

UKRAINE WILL NOT OVERCOME THE ECONOMIC CRISIS WITHOUT RUSSIA PUBLIC DEBATE BRIEF



February 25, 2010
Teacher's House, Kiev, Ukraine

Historical and geographical factors have defined Russia as one of Ukraine's major foreign economic partners. As the world is emerging from the economic crisis, a well thought-through foreign economic strategy would be one of the essential pillars for Ukraine to capitalise on the momentum. What are the strategic benefits and potential liabilities of committing to Russia as one of the core economic partners? Is distancing away from Russia economically feasible and desirable for Ukraine? Should Ukraine aim at cooperation with Russia to overcome the crisis?

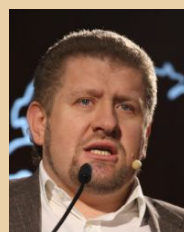
The discussion on these and other questions took place during the Public Debate on the motion: "Ukraine will not overcome the crisis without Russia", organised by **the Foundation for Effective Governance**, in partnership with London based **Intelligence²**.

It was the 7th event in the Public Debates series held by the organisers. We gather major political players, economic experts, business representatives and members of the public for a constructive discussion on critical and debatable national economic issues. Public Debates are aimed to promote debate culture, to increase public awareness of important challenges facing Ukraine and to contribute to the formation of educated socio-political consensus concerning future country development.

Speakers FOR the motion Speakers AGAINST the motion

Krill Dmitriev

Managing Partner and President,
Icon Private Equity



Kost Bondarenko

Head of Kyiv Gorshenin Institute for
Management Issues, Political
Scientist, Editor-in-Chief of Livy
Bereg Newspaper

Evgeny Gavrilentov

Managing Director
and Chief Economist,
Troyka Dialogue Group, Russia



Andriy Shevchenko

MP of Ukraine, 1st Deputy Head of
the Parliamentary Committee for
Freedom of Speech and Information

Key Statements

Kirill Dmitriev: "Let's think about the Ukraine project as an investor would, not considering ideological fuss but focusing on pragmatic economic issues... All countries in the world realize that they shouldn't ignore their neighbors, especially when a neighbor is a country with such a huge market as a Russian one. We should aim at fostering cooperation in trade and investments."

Evgeny Gavrilentov: "The economies of Europe and the US are unlikely to expand at fast rates in the future due to the high level of debt they will have to repay. With this in mind, there is a good potential for both Ukraine and Russia to reactivate bilateral cooperation and to diversify into developing relations with fast growing countries of Asia. Business is already doing it."

Kost Bondarenko: "Currently the customs union between Ukraine and Russia is one of the most discussed topics. While short run benefits of such agreements are widely highlighted, not much thought is given to strategic consequences – and this is what we should really look into."

Andriy Shevchenko: "We cannot consider economic issues without placing them into the context of Ukrainian-Russian relationships: if we are to revive our cooperation we will have to start from the level far below zero... Furthermore, neither Ukraine nor Russia are the strongest economies in the world, we should seek to cooperate with the strongest ones to overcome the crisis."

Q&A Session

Q: Marchin Sventchitsky, director of the Blue Ribbon Center, UNDP: "What do you think about the following dilemma: if Ukraine enters into the Customs Union with Russia it will not be able to establish the Free Trade Area with the EU, as that would require Russia to enter into the FTA with the EU as well, which is not possible as Russia is not a WTO member?"

A: Kirill Dmitriev: "The fact that Kazakhstan and Belarus decided to enter the Customs Union with Russia signifies that they believe they can negotiate better conditions with the EU if they approach it together."

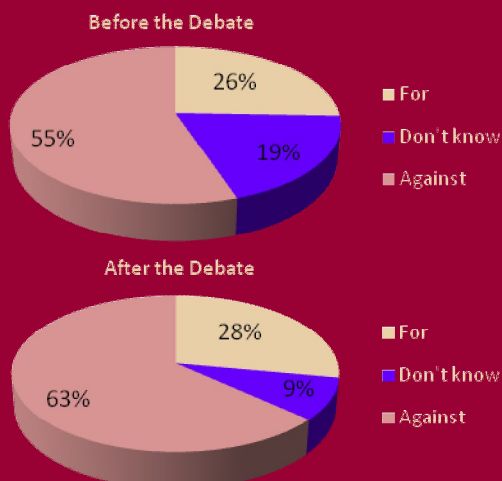
A: Andriy Shevchenko: "We have to decide whether we want to have the door of the FTA with the EU closed for us. My answer is no."

Q: Ilya Arkhipov, Director for Business Development, SCM: "What should the new Ukrainian Government do in the upcoming year for Ukraine and Russia to help each other to overcome the crisis?"

A: Kirill Dmitriev: "Ukraine should attract Russian investments into joint projects in such areas as aircraft construction, machinery building etc. and seek synergies in modernizing our economies."

A: Kost Bondarenko: "We have to ensure competition among development concepts and cooperation concepts and abolish artificial barriers that currently exist in our economic relationships."

Voting Results



We would appreciate your participation in our next Debate to be held on 30.03.2010

Motion: Ukrainian Universities are Failing their Graduates

Venue: Teacher's House, 57 Vladimirskaya str.
Start time: 15:45

Further information and the full version of the debates can be found on: www.debaty.org, www.feg.org.ua
Debate videos are also available on www.youtube.com

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