confidence that we can win.

So, first, I mean, when we win, that’s when the hardest work will begin. As much as we love freedom and fight for freedom and, you know, have shown how capable we are in this fight, Ukraine has learned to build institutions, which, again, is not surprising because we didn’t have our own institutions for 400 years that we have been occupied, and this past 30 years is the longest period of our statehood in the more than history of Ukraine. And of course we made a lot of mistakes, and of course, you know, because we didn’t have the experience, the economy has been either heavily influenced by Russians, which – you know, who didn’t want to help us to build our own institutions for obvious reasons, but also captured by oligarchs, by people who wanted to use and misuse the new opportunities, not to deliver for people, not to allow everyone to participate, not to increase the competitions, but actually, you know, to rob country blind and just use it as the – so there is a lot, a lot we will have to do to use the reforms, and we’ve done remarkable reforms during the previous eight years from 2014 through 2022.

And I see Vlad Rashkovan in the audience who has been one of the co-authors of these reforms; we worked together as a team when I was at the Ministry of Finance and Vlad was at the central bank, as the deputy governor. But we have done a lot and these reforms pays off because we see that even after two years of COVID, even after 112 days of a full-fledged war, you know, a number of countries would have collapsed.

Mr. Runde: You had the best numbers, Ambassador, on a macroeconomic level right before the war in terms of the amount of money that you had in your central bank. I think it was the highest Ukraine had ever had in terms of hard currency. So, you guys had a hard COVID but you had a lot of resiliency and continued to be doing better. You were at the high point of sort of –

Amb. Markarova: I have to tell you, may teams of reformers paid heavy price for this difficult

Mr. Runde Including you.

Amb. Markarova: – monetary reforms, fiscal consolidation reforms, anti-corruption reforms, judicial reforms. I mean, not all of them are complete, but those have been very hard reforms, not necessarily supported by the
people. So, if you know, if you go back to the press of 2015, '16, '17, you will not read a lot of nice things about us on –

Mr. Runde: (Laughs.)

Amb. Markarova: – you know, wide – you know, the –

Mr. Runde: In the press.

Amb. Markarova: – TV or the press. In the professional press, I mean, we were all praised by – and we see the results, you know, again.

Mr. Runde: Yeah. Totally.

Amb. Markarova: But those are very difficult reforms, and we will have to do more of them after we win.

Mr. Runde: So -

Amb. Markarova: But let me add one inspirational thing.

Mr. Runde: Yeah, yeah. Please.

Amb. Markarova: Not only the hard reforms will be done, but I think Ukraine, as much as we inspire everyone with our fight, our goal is to inspire everyone how we can build our country back and how we can actually use this tragedy, you know – the horrible loss of lives and loss of cities – to actually turn it into an opportunity and build something that will be the most innovative, that will be the most energy-efficient, that would be something that we can leapfrog from 2022 and use all the – all the – you know, the best ideas and new technologies that any other of our countries have, partners, but do not have the opportunity to implement them because you don’t necessarily reform what works, right? But Ukraine can be this place where we really create this innovative new country which could be an attraction for everyone. And there will be a lot of work and space for business, which we hope to attract in order to invest.

Mr. Runde: So, Ambassador, I live in the United States, and we have New Orleans, we have Chicago, we have New York or we have Boston where, you know, we’ve had some challenges in our governance in this country. So, we’ve had issues of governance. And you, as a reformer, have taken on governance challenges in your own country. So, what – how do you respond to the – I get the sense – I think I heard you say that there may be still some work in progress. How do we – how do we think about some of the governance challenges in a place like Ukraine?
Amb. Markarova: Well, first, I think the biggest challenge that all governments face, especially when they want to do the right thing, is in this time when the social media and, you know, the access to information and also access to participate in creating information has – is so easy, is how to explain to people what you do and how to give the message to people. I think it has been a challenge in Ukraine and it has been the challenge everywhere, because in a democratic society you want the people – people are the source of the – of the power. You want them to understand and to support you. And it’s becoming more and more difficult to do so, and it’s becoming easier and easier for those who want to divert the country from the right path to misuse that –

Mr. Runde: I mean, disinformation and –

Amb. Markarova: Disinformation, fakes, propaganda, you know, cyberattacks which usually are coupled with disinformation. So some of these challenges are universal. Some are more Ukraine-specific. Because, again, for centuries and for these 30 years, Russia has made us a testing ground for every bad things that they have in mind. So with regard to the cyber and disinformation attacks, I mean, whatever you’ve seen Russia do in the United States, it’s been done to us a couple of years before.

Mr. Runde: And much – and even far worse.

Amb. Markarova: And on a – and on a much larger scale.

So I think, you know, we have to – you know, the challenge number one would be – and I think it’s the, again, universal message for everyone. You have to fight for democracy during wartime and during peaceful time.

Mr. Runde: Yes.

Amb. Markarova: Democracy is always work in progress. It’s never given. You cannot reach democracy and say, we are democratic now, fine.

Mr. Runde: We’re all done.

Amb. Markarova: We’re all done, no. Every generation have to value democracy and fight for democracy. That’s one.

And second, you have to find this balance how do you explain everything to people, how do you deliver your – deliver to people and explain what you can deliver and what you cannot. You have to be honest, also, with people that you cannot promise that everyone is going to be wealthy regardless of what they – you know, you have to also – democracy is also about responsibility. And I think that’s something that we do not see in
Russia. I mean, the fact that Russian people support what Putin is doing is also a result of this imperialistic mode and the fact that they have occupied so many countries for also 400 – so it’s the same, you know, number of generations of Ukrainians who suffered, it’s the same number of Russians who learned that there is one guy, you shift all the responsibility, and you shift all the blame. It’s a very easy concept to live in because even now when people are polling Russians on the streets – and there is a great work that I think it’s Radio Freedom doing under the different name Nastoyashchee Vremya (ph) in the real time. They just go around the streets of Russia and just ask people different questions. And while the majority of people, like overwhelming majority, which is really sad, support the actions, support the war and everything else. But when they asked, you know – like, and of course they say Bucha and everything else was staged and, you know, other horrible things.

But it’s very interesting that when they asked, you know, what do you personally think about it? Do you think, you know, because you, as Russian, responsible? Hundred percent of them – not even majority – hundred percent say, what can I do? I’m a small person. You know, it’s not me. It’s all the big guys. It’s Putin. It’s the government. You know, what can we do? And this is a drastic difference between Ukraine and the U.S., where people say it's up to me.

Mr. Runde: Where the people are empowered. It’s up to us.

Amb. Markarova: You know, exactly. But it’s a work in progress everywhere.

Mr. Runde: So, Ambassador, I know you have limited time. We want to respect your schedule. Would you be open to taking a couple questions from the audience?


Mr. Runde: OK. So a question has to be a question. (Laughter.) It has to be short. Name and organization. No grandstanding or I’ll cut you off, OK? So I’m happy to hear from some folks. Otherwise, I’ll keep asking questions. So please go ahead. Sir. Sir in the great suit – good suit. Who’s your tailor?

Q: Thanks. Thank you. I’ll speak to you afterwards. My name is Eric Hontz. I’m with the Center for International Private Enterprise. Glad to be here and glad to see you again today, Ambassador.

My question is about the changing – we talked about this briefly – the changing political and economic or business culture in Ukraine as a result of the war. What sense do you have – after every big war in the United
States, we see a shift in political and business culture. After the Civil War, after World War I and World War II. What appetite do you see for corruption, with new politicians that will enter Ukrainian politics in the next five years, Ukrainian businesses setting up operations? How do you think the war will impact the culture, the ethics of doing business and doing government in the country?

Mr. Runde: Let me – let’s bunch some together. Please go ahead. Use the microphone, though. For our television audience, so. We have a – we have several hundred people watching online. We’ll have several thousand people download it. This woman after you, yeah.

Q: So, Madam Ambassador, thank you. And, Dan, thank you very much. My name is Matthew Murray. I teach at Columbia. And I’m a former deputy assistant secretary of commerce.

A question about the vital role that Ukraine business can play bringing their technology, their assets, their human capital to the United States. In other words, it’s a two-way street, trade and investment. And I think we’ve sort of lost sight of that in the midst of this war. And I happen to be in a position where I’m going to bringing a Ukrainian titanium company to the Select USA Conference that takes place annually in the United States in a couple of weeks to talk about the great technology they have and the great potential they bring our country, in an industry which is very vulnerable, namely titanium. So, my question is, do you have a sort of thought about how to communicate that out to the audiences in Washington?

Mr. Runde: OK. And this woman here, please. Go ahead. Sorry for the – we’re just bunching them together, to give you a chance to think about it, Ambassador, what your answers are.

Q: Thank you so much. Thank you, Ambassador, to have you today. And my name is Nomez Arubina and Angel Sail of Hope of the United Nations.

During this strategic time, Russia holds an economic forum right now. And today’s the main day. And it seems like the Russian government tries to reform the economical ways for the future. And my question is about sanctions. What kind of sanctions would we apply to influence more effectively in the future? What specific sanctions we need? Thank you.

Mr. Runde: OK. Thank you. Let’s just take those three. Go ahead.

Amb. Markarova: So, I’ll start with the – because I think the question about business and trade development and the way we do business is very related questions. So first, of course, you know, even now we are trying, and through – we
have this system at the Ministry of Foreign Relations called Nazovny, which is a system to help exporters – Ukrainian exporters. It's very difficult. A lot of business is destroyed. But a lot of businesses in Ukraine still operate and are trying to make the best use of selling their products or services. And we’re trying to help them as much as we can, especially to bring them into the United States.

So, I will be participating in Select USA. We just had discussion yesterday with Secretary Raimondo, who has been very helpful on a number of issues on the export controls and sanctions, but also on developing opportunities. And you know – and we have a horrible situation with the blockade of the ports, where Russia blocked all Ukrainian exports, leading to the food security crisis but also severely damaging our export potential because this is, you know, the best logistical way to export Ukrainian grains and metals and everything else through the ports. So, we will be focusing on that a lot.

Now, on – I think it has been very clear to everyone in Ukraine that we have to be, especially after we win, even more transparent, even more set to fight the corruption, even more on the path to create a level playing field so that business can actually thrive in Ukraine, whether Ukrainian or international business. And any international business – American business – that invests in Ukraine ultimately is a Ukrainian business for us. So we believe that we should fight for their rights and defend their businesses in Ukraine as much as we defend the Ukrainian business.

Now, I think we’ve seen already during the past eight years that we were able to narrow the field and the space for corruption tremendously in public procurement with introducing ProZorro, in putting all the public finances transparently online and allowing people to – now, it’s not to say that everything is perfect because everything is not perfect anywhere. Unfortunately, it’s human nature to exploit any of the – so that’s why we, you know, deregulation and everything else, which of course is difficult to do during the wartime even though one of the key examples of deregulation in place how quickly we were able to get the Starlink into the country. And that has been a massive effort of the people back home, our vice prime minister on digital transformation, but also the embassy, which, using the direct order from President Zelensky and allowing me to sign some of the agreements, you know, was able to actually show how, when we are deregulating process, we can get the new business and new capability so quickly into the country. And we intend to continue that.

And the last point I wanted to say, it’s very clear to Ukrainian people that stealing right now from the armed forces is a treason. It’s not only corruption. You know, because when we fight, every resource have to be spent in a most transparent way, and whoever is doing, you know, bad
things to steal or use or misuse, you know, people are not going to
tolerate it. And we will –

Mr. Runde: It’s aid and comfort to the enemy.


Mr. Runde: It’s aid and comfort to the enemy.

Amb. Markarova: And we really – I really believe that this attitude toward corruption will remain even after we win. So, I think, you know, there will be a big progress on that area.

On the sanctions, a lot of sanctions have been implemented by the U.S.
Not only U.S. implemented the sanctions itself, but also led a coalition of other partners in order to convince that the sanctions have to be multilateral, which is very important because, you know, the sanctions are the most important when they are implemented by a number of parties so that there is not a lot of places for Russia to go and evade the sanctions or bypass them.

Right now, there are two, we believe, critical areas where we still – I mean, of course we are working on all fronts and there is a lot – a long laundry list on what we are working on. But if I were to mention maybe now two, three areas where we still think more can be done and we are – we are working with our partners on it, first is to sanction all Russian banks. There are 330 Russian banks operating in Russia. Only 11 of them plus couple of dozens of their subsidiaries are on the full blocking sanctions list, and only eight are de-SWIFTed, I mean, with a couple more maybe to join from the last package.

So, there is no such thing as private banking in Russia. Essentially, every time some banks are sanctioned others, by the quick phone call from Kremlin, become a full replacement regardless of their size and the ownership. So, we still believe that the more Russian banks are put – and preferably all – on this full blocking sanctions list, the faster they will, you know, significantly drop in their possibility to finance the war.

Second is we are asking our partners to designate Russia as the state sponsor of terrorism. That will also send a very clear signal to everyone that not only Russia is that, but that people should be more quick in their plans on how to sees their relations with Russia on many fronts.

And third is individual sanctions. It’s not just Putin’s war. I mean, yes, Putin is a leader of the country and it was his decision that was voiced
publicly, but there are thousands if not millions of people who support 
that decision, who prepared all these decisions, who fight, who commit 
war crimes, who finance war crimes, who support either by their actions 
or failure to do some actions. So, you know, as we believe – you know, I 
remember when we fought with corruption in 2014-2015 there was a 
slogan among Ukrainian activists that corruption has a name, meaning 
that there is a personal responsibility and it’s not just the top of the 
guys. So personal sanctions for everyone who works and continue to 
work and continue to help Putin and Russian Federation to sustain this 
effort – you know, the more people we can put on the sanctions, again, 
the faster there will be tangible results.

So those three areas I would mention as key areas in the sanctions.

Mr. Runde: Ambassador, we know you have a really busy schedule. Could you all 
thank me – join me in thanking the ambassador, please? This is just really 
amazing. (Applause.)

Amb. Markarova: Thank you.

Mr. Runde: Thank you. Thank you, Ambassador. I’ll follow up with you at 4:30 
tomorrow. It’ll be a Zoom call. (Applause.) Thanks a lot.

(END)