

New Ukraine on its way to European Integration: A Year after the Orange Revolution

Speech of Ambassador of Ukraine to the Republic of Austria
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Ladies and gentlemen!

It gives me a great pleasure to be with you. Before coming to the main points of my *exposé* into the past, present and future of Ukraine, let me thank all the staff of the Institute for Danube region and Central Europe for their dedicated work. Your role in promoting interest for our region among international intellectual elite can hardly be overestimated.

I would like to express my special gratitude to all those in Austria who demonstrated solidarity with the Ukrainian people last November and December. I was deeply moved by the statements made by Austrians in support of democracy in Ukraine. Indeed, during those historical days a major frontline in the international struggle for democracy ran through Ukraine, where citizens stood up to defend freedom of expression and elections - cornerstones of democracy, public activity, and academic life.

Since November 2004 we have witnessed significant developments across the globe and even more dramatic changes in Ukraine. Today I would like to share with you my reflections on **Ukraine after the Orange Revolution and our prospects for the European Union**. I count on an open and thought-provoking discussion.

Dear friends,

When President Victor Yushchenko visited Austria in July 2005, the echo of the Orange Revolution was still present across Europe wielding enchantment and applause all around the world.

Today, some people in Ukraine and beyond claim that its color is fading out, especially with the recent resignation of the government.

As far as this process was under strong public scrutiny and all the details became well known to mass media and the whole society I would limit myself only to drawing a conclusion.

And my conclusion is that these events are an evidence of democracy, a part of a democratic process in my country. This is the main substance of what happened. Analyzing this process one should not be lost in details. Then one will see the whole picture – not just pieces of mosaic.

There is no tragedy here – even if we are perfectly aware that unity among national-democratic forces is better for the country and internal skirmish is not.

After all, there are some European countries where governments change every year.

Democracy is something to which people in my country already got used to. Now realities in Ukraine are such that political elite and the whole society do not discuss democracy and human rights inside the country as much as they used to one year ago.

Now they discuss, argue, agree or disagree on other, more ordinary for a normal democratic country things like economic policy, efficiency of public administration, quality of services to citizens, small and medium enterprises or investors. Or they discuss preparations to new elections, where the strongest political force shall win.

The enthusiasm of the first months after the Orange revolution has been transformed into healthy pragmatism of a young rapidly developing modern society. Which is not a tragedy but the most natural thing in the world.

The revolutionary romantics transformed into political pragmatism. This was inevitable and is understandable inasmuch as transformation of political forces, as changes in the government and in the team of President Yushchenko.

My conclusion about the developments in my country is that catharsis was necessary to ensure that the values of Maidan, hopes and expectations of Ukrainians will not be betrayed.

And hopes and expectations not only of Ukrainians.

We clearly understand that further development of the whole region, image of democracy and civil society far beyond our borders depend now on our success.

Dear friends!

The new wind coming from Ukraine is bringing changes to Europe. At present, two parts of one whole have to be married.

These are (1) European and Euro-Atlantic aspirations of Ukraine and (2) readiness of the European Union and NATO to meet them.

We regard the European and Euro-Atlantic integration not as a political fetish. We even do not consider it as a ticket to an elite club that would bring panacea for all.

We know that the Orange revolution has strengthened our convictions that only we could be masters of our prosperity and democracy.

Under such circumstances the EU and NATO are crucial for us because of the following considerations.

First, in the modern world these two organizations are equated with Europe and "Western civilization", the one Vaclav Havel so well described in the following words back in 1991:

"Speaking about us being a part of the West, we mean being a part of certain civilization, certain political culture, certain spiritual values and universal principles. We mean a civilization, culture and values that we embrace".

That said the leader of the Czech Republic. The nation that had long been an integral part of European civilization, and then for a couple of decades was parted from it.

Alienation of Ukraine from Europe lasted much longer. However, Ukrainian roots are traced in European civilization.

Where could we place the Kyiv Rus - one of the biggest European nations in the times of Karl the Great? Could we send into oblivion Prince Yaroslav the Wise, who was father-in-law for the big lump of Europe because kings of Hungary, France and Norway married his daughters? Could we ever erase from European

history his daughter Anna who was the Queen of France? Could we doubt the right of Austrian scientists to define in XIX century the geographical center of Europe near Rakhiv, Western Ukraine? How should we treat the great Ukrainian politicians, philosophers and scientists who were forced to leave their motherland and dedicated themselves to the development of Western countries?

Therefore, for Ukraine European and Euro-Atlantic integration is a historical rather than political move.

Second, the European and Euro-Atlantic integration will mean final recognition of Ukraine as a European nation. It ensures that Ukraine would no longer be considered as a former colony.

Third, Ukraine in the EU and NATO will be a showcase of success in political and economic terms.

Dear friends,

Let us be frank. Was Europe ready to meet a new Ukraine in December 2004 and is it now? I doubt that. As a diplomat I can observe that the Orange Revolution has instilled Europe with new dynamics while coming for many as a surprise.

After many years of being considered an eternal "ugly duckling" in Europe, Ukraine has suddenly immersed as an important actor in political process.

Without being either the EU or NATO member, Ukraine has invoked in Europe a slightly forgotten feeling - the feeling of the wind of change. Unanticipated yet peaceful revolution next to the EU doors has reminded that this wind still blows, although sometimes not from windows of headquarters in Brussels.

Therefore the successful holding of Ukraine – EU Summit scheduled for December 1, 2005 is a short time priority of bilateral relations. It will be the first Ukraine – EU forum at the highest level of particular political importance since 2004. Ukraine is going to present the concrete achievements and results at the table and my only hope is that this time the feedback from the European Union side will not be in another kind of the political declarations of general nature.

We expect to achieve very concrete and practical agreements, among them

1) confirmation that the doors of the EU remain open for Ukraine;

- 2) granting of market economy status for Ukraine;
- 3) confirmation of the readiness to start negotiations on an Agreement on the establishment of the Free Trade Area between the EU and Ukraine;
- 4) speeding up the negotiations on the conclusion of an Agreement on visa facilitation.

Dear colleagues,

Being here at the *Wirtschaftskammer* of Austria I would like to pay special focus to the economy developments in Ukraine. I am pleased to note that Austrian enterprises were among the pioneers at the Ukrainian market. Such companies as Raiffeisen, Fisher, Steirerobst, Billa, VA Tech met the challenges of entering the unknown for them market and are very successful and welcomed in Ukraine.

You may know that on 20 October 2005 President Victor Yushchenko presided over a Consultative Investment Council meeting to discuss a wide range of economic questions. Addressing those present, he reassured them that Ukraine's market course had not changed, and government was facing the challenge to draw more foreign investment and create new opportunities for investors.

The President said he believed his major task was to make Ukraine join the WTO this year and get a market economy status, considerably improving the business climate. He said that, having achieved these goals, Ukraine would be able to negotiate free trade zone regulations with the European Union.

Speaking about perspectives of Ukraine's economic development, Mr. Yushchenko noted that mutual respect and civilized relations between government and business were necessary for economic growth.

With this statement the world received a clear signal that political events in Ukraine would never affect the economy and the chosen course of market reforms.

And I am convinced that Ukraine and foreign business in our country can now do more than in the past fourteen years.

And this is not simple declaration of a diplomat. I am ready to give you very recent examples.

In August 2005 Raiffeisen International has bought the second largest private bank in Ukraine "Aval". I can not say the price for this purchase in public (*it should be kept secret according to the contract*) but you can easily find it in the Internet and I should say it is impressive. What I know that Raiffeisen is very satisfied as since August they are the *N I* Bank in Ukraine and we welcome the expansion of Raiffeisen's services in our state.

On October 24, 2005 the transnational concern's German branch, Mittal Steel Germany GmbH emerged the auction's winner, having paid 24,2 billion UAH (about \$5 billion US dollars) for the 93.02 percent stake in the giant steel works KryvorizhStal.

The sum, paid for this facility, is 20 percent bigger than what the years of privatization had brought to Ukraine. The Kryvorizhstal is Ukraine's biggest metallurgical works. Its share in the Ukrainian metal market equals 20 percent. The works' facilities allow to annually make over 6 million tons of rolled metal, about 7 million tons of steel and over 7.8 million tons of cast iron.

Speaking about a KryvorizhStal auction, it was transparent, public and legally impeccable to convince foreign businessmen that property rights are respected in Ukraine.

However, the current investment rate (\$ 197 per capita per year) is the yesterday's policy. Ukraine has great potential to increase this rate by ten times, using capabilities of our machine-building, chemical and light industries and high-tech sector.

I have no doubts we will find the logical way in this direction.

Ladies and gentlemen,

I have come to the end of my presentation, and I wish to leave more time for our dialogue.

Allow me to make just one last conclusion about my country and my people.

The lesson that we learned from Ukraine's recent history is that one should never underestimate the power of example in politics. Europe, ascending from the ruins of the World War II stood an example for Poland and other Eastern European countries. Poland, in its turn, stood example to us, Ukrainians.

Ukraine doesn't seek to invent its own model of democracy or market economy. We just want to cover the same path that brought success and prosperity to the Eastern European countries in the last decade. The only difference – we should complete this way much faster driving by best-experience and positive outcomes of our neighbors. And the key to this is democratic values plus liberal market economy.

Why to look for a separate way to success, if right in front of us there is such an impressive success story as the European Union? It's true that the EU experiences difficult times as a political union. It by no means influences its ability to be a showcase and an influential regional player in matters where EU-members are unanimous.

We expect the EU to be not only the inspiration to Europe outside the Union. We want it to be an active player in the whole political space throughout Europe. We expect the EU as organization and separate EU-members to be active participants of the Community.

That's why we are saying: success of Ukraine is not just a matter of our own resolve and historic destiny. Ukraine has a potential to define some important tendencies on the post-Soviet space in general.

Either this region will be finally transformed into a natural part of Euroatlantic civilization, based on common European democratic goals and values, or it will develop into a separate quasi-civilization – with quasi-democracy, quasi-goals and quasi-values.

It is our national interests, our responsibility and our mission to ensure that the first way is chosen, not the second.

So, forget about the Eurasian myth. Forget about European "belt of poverty". Forget about the "buffer zones". Do not even think about the reservations for

illegal migrants. Europe keeps growing, while the Orange revolution has starkly reminded about this process, and given it a powerful impetus.

Dear friends,

Archimedes used to say: “Give me the place to stand and I will move the Earth”.

And this is what we have done by the Orange revolution – we create a place to stand. To stand for democracy and to move the world of injustice. I am pretty sure – God will help us.

Thank you.