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Chair

The Honourable Robert Nault

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● (0935)

[*English*]

The Chair (Hon. Robert Nault (Kenora, Lib.)): We are proceeding now with our discussion on a notice of motion presented by Mr. Kmiec. I want Tom to present his notice of motion, read it out for the committee, and then give us his analysis—if he so wishes. Then we will get into a discussion, and, as is normal, we will direct through the committee from the chair where we'll go with it.

Tom, the floor is yours.

Mr. Tom Kmiec (Calgary Shepard, CPC): Thank you, Mr. Chair.

I'm just going to read the motion. It states:

> That, pursuant to standing orders 110 and 111, the Standing Committee on Foreign Affairs and International Development invite the Honourable Stéphane Dion and the Honourable John McCallum to appear before the Committee to discuss their Order in Council appointments before May 15th, the last day prescribed by the Standing Orders for the Committee to consider these appointments.

I got this information—as you all did—by the order in council from Foreign Affairs, and I got an email sent to me February 28, 2017. It reads:

> ...the Committee may consider an Order in Council appointment during a period not to exceed thirty sitting days following the tabling date in order to examine the qualifications and competence of the appointee to perform the duties of the post to which he or she has been appointed.

I also have copies of the orders in council in question that appointed them as, I believe, special advisers to the Minister of Foreign Affairs, and not as full ambassadors.

I'm interested in moving this motion, obviously, and in having them appear before the committee because I'd like to know how they see their roles developing going forward. China is not normally a destination for politically connected ambassadors or special advisers, and there is no G7 country that has ever split an appointment with another G7 country. I'm interested in hearing from them how they see their roles and what they bring to the roles, particularly because of this reality that in the European context, it has never happened that we've split the roles in two. We don't do that with G7 countries.

There have also been media reports saying that there would be a second order in council appointing them as full ambassadors later on, so I'm wondering what they are doing in the interim. There have been other media reports saying that they are getting either diplomatic training or something called “other advisory capacities”.

I'm also interested in finding out how they use their qualifications and competence to fulfill their roles as special advisers, as opposed to ambassadors, I guess.

I've looked at other order in council appointments that Foreign Affairs has done for other ambassadors, and I haven't found anything similar to what has been done in the case of Mr. McCallum and Mr. Dion. I'm interested in understanding what their roles have been thus far, what kinds of qualifications they've brought to those roles, what exactly they received in terms of training, and how that set them up for the roles they're going to have in the future.

It's very simple. I'm just taking the opportunity. We have the chance to do it as a committee, and I think it would be very valuable to bring them before us to hear from them on how they see their roles and the qualifications they bring.

It's really just that simple.

● (0940)

The Chair: Just for information's sake, Mr. McCallum has now had his credentials approved, so he is an ambassador. I understand that Mr. Dion should probably be in the same category within a week. There is still, obviously, merit to a discussion of the structure. I know what the structure is, but I'd rather not get into that with you today.

All that to say, generally—and Mr. Kent knows this very well—when you appoint someone who's already a public servant, there is no need to have him be a special adviser or anything of that nature. When you retire as a member of Parliament, there's a gap in your employment, and if you want to give these individuals documents that are considered to be of a security nature, you have to give them an order in council that allows them to look at them. That's the rationale for that, just so you know, and that's what they'll tell you, because that's exactly the way it works. That's why cabinet had to present their certification as they waited to become full ambassadors.

The other piece of information, just to inform the discussion, is that Mr. McCallum is already in China. What I want to consider, if we do call these gentlemen forward, is that we do it through video conferencing. Otherwise, it would be a very expensive matter to bring Mr. McCallum back from China, which we have the right to request, as you well know. I wanted to bring that to your attention as we have this discussion.

Is there any further discussion?

Peter.

Mr. Peter Fragiskatos (London North Centre, Lib.): Mr. Chair, it's my understanding that such matters are usually dealt with in the agenda and procedure subcommittee. At least, I would propose that idea.

The Chair: There are two ways to do this. We can vote yea or nay to the request, or we can send it to our subcommittee, have a discussion about the parameters of how we want to do this, and then come back with a recommendation to the full committee. It's either-or.

As you know, I've been suggesting to our committee from day one that when we get notices of motion, we get a chance to have a little bit of a subcommittee discussion in camera, because these are always not in camera, to make sure that everybody's on the same page. It's up to you as a committee to decide how you want to do that.

We have on occasion—and Hélène's was a good example of that—dealt with her request of a notice of motion to have a study right here in full committee, so it's not like it doesn't happen.

Hélène.

[*Translation*]

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): I would bring up a point regarding what Mr. Fragiskatos just said.

I remember that, in my previous life, people appointed as ambassadors, for example, were called to appear before the Standing Committee on Foreign Affairs and International Development. It strikes me as the most relevant committee for these types of things, since we talk about foreign policy and our representatives abroad.

In general, I support the motion moved by my colleague. If the former minister McCallum is already in China and if he did indeed receive his credentials, I imagine that we should proceed on the basis of the other order, namely, the order appointing him as ambassador, rather than the order appointing him as special advisor. I think that, in both cases, it can work.

Thank you.

[*English*]

The Chair: Hélène, I'm not sure I'm following you. You want to proceed on the order in council that was a special adviser versus.... That's the way the motion reads, no? It just doesn't say that at all, so really, you can pursue that in your questioning of Mr. McCallum and Mr. Dion.

For the sake of the committee, I'll give you my own personal view as the chair and as a parliamentarian. This committee should take the opportunity with high-profile appointments of the government, no matter who's in power, to proceed with some questions to them. I have no difficulty supporting the idea that both Mr. McCallum and Mr. Dion should come before the committee. They're very seasoned veterans who know their way around and have been in front of committees many times over the last two decades, so I really don't see that as an issue.

I want to make sure that we have support for the idea of video conferencing, because it's pretty hard to expect Mr. McCallum to come all the way back to Canada when he just got to China. If we agree with that, if my colleagues agree with that, we could put out the invitation and proceed with the motion, unless there's some other reason. Before we even get to having them in front of the committee, I suspect Mr. Dion will be an ambassador as well, and he'll be able to speak to the structure. I know what the structure is, but for the record, it will be up to him to tell you how that all works.

Peter, do you have some comments?

● (0945)

Mr. Peter Fragiskatos: Just to clarify, when I said that the matter should be referred to agenda and procedure, I'm not talking about the discussions being in agenda and procedure. I'm saying that the matter should be dealt with, this particular matter should be looked at, in agenda and procedure, and discussed there. That's my view on that.

The Chair: You're referring to our subcommittee, right?

Mr. Peter Fragiskatos: The subcommittee, yes, exactly.

Is there a view on that? If not, if we're insistent on discussing it here, of course, we ought to speak to Mr. McCallum and Mr. Dion. Both individuals have CVs that would fill up this room, quite frankly, in terms of their achievements, and we would like to get a sense of the direction that they wish to go in their posts. However, prescribing a date is problematic, from my perspective, because we as a committee have so much on the agenda coming up. I'm not opposed at all, once again, to having them come in, but by a certain date is problematic.

The Chair: Yes. Again I'll go back to what we said earlier. The date is prescribed by standing order, so we would have to set some business aside to deal with it, Peter. That's the standing order, that's the procedure, and we have no way around that. The only way we go around that is if we defeat the motion. Otherwise, we will have a meeting within the prescribed 30 days. That's for your information.

Mr. Peter Fragiskatos: In a committee that just approved a controversial report unanimously, I wonder if we could work together to deal with the matter in the following way. Rather than setting a firm date, recognizing again all the work that we need to do in the coming weeks and months, could we not agree by consensus that Mr. Dion and Mr. McCallum appear at some point in the near future rather than putting in place a firm date?

The Chair: Thanks, Peter, for your comments.

Peter.

Hon. Peter Kent (Thornhill, CPC): Chair, I think referring it to subcommittee is a waste of time. The window is short, the practice is traditional that a request would go out and the committee within that window of availability would probably accept the time most convenient for the two individuals, but I think we should have a vote today. This is a practice that we haven't taken up in the first 18 months of this government, but it is a fairly routine practice and the standing orders are there for us to take advantage of them. I think with these two significant appointments, there is much to be learned. If Germany has issued this agrément for Mr. Dion, he will be an ambassador by then. That's what they're waiting on: is Germany saying they'll accept it?

But one way or the other, I think we should examine and explore their vision for the jobs to which they've been appointed.

The Chair: Just for the committee's information, May 9 is available, and the whole first week of May may be available if we don't travel, so we have enough time to give our colleagues a heads-up, and we could easily set it up. Generally, I think it's an hour at max and I think that fits.

Okay, I think we've had a pretty good discussion. Tom, are you going to wrap it up, or Hélène? Then we're going to go to a vote.

Hélène first, please.

● (0950)

[*Translation*]

Ms. Hélène Laverdière: I just want to specify, for the record, that we think all the motions should be discussed in public.

Thank you.

[*English*]

The Chair: They always are.

Mr. Tom Kmiec: You said what I was going to say. If we don't travel to the United States, then we have extra committee time. As you said, they are seasoned politicians. I remember Mr. Dion used to live in Quebec, and I survived the 1995 referendum. I remember him being on TV all the time, so he's not just a seasoned politician but he's just great at debates, he understands how life works, and he brings a wealth of experience. If we're going to be travelling to other countries in the future and doing other committee reports, these are two individuals who have a wealth of both public and private sector experience. I think they bring a lot of interesting viewpoints that the committee could gain from.

The Chair: Okay.

I think we've had a good discussion. I'm going to present the motion and then we'll vote with the objective of meeting the requirements under the Standing Orders.

The motion reads:

> That, pursuant to standing orders 110 and 111, the Standing Committee on Foreign Affairs and International Development invite the Honourable Stéphane Dion and the Honourable John McCallum to appear before the Committee to discuss their Order in Council appointments before May 15th, the last day prescribed by the Standing Orders for the Committee to consider these appointments.

Mr. Tom Kmiec: Mr. Chair, can we have a recorded vote on that?

The Chair: Okay, but we may not need one. We'll see how it goes.

Mr. Tom Kmiec: Can we have one?

The Chair: Yes, we can.

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: All right. It's unanimous. We will follow through. Thanks for that discussion.

Now we'll take a couple of minutes and set up for our next witness. We'll suspend for five.

● (0950)

(Pause)

● (0955)

The Chair: Colleagues, we'll carry on with our study.

Pursuant to Standing Order 108(2), we are studying the situation in eastern Europe and central Asia 25 years after the end of the Cold War. Our witness today, from the Center for Strategic and International Studies, is Olga Oliker, senior adviser and director of the Russia and Eurasia program. Ms. Oliker is on video conference out of Washington.

Thank you for appearing today, and for your patience.

As is normal, colleagues, I will turn the floor over to our witness and give her an opportunity to make a presentation. Then we'll go right to questions.

Ms. Oliker, the floor is yours.

Ms. Olga Oliker (Senior Adviser and Director, Russia and Eurasia Program, Center for Strategic and International Studies): Thank you so much, Mr. Chairman and honourable members of the committee, for having me here.

With I think seven minutes at my disposal, I will focus my remarks on Russia and Ukraine, where I've recently travelled, but I'm happy to take broader questions.

I will start with Russia. In a global sense, I would say that Russian foreign policy has long been one of seeking prestige, prestige being seen as a valuable asset in and of itself, one that provides the influence and capacity to attain goals, even before those goals have been made clear.

That said, in the region in question, that of the other post-Soviet states, Russia's goals have long been quite clear. Russia has always had a proprietary view of these countries, which were part and parcel of the Russian empire before the Soviet Union came along. Unlike the countries of the Warsaw Pact, such as Poland and Romania, these countries, or these regions at the time, were integrated into the U.S.S.R. and ruled from Moscow. The Baltic countries are a somewhat different issue, which we can discuss.

Over the 25 years since the collapse of the Soviet Union, the countries of the so-called west have seen themselves as working together to, among other things, spread liberal democracy into the countries that used be part of the U.S.S.R. and the Warsaw Pact. While there was debate about the enlargement of NATO and the European Union, among the strongest arguments for the acceptance of new members into the institutions was the view that it would incentivize the reforms that in turn would enable these countries to free their polities and their economies.

This was seen as good for the states in question, which at least in principle wanted reforms but had a difficult time implementing them for political reasons. It was seen as good for the west and good for the world, in part because it was believed by many that it would increase peace and stability, based in large part on the hypothesis that democratic states are less likely to go to war with one another.

Russia, initially a comparatively willing participant in these processes, soon came to see them as antagonistic, aimed at limiting Moscow's influence in its neighbourhood, and thus limiting the very prestige it felt it was due. While the Kremlin accepted what it saw as the loss of the former Warsaw Pact states, and even the Baltics, it remained neuralgic about the other post-Soviet countries, which Dmitry Medvedev, now the Prime Minister and then the president, described as being in the zone of privileged interests for Moscow in 2008, at the time of Russia's war with Georgia.

Ukraine, in that context, has always been a particularly tendentious case. For many in Russia, the idea of an independent Ukraine is confusing at best. The similarities between the Ukrainian and Russian languages, the very limited historical experience of Ukrainian independence, and the closeness of the two populations over the years have fed a consistent Russian narrative of Ukraine as part of Russia. I would note that even Russian liberals, who speak out against the annexation of Crimea, see Ukraine as a model of what can be done in Russia by people who are basically, in their eyes, just like Russians.

Russia's actions of 2014 seem to many outside that country as highly disproportionate to any risk that the EU association agreement plans that sparked the crisis really presented. In turn, both the western and Ukrainian responses surprised Russia, and I believe constrained it, in that the Kremlin was forced to recognize the limits of any natural influence it felt it had over Ukraine and recognize the prospect of substantial resistance, as well as increased international pressure, should it push too far.

At the same time, Russia soon found benefits to the standoff that emerged with the United States. These took the form of increased global prestige and a bit of a “gloves off” environment for taking other actions, from Syria to election meddling, one presented as standing up to the United States. Some of this might have happened anyway, but I think a good bit probably would not have.

I would say that today the mood in Russia is one of increasingly cautious optimism. While most in Russia did not actually expect the election of Donald Trump, his statements of support for Vladimir Putin did play very well with the Russian media and public, and indeed outside of Russia in some of the other post-Soviet countries where the Russian media is prevalent.

The expert community, for its part, is concerned about the lack of a clear policy from the White House, and speculates that any honeymoons between Trump and Putin will be brief. This said, many specialists remain hopeful of rapprochement, though whether the Kremlin thinks that is in its interests or not, and under what conditions, remain quite unclear.

● (1000)

On a visit to Moscow last October and November, most Russians I spoke with saw the eastern Ukrainian adventure as a mistake. More recently, this past February, just about a month ago, I heard very little discussion of the situation in Ukraine and far more speculation about U.S. policy writ large. That's not a surprise.

As fighting in Avdiivka broke out just as I was in Russia, Russians speculated that Ukrainians had started it and were seeking attention. In Ukraine, where I was shortly after I was in Moscow, there was again, not surprisingly, a very different narrative. In regard to Avdiivka, Ukrainians emphasized the rapid and effective humanitarian response that they put together for the crisis as well as Russian perfidy.

Ukrainians are also speculating on what a Trump presidency in the United States means for them and remain very nervous about possible deals with Russia, but Ukraine is facing substantial challenges at home. Several Ukrainian and western officials spoke of “reform fatigue” and noted that, while some rapid and effective changes had been possible when the crisis was new, vested interests were now precluding the implementation of key components of economic, security sector, and energy reforms, from gas metering to delineating the roles and responsibilities of Ukraine's domestic intelligence security agency, the SBU.

Less reformist movements in parties are gaining in popularity, and the failure of the EU to grant Ukraine a promised visa-free travel regime has fed growing frustration. While few publicly argue that the occupied portions of the Donbas aren't worth fighting for, the recent resolution of the blockade of trains travelling to and from those territories with coal speaks to the conflicted attitude of Ukrainians as the crisis goes into its third or fourth year. After refusing protestors' demands for weeks, the government abruptly switched the position, decided to take their side, and cut off trade with the occupied territories. This is particularly interesting in light of its failure to give in to other protester demands, such as progress on reforms.

I would say Ukraine's history over the last quarter century is a repetitive one, as a genuine commitment to and impetus for reform run aground on corruption and cynicism. This has happened multiple times in every sphere of governance, leaving many who work with the Ukrainians to burn out, then creating room for those who haven't had that experience of disappointment to repeat their efforts.

It's also what brought us to where we are today. If reform had been more successful previously, the current crisis would not have taken place. Ukraine needs reform regardless of western policy, but insofar as the west wants to help, I'd argue that the answers lie in conditionality and informed assistance, which I can speak to more in questions and answers. I would say that, for all the importance of Ukraine's success, not least what message it sends to Russia, trying to prop up a Ukraine that is not viable or not doing its part is perhaps one of the worst and most dangerous ways forward.

I think I've taken the time allotted to me, and I'm happy to take questions and have a conversation.

● (1005)

The Chair: Thank you very much, Madam Oliker.

We're going right to questions because we'll end up getting a good chance to ask a lot about where this is going. We'll start with Mr. Kent.

Hon. Peter Kent: Thanks, Chair.

Thanks, Ms. Oliker, for your availability today and your testimony.

I'd like to ask you about what you think is going on in Belarus. After a long period of repression, we've seen an easing somewhat. There are visas, and the borders have opened up to tourists. Demonstrations have been allowed, but some of them seem to be getting almost to the tipping point of the beginnings of another colour revolution. Russia has imposed border controls in reaction. Is that still under control, or is the way the west responds to the situation in Ukraine likely to have an influence on the direction that Belarus finds itself going?

Ms. Olga Oliker: Those are great questions. I think it's very interesting to watch Belarus, because I think Lukashenko has been playing what he at least sees as a fairly calibrated game, in which he keeps the Russians on the side. Belarus and Russia will be doing the West 2017 exercise shortly. There's no reason to think that's being called off. On the other hand, I think what the Ukraine crisis has given him is an opportunity to woo the west and to try to suggest that, really, they're not the same as the Russians. It's a calibrated game, and I think he does think he still maintains control.

I saw something interesting in the news this morning, which was accusations that there are efforts to send a “little green men” scenario into Belarus, apparently instigated by Ukrainians and Poles and so forth, which, I have to say, strikes me as highly unlikely, but I think it is part of this game Lukashenko is playing. I think it's incumbent on the west not to be too trusting of the Lukashenko government. It is not going to be a useful way to poke at the Russians for the sake of poking at the Russians, because Lukashenko is not going to back away from Moscow. His fundamental mode of rule is not one that trends towards liberal democracy, assuming all of our governments continue to be interested in promoting that.

I think we do want political prisoners to be free and we do want protests to be allowed, but we also want to be very careful of our hopes. I think in Belarus they understand what goes on in Ukraine perhaps better than we tend to in the west, and they're watching us for opportunities rather than because they are looking at this as pressure to democratize.

Hon. Peter Kent: I have just one other question. Moving to the west, what are your views on Russia's ambitions in the Balkans? Russia doesn't have to propagandize in Serbia, because Serbia is rushing to Moscow's embrace, becoming increasingly provocative with Kosovo. We have Montenegro, and the NATO accession, and issues with all of the former countries of Yugoslavia. I'm just wondering what you perceive from your visits to Moscow and your contacts in Russia as far as the Russian ambition in the Balkans goes.

● (1010)

Ms. Olga Oliker: I think Russia sees the Balkans as one more area to destabilize European unity, which is a project that has gone surprisingly well for it—I don't think it expected the levels of success it's had either in the Balkans or elsewhere in Europe—and it's going to keep pushing.

I think it's interesting, in terms of Russian policy going forward, that Russia's success is based on a disruptive strategy. It doesn't actually have a positive agenda that it's putting forward as an alternative. Its agenda is that it is unhappy with the post-Cold War order. It wants to poke and prod at it, find its weaknesses, look for ways to destroy it—the Balkans are one way to do that, and interference in elections is another way to do it—and try to pull all of these things together.

But I don't think it expected this to work, so if it works, what is it offering as an alternative? One argument is that it's offering us all the 19th century back, but I'm not sure even it wants the 19th century back really. I think it has enjoyed being able to put itself up as a counterweight to the United States. If the United States is gone, if it's not a real actor on the scene, or if it's not an effective one, I wonder if Russia will be forced to develop more of a constructive agenda.

We aren't seeing this in the Balkans yet, but that might be one area to watch to see if it can actually offer something. It does have a lot of public support there. It's not entirely clear what that comes from other than a certain historical affinity.

Hon. Peter Kent: Thank you.

The Chair: Thank you, Mr. Kent.

Now we'll go to Mr. Fragiskatos.

Mr. Peter Fragiskatos: Thank you, Chair.

Thank you for taking the time today.

I have a question about Russian minorities in eastern Europe. As you know, we, as a committee, travelled to eastern Europe. It feels like yesterday but it has been quite a while now. It was back in January. What we understood, in Latvia, for example, where we visited especially, was that there are contrasting views on the political orientation of the Russian minority in Latvia, in Estonia, and in Lithuania as well. Could you touch on that? Could you speak to that?

For instance, those Russians who happen to be in rural areas might be more inclined to be supportive of the Russian presence in eastern Europe or Russian influence in eastern Europe—in fact quite open to it—but those who are in urban areas are not of that view and are more integrated into the politics, society, and economy of those particular states, whether we are talking about Latvia, the country that we saw, or Estonia or Lithuania.

Ms. Olga Oliker: I would say that education, integration, and media all have a very important role to play in this. I would say the Baltic countries to varying degrees have worked harder or less hard to actually integrate these communities and trust them more and less. The less they're trusted and the less they're integrated the more they will turn to Russian sources of information and Russian media because they don't have domestic sources of media and information.

This said, a lot of these folks travel to Russia or they have family in Russia that they talk to. They know what it's like to live in Russia and they know what it's like to live in Europe. They understand at some level that they are better off. I am very hesitant about parallels between Ukraine and the Baltics as these are very different cases, but I would say that an interesting thing about what's happening in eastern Ukraine is that in places like Kharkiv a lot of the population that had thought of itself as Russian now thinks of itself as Ukrainian as a result of all these events. Maybe early on in the crisis, back in 2014, they thought maybe it wouldn't be so bad if they had closer ties with Russia as a lot of their economic prosperity, they felt, was dependent on the Russians, but this has shifted. It's shifted because of Russian policy, not because of very much of anything Ukraine has done other than fight back.

I think it's a mistake to view ethnic Russians in the Baltic countries as a fifth column. I think it is very important to continue with programs of integration and outreach. It's also important to look at this generationally. If younger or urban people tend to be more integrated then I worry less than I do if I see real moves towards affinity and idealization of Russia among the younger generation. Again, this varies from country to country. The Baltics are also not a monolith. It's incumbent on those governments to do more to integrate those populations.

● (1015)

Mr. Peter Fragiskatos: You mentioned something quite interesting there, that there have been different experiences of integration and that there have been successes and quite frankly, failures.

I hate to put you on the spot with this but as far as an example of successful integration, something that has really worked, could you point to a particular illustration?

Ms. Olga Oliker: A lot of this is about citizenship laws and language laws. These countries are more successful when they.... You could sort of line it up. There are all sorts of things in play here. You're looking at the extent to which populations are intermingled as well as the policies and you can't ignore that, so you don't have perfectly controlled experiments.

I would argue that policies that allow for multiple languages, for citizenship and access, are going to be more effective because they make the older generation more comfortable. The younger generation is going to learn the local language anyway but it's a way of making their parents more comfortable as well, and that eases the transition. That's the sort of thing I'm talking about.

Mr. Peter Fragiskatos: Who has done it well and who hasn't done it well?

Ms. Olga Oliker: I haven't done this study. Estonia has had a tense relationship with its Russian-speaking population. Lithuania has a different model because proportions are different and so has Latvia. I would actually want to put them side by side and look at the numbers to give you a good answer but this is the sort of thing I would be looking at.

Mr. Peter Fragiskatos: I hate to put you on the spot but I'll defer to my colleague, Mr. Saini, since I don't think he'll have time to ask a question because we're going alphabetically on this side.

The Chair: You'll have time. Go ahead and use it.

Carry on, Mr. Saini. I'll include you later.

Mr. Raj Saini (Kitchener Centre, Lib.): Thank you very much, Ms. Oliker, for being here.

You have written in your previous articles of how Russia wants to come back into a bipolar world and how it wants to increase its prestige. You have also written that according to their national strategy they are trying to have these lofty goals, but there's a lack of surety around how they are going to reach these.

My question to you is purely economic, just to start off. We see the rise of China, especially in Eurasia. You have the One Belt, One Road Initiative, which has isolated Moscow. You have the Eurasian economic zone, which is more Russian-influenced than it is for the other countries. You have an economy now in Russia that is pretty well equivalent to New York City.

Their national strategy has lofty goals. They have great desires. You have written that they want to oppose Washington, but in many cases they need Washington. After the election of Trump, the media in Russia stated four points on which they wanted to have some negotiation with the Americans: joint operations against terror, agreeing that Montenegro is the last NATO country, maintaining the spheres of influence of the near abroad, and considering Crimea a part of Russia.

When you look at all these things, on the one hand they want to create a bipolar world, but on the other hand they need Washington. More importantly, above and beyond anything else, they need an economy that will fund their ambitions.

Could you explain how? Because it seems to me that somewhere down the line China is going to play a predominantly greater role in Russian affairs than any other country.

Ms. Olga Oliker: There are three questions in one here, I think.

In terms of bipolarity, I would say that Russia needs the United States because it needs the North Pole, right? When it talks, it talks about multi-polarity, but China is a component here; Europe, maybe, is a component here. In its ideal universe, you're back to the Cold War. It's the United States and Russia. If the United States is less active and you do have the emergence of a true multi-polarity, I don't know that Russia has a clear sense of what it would do, and I don't know if it's going to develop one.

There has long been tension between co-operating with the United States and standing up to the United States. I think what's dangerous, over the last three years, is how much of a benefit it feels it's gained from standing up and not co-operating. When we talk about co-operating in Syria, I mean, we're talking mostly about joining together to bomb the same people. It doesn't actually stabilize Syria, and it doesn't make any progress towards solving that fundamental problem. It's an interesting kind of co-operation. I suppose it gives everybody, then, the opportunity to blame the other guy for the failure later, but again, Russia's agenda in Syria is a positive one: keeping the Syrian government in power. It's probably a more clear agenda than that of the United States, to be honest. What it does from there it doesn't have a plan for, and neither does anybody else. This idea that it'll co-operate by continuing to bomb is a bit incomplete.

In terms of Russia's economy, don't underestimate Russia's capacity to punch above its economic weight. It does that by drawing on its population's willingness to deal with hardship and accept it, and its willingness to put more money into defence when the economy goes down, which is what it's done. As Russian growth started to drop in 2009, that's when the defence budget, as a share of GDP, started to go up. Until then it had been pretty stable as a share of GDP. If you listen to Russians in how they defend Putin, you hear a lot of "He is the only one under whom we've experienced growth. He's the only one under whom we've experienced prosperity."

Prosperity is not normal to the average Russian. Hardship and difficulties are. Putin is the only guy who's ever made it better. That it's back to normal isn't necessarily a failure of Putin. It's still his success that after the 1990s Russia was better. Russia's capacity to spend less on infrastructure, health care, and education and to continue to spend more on defence is higher than that of a lot of other countries for these historical reasons. That's not to say that there isn't a breaking point, but I don't think the breaking point is economic. I think overreach in Ukraine, if the Ukraine crisis gets worse and the Russians become more militarily involved and get bogged down, that sort of thing, is where I see the fault lines and the failures—maybe the north Caucasus also.

China is interesting because I think the Russians have always been nervous about China, but it's not polite to say so these days. China is the alternative to Europe, though it hasn't proven to be as economically feasible a one as had been hoped. China is also Russia's gateway to Asia in terms of being an Asian power. However, as Russia's ambitions in Asia develop, Russia will start to think about how a real great power doesn't follow in somebody else's footsteps. As it thinks about rapprochement with Japan and as it reaches out to southeast Asian countries, you very easily see areas where its relationship with China could break down—not immediately, though I would argue that real rapprochement with Japan would certainly give China pause.

Over time, I think this is going to be a real point of tension in that relationship. When you hear Vladimir Putin talk about the INF treaty, while he says that Russia is not violating it, he also points out that other countries on its borders have similar capabilities and that Russia doesn't develop them because of the treaty. I don't think it's just Europe he's talking about.

● (1020)

The Chair: Thank you.

Madame Laverdière, please go ahead.

[*Translation*]

Ms. Hélène Laverdière: Thank you, Mr. Chair.

Ms. Oliker, thank you for your presentation.

In your response to the last question, you referred to the issue that I believe you mentioned during your presentation, namely, that a number of people in Russia think the Ukrainian adventure was a mistake and that it could become a burden to bear.

I was wondering how prevalent this view was within the Russian population in general.

[*English*]

Ms. Olga Oliker: That's a great question.

What I said was that when I was there in November, I heard a number of people say it was a mistake. Now I've heard people characterize the mistake differently. Some people thought the mistake was not marching to Kiev; other people thought the mistake was getting involved in the first place. I heard both sets of viewpoints.

I don't have good public opinion polling on the Russian population as a whole. I think overall the sense is that the annexation of Crimea continues to be seen as a great thing, and what Russia actually is or is not doing in Ukraine continues to be a subject for debate, though I've noticed that in elite circles, people have become more and more comfortable admitting that Russian forces are in fact fighting in Ukraine.

I think the October-November opinions before the U.S. election, to be blunt, had a lot to do with both the Ukrainian response and the western response. I think the election of Donald Trump has made Russia think that this might be more salvageable than it was, and Ukraine's continuing inability to solve some problems also feeds into that. I haven't gone back to the people to ask whether they've rethought those positions since then. I think it would be an interesting exercise.

Russia has a different problem, one that's not talked about, which is it's not just the Russian military in the Ukraine. There are Russian volunteers, folks who just decide to pick up a gun and go to Ukraine. There is a certain class of Russians, mostly men, some women, who have limited economic prospects, who are frustrated with their lives. Some of them will go to Syria; some will go to Ukraine.

If they've gone to Syria, they're going to have a hard time coming back. If they do come back, they will be arrested. If they go to Ukraine, they come back with their weapons to Russia, and there they may be part of the Russian right wing. They may be part of the groups that are frustrated with the Russian government for not pressing on in Ukraine and not rescuing Ukraine, and not backing them up. They don't get veterans' benefits, so I think that's something Russia is going to face going forward.

● (1025)

[*Translation*]

Ms. Hélène Laverdière: That's very interesting. Thank you.

You also talked about reform fatigue in Ukraine. You gave us the impression that reform efforts are viewed as a demand from the west, rather than as a need from within the country.

Can you elaborate on this?

[*English*]

Ms. Olga Oliker: Yes, I think that's right. There is a tendency on the part of reformers to cast it that way, because it's a better sell to the opposition, rather than saying that we have to deal with this because of this neighbour who is stronger. That worked early on, and I think they really made a mistake in selling the reforms as "this is our path into western institutions", as opposed to "this is our path to being a sustainable, effective country that Russia would not have been able to invade if we had done this earlier".

I've worked most closely on security sector reform and I found there is just so much opposition from within to cleaning this stuff up, to doing these things. We talk about vested interests, but vested interests aren't just at the top. It isn't just that there are people making a ton of money. There are people making very small amounts of money, but it's still money that they need. They're the folks in the defence contracting world who have their relationships and it works for them. If all of this goes away and gets cleaned up, then that goes away and gets cleaned up too. How do they continue?

They have a system that they know is not effective. It's an incredibly inefficient system. It's a system getting young people killed in east Ukraine, but it's also paying the rent and paying for the household, and people are very frightened of it. In part because of the failure of reform in the past, reform now is really difficult. They don't have a gas meter, which means that when you raise the prices for gas, electricity is not efficient and people are asked to pay on the basis of the square footage of their homes, or some such, and they get frustrated and they get angry. Older folks on pensions can't scrape the money together, and some of them get subsidies and some of them don't, so again you have this vicious cycle.

[*Translation*]

Ms. Hélène Laverdière: Thank you.

[*English*]

The Chair: Thank you, Madame Laverdière.

Mr. Levitt, please.

Mr. Michael Levitt (York Centre, Lib.): Thank you, Mr. Chair.

Russian activism and interference in other countries' domestic politics is something eastern Europeans have lived with for years, but most recently it has been on our doorstep, both south of the border and also very recently in Canada.

You wrote, in an article in *The National Interest* from July of 2016, that

> ...the survival of European institutions and U.S. internationalism depends most not on responding to Russian meddling, but on bolstering the viability of the values and systems under threat. Those who seek to preserve these must therefore strengthen, adapt, and rebuild them, so that they more effectively respond to today's requirements.

That was written in July of 2016. Much has happened—a lot of water has gone under the bridge—between then and now. I'm wondering what your thoughts are on that situation, this same Russian interference, as it sits today.

● (1030)

Ms. Olga Oliker: I think we make a mistake if we blame the Russians for exploiting our weaknesses. Our problem is the weakness, not the Russian exploitation of the weakness.

Speaking as an American, let me say that if we have a system that can be so easily.... Look, I don't think the Russians got Donald Trump elected in the United States. I think the Americans got Donald Trump elected in the United States. The Russians were extremely pleased and we can find evidence of Russian interference, but that's different from saying that Russian interference did this. I think that's an important line to draw.

The danger is that the Russians may think they were responsible and, therefore, can do it elsewhere and will become emboldened and do more. I don't know that this makes them more effective. I do know that it worsens prospects for getting on with any sort of better relationship between east and west.

I also think that we face a crisis of liberal democracy. We face opposition to it at home. We face uncertainty about it in Europe, in the United States, and I think actually to a lesser extent among you all in Canada. You and the Germans may be left with the best chance. We'll all be moving.

I think there is a challenge for those who believe in it to defend it and to sell it better. I've been very impressed by American civil society and by America's courts in utilizing the institutions. It is about utilizing the institutions to defend them—utilizing the freedoms, utilizing the balances of power.

I also think it is about strengthening the media, as both a variety of voices and as a check and balance in and of itself—you know, the "fourth estate" model. We still have much to do to figure out how this works in the information age. I don't claim to have good answers to that.

Again, I still think that Russia isn't a problem. Russia is exploiting the problem.

Mr. Michael Levitt: Thank you very much.

The Chair: Thank you, Mr. Levitt.

Mr. Kmiec.

Mr. Tom Kmiec: I'm glad the questioning went in that direction, talking about the weaknesses that the Russian government is exploiting.

I want to refer to a European Commission survey, the Special Eurobarometer 451 on the future of Europe. Many countries in central and eastern Europe, such as Croatia, Lithuania, Romania, Latvia, Bulgaria, and Poland—all those populations—see, according to the survey, anyway, their number one issue as the standard of living of EU citizens. They had choices, such as the good relationship between EU member states, and economic and industrial trading power. Their focus was on living standards in eastern Europe and central Europe. When you look further into it, the study talks about the number one issue identified by these populations. The majority of the states, 16 out of 28, said that unemployment is the number one issue. Only one said that terrorism and security issues were their primary concern, and that was the Netherlands.

Can you comment on this weakness that we see? The polling that even the European Commission does indicates that people's primary focus, even in countries much closer to the conflict along the borders with the Russian Federation, is the economy and their personal individual situation. Twenty-five years after the end of the Cold War, people are still, even in those regions very close to the conflict, focused on "my living standard", "my family", and how they can improve their personal livelihood. Can you comment on that?

Is it true, then, that the weakness is economic? If it is economic, in which parts of the economy is the continuing weakness? As you've mentioned, it's not as if the Russian Federation is offering a really high living standard comparable to what the European Union can or may be able to provide.

● (1035)

Ms. Olga Oliker: That's a great point. I think the perceptions and the actuality of economic difficulties do tend to be a breeding ground for various forms of populism, those kinds of easy answers. That's why these sorts of parties are growing in strength in Ukraine. That's why there is an appeal of these sorts of solutions in the United States, and obviously in Europe. There are people who come and say....

There are different kinds of easy answers. The problem with all of them is that they don't actually answer the question. They don't solve the problem, and the problem is that even when you have economic growth year on year, if you look at it over time, people are living worse than prior generations did. People's buying power has gone down, though not in all places. Eastern Europe is different, because prior generations lived under communism, so they've had only 25 years of this new liberal democracy. It's an interesting question to ask how those expectations are different from, say, expectations in the Netherlands, which has a different economic history.

Economics is not my primary area of expertise. I am a political scientist. I think that many of us have served our populations poorly in this context. Globalization does have its costs, and they have not been addressed to the extent that perhaps they should have been. I'm probably going to lean towards one set of solutions, and other people will lean towards others. I think that in democratic systems it is a matter of public policy to fight that out and to try to find ways to support those who feel hurt by economic downturns, and ensure that bolstering them does not in turn weaken others. It's not a matter of propping up the previously privileged in the face of the newly privileged, but a matter of rising tides that lift all boats.

Mr. Tom Kmiec: Can I just interrupt you for a second? While you were speaking, you gave me a question to ask you.

The same survey, further down, talks about something you mentioned. Fifty-six per cent believe that their children's generation will have a worse future than they did. That's true for people in eastern, central, and western Europe. It's almost a constant. Is it the same case in Russia? Do Russian parents believe their children's generation will be worse off?

You said their capacity for hardship is perhaps higher than that in Europe. They are able to sustain that for longer, or there is a perception that they may be able to do so. In the Russian context, do they believe that their current government will lead them to a better economic future, with less unemployment, less social inequity, and fewer migration issues?

Ms. Olga Oliker: That's a fantastic question. I'm not sure that I've seen good polling. First of all, it's hard to do good polling in Russia, for a lot of reasons. I will go and check to see whether anyone is asking that question of Russians and what kinds of answers they get.

My guess is that most Russians don't think their children will live better than they do. That would be my first guess. Whether they think their children are going to live worse, I don't know. I also think that the expectation of each generation living better doesn't exist in Russia in the way that it does in the west.

The Chair: Thank you, Mr. Kmiec.

Mr. Saini, go ahead, please.

Mr. Raj Saini: I just have one final question.

A lot of western scholars and analysts have said that the nuclear strategy of Russia is one of “escalating to de-escalate” and that there is an attempt to lower the nuclear threshold.

I know that you have differing views on this, but I'm just wondering what you think, in the context of the higher defence spending in the United States right now. Even in the national nuclear strategy that Russia produced in 2015, its policy toward a nuclear strategy was, you had written, stronger than it had been in the past. I'm just wondering, with the highlights of what the western analysts are saying and against the background of higher U.S. defence spending, what do you feel the future of the Russian nuclear strategy is?

Ms. Olga Oliker: Russia doesn't want to rely on its nuclear weapons entirely for deterrence. As I said, they kept the threshold for nuclear use in their official doctrine high. Nuclear use is only allowable in case of a threat to the existence of the state—an existential threat to Russia. We can argue about what that might mean.

Other people argue that Russia does allow for small-scale nuclear use. They tend to draw on things that were written in the late nineties, which is the point where Russian doctrine did come to allow for small-scale nuclear use. They draw on Russia's deployment of dual-use capabilities, of systems that you can put either a nuclear or conventional weapon on, and a certain tendency on the part of the Russian government to talk that up.

I argue that the Russian government starts talking those things up only after western pundits and officials start publicly worrying about it. I would say that what the Russians are doing is identifying things that make westerners nervous and poking at them.

I think Russia is going to keep brandishing its nuclear capability because it makes the west nervous and because it reminds everybody that Russia is one of the great nuclear powers. I think they would prefer to build up their conventional capabilities. Most of the money is going to go to their conventional capabilities.

● (1040)

Mr. Raj Saini: To follow up on that, if they're touting the superiority or the provision of their nuclear weapons systems, is that not fundamentally subsuming or diminishing what their conventional strategy is capable of?

Ms. Olga Oliker: They're not touting their superiority. They're just quietly pointing out that by the way they're a nuclear power, and "Look at these systems".They talk about their systems capacities to defeat missile defences. Well, of course, their systems are capable of defeating missile defences. The missile defences don't exist to defeat their systems. I mean, existing missile defences can't defeat any currently existing systems. They talk about new technologies, but that's for things in the future. They talk about modernization, but so does the United States.

A lot of it is about reminding everyone that Russia is a nuclear power, and some of it comes from a fear of western conventional capabilities. They do continue to see NATO conventional capabilities as head and shoulders above anything they have. They get nervous about it, and then they point out that they have nuclear weapons too.

Mr. Raj Saini: Thank you.

The Chair: Thank you, Mr. Saini.

Mr. Sidhu, please.

Mr. Jati Sidhu (Mission—Matsqui—Fraser Canyon, Lib.): Thank you, Mr. Chair.

Thank you, Ms. Oliker, for your testimony.

My question would be toward the security and the safety issue in that region. Do you think the Islamic State and other terrorist groups are active in that region? If they are, how serious is it to security, or do you think that the governments in that region are using that to increase security on their borders?

Ms. Olga Oliker: It's a little different in different parts of the region.

The Islamic State, Daesh, is in Russia. There was a local group, the Caucasus Emirate, that was very active for a number of years. They fell apart recently, in part due to Russian government pressure, in part due to internal pressure. Daesh has pretty much picked up their goal, and they are definitely the violent radical Islamist game in town in Russia, although other groups also come and go.

In central Asia, the affiliations aren't as clear. I think what's interesting about central Asia is that a decent number of the folks who end up radicalized and potentially going to Syria do it by first migrating as labour migrants to Russia and then becoming radicalized in Russia.

I think all of these countries play up the threat and indeed perceive the threat as greater than it actually is. If you dig into it, we're talking about really small numbers of people. They do carry out the occasional attack. You can also get, particularly in Russia—the case that I know best—situations where things are termed radical Islamist violent attacks when in fact they might be something else, because it's an easy way to make sure you get rid of these folks.

The problem is there. The problem is probably smaller than it appears to officials, and it's smaller than it's built up to be. I think in some ways that actually helps it to grow, because when you crack down on every observant Muslim, you might then force more people into more radical and potentially more violent tendencies than they might have had if they were allowed to worship peacefully.

● (1045)

Mr. Jati Sidhu: Thank you.

The Chair: Thank you very much, Mr. Sidhu.

Ms. Oliker, on behalf of the committee, I want to thank you very much. We could probably spend another hour on this. I'm very interested in the Russian communication structure and machine. They intend to do a very good job of convincing us that there is a crisis. I found your comments to be quite helpful in our study of the relationship between Russia and its influence around the eastern bloc in particular. On behalf of the committee, I want to thank you for your presentation today.

Ms. Olga Oliker: Thank you for having me. If there are follow-up questions, or things I could provide more detail on, please let me know and I'll do my best.

The Chair: Thank you very much, Ms. Oliker.

Colleagues, in wrapping up I want to remind you that on Thursday we will have the Ukrainian Canadian Congress with two witnesses. In the latter part of our meeting on Thursday, we'll have the Latvian minister of foreign affairs who will be coming before the committee to speak to us about his views on Latvia. If there is any time left, we'll talk a little bit about our future business as I mentioned to you at the beginning of the meeting today.

Thank you very much for a job well done on our report. I'm looking forward to it being tabled in the House in early April.

This meeting is adjourned.