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WEBINAR

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WHERE DOES RUSSIA-UKRAINE CRISIS GO FROM HERE?

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Panel: Why is the Russia-Ukraine Crisis Happening Now:

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Panel: The U.S. Role in Deescalating Tensions:

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P R O C E E D I N G S

MR. PIFER: Hello. I am Steven Pifer. I'm a nonresident senior fellow at Brookings and a William Perry fellow at Stanford University. And I will be moderating the first panel of today's discussion, which is going to look at the Russia-Ukraine crisis. This discussion is on the record. It's streaming live and if you have questions, you can send them to events@brookings.edu or using Twitter with the #RussiaCrisis.

The first panel is going to look at how we got to this crisis. Why did this crisis breakout at the end 2021 and 2022? Now, it's actually been building for some time. There was a Russian buildup near Ukraine back in April, although the Russians drew down their forces, although they left some equipment behind. But then we saw a new buildup beginning in October. And it's estimated now that the Russians are assembling some 60 battalion tactical groups, about 100,000 troops either on or near the Ukrainian border, and that buildup continues.

And you have coming out of Washington, but also out of NATO, expressions of extreme concern that the Russians, in fact, are preparing for major military action. On the diplomatic front, the Russians in December, presented draft U.S.-Russia and draft NATO-Russia agreements. Those agreements according to American and NATO officials, contain provisions that are simply unacceptable such as demanding that NATO agree to not enlarge any further and agree to withdraw troops from allies that joined the alliance after 1997.

Now, they also say that some elements could provide a basis for negotiation such as discussions and negotiations on constraints on the scope and size of exercises. Last week there were American-Russian meetings and there was a NATO-Russia Council meeting. And the Russians were given a fairly clear idea of what was and was not negotiable in their draft agreements. At the end of the week, the Russians were noting positive nuances, but also making the point that has been reiterated that their key security demands had not been met.

Today, Secretary Blinken and Foreign Minister Lavrov met for 90 minutes in Geneva. The sides report the talks as businesslike but no breakthrough. Secretary Blinken has offered to provide a written response to the Russian proposals and it looks like he's trying to extend the diplomacy but it's not clear that there's any reason to expect that the written responses would differ from the what the

Russians heard last week and have heard subsequently in American public statements.

So, we're going in this panel look at why did this crisis breakout now? Russia frames this as a crisis between NATO and Russia, talking about NATO enlargement. Although since 2004, NATO has added only four countries, all of which are in the Balkans, 1,000 kilometers away from Russia.

To explore these questions, we have three excellent speakers. Pavel Baev, who is a research professor at the Peace Research Institute Oslo and a nonresident senior fellow at Brookings. Angela Stent, who is senior advisor to the Center for Eurasian, Russian, and East European studies at Georgetown and a professor emerita there, as well as a nonresident senior fellow at Brookings. And Jeremy Shapiro, who's the research director at the European Council on Foreign Relations and also a nonresident senior fellow with Brookings.

So, Pavel, let start off with you and pose this question. This crisis looks like it was manufactured. I mean, the Russians created it by posing military forces near Ukraine. Why is Moscow doing this now and what does the Kremlin hope to achieve?

MR. BAEV: Yes, it is a big question. And I'm not sure if all our kind of training and expertise can provide an answer. It's a crisis unlike any other war Putin has engaged in. And he started his reign with the war in Chechnya, and there were quite an impressive track record of various wars and conflicts through his 20-plus years of reign.

And there was no particular reason for him to escalate this one. There doesn't seem to be any particular trigger. And half a year ago in June in Geneva, he appeared to be quite satisfied with the meeting with President Biden. The meeting sort of enforced why a concentration of Russian troops are on the border with Ukraine. The impression was that at least for looking from Moscow, that he outperformed, outsmarted President Biden, and achieved what he wanted.

I think it gradually dawned on Putin that if he stays on the track of stable and predictable as Biden indicated, he is the designated loser. On this track, there is really no possibility to score anything. Something needed to be done. He went for this escalation quite sharply.

And I think that what is happening on the Russian side in the last couple of weeks is not diplomacy at all. We are saying about giving diplomacy a chance. It's not really diplomacy. It's a combination of bluff, blackmail, and the war mongering diplomats are doing it. Nearly exclusively

diplomats. You don't see Russian top brass making big statements. You don't see the usual hawks in Moscow very active. It's the diplomats. And I'm not sure they understand why and why now.

Putin arrived to the collegium of the foreign ministry in early autumn and gave them the marching order. And he demanded that these guarantees, he demanded that to set this course. And as loyal troopers, they charge on. Theirs is not to reason why, but ours is.

And if they don't know why now and they have probably no clue what's next, it is up to kind of security experts in many ways to figure out what is the real driver behind that. Is it really Ukraine? And my gut feeling, again, that's probably more gut feelings than the depths of expertise we have to rely on here, my gut feeling is it's not really Ukraine. Putin has prepared something else. There is a surprise somewhere in his suitcase of a military tactical character, as they say, and diplomats, Russian diplomats probably have no clue what it is.

And my suspicion is that it's something of a continuation of his surprise speech in 2018, when he presented a whole set of new wonder weapons. And since then, not much has happened with these weapons particularly with the new intercontinental ballistic missile Sarmat for that matter. Not a single successful test. Not a great achievement certainly.

But I think something nuclear is what Putin is thinking about. That would be really a trump card. That would make a strong impression. And that could be a combination of several things, including for that matter, the withdrawal from the unilateral initiative on nonstrategic nuclear weapons, the last achievement of Gorbachev in '91, reciprocal with United States. And that would make it possible for Russia to move nuclear weapons to Crimea and right into Crimea.

It could be a withdrawal from the Comprehensive Test Ban Treaty, which Russia has signed and ratified. Unlike United States and unlike China, both signed but didn't ratify. And that would make it possible to conduct a series of nuclear tests or noise. And in Putin's mind, the impact of that on European allies would be so great that they will plead with him don't do it again after the first test. To say, Annalena Baerbock would run to Moscow and say, oh, wait, we will certify your Nord Stream immediately but please don't stage another nuclear test.

So, I think Ukrainian concentration of forces might be a diversion because generally Putin is much more fond of special operations of various kinds than of war. So, of evasion, with the high risks

and low predictability. And I will stop here. I think that's probably the extent of my speculations.

MR. PIFER: Thank you, Pavel. Let me turn to Angela. Angela, can you talk about how the crisis is understood in Washington and what the U.S. Government sees at stake.

MS. STENT: Thank you, Steve. Yes, I will. I have to say listening to Pavel, that was quite an explanation. I think a little beyond what most of us in the U.S. have been thinking. So, it injects something new in the debate.

So, I think that most people in Washington understand that the crisis between Russia and Ukraine is a reckoning that's really been about 30 years in the making. It's about much more than Ukraine, I agree with Pavel there. And Ukraine's possible NATO membership that I really think isn't the issue. And in my opinion, and I think in the opinion of many people in the administration, it's about the future of the European security order that was crafted after the Soviet collapse.

So, during the 1990's, the U.S. and its allies designed a Euro-Atlantic security architecture in which Russia really never developed or to which it never developed a clear commitment or a stake, despite numerous western efforts to include Russia in the G8, in the NATO-Russia Council, in the Council of Europe, and other multilateral organizations. And since Putin's come to power, really, he has been challenging that architecture. And really for the first, you know, 21 years of his rule, he's complained about Russia's peripheral role in security arrangements because Russia really doesn't have decision power, that's how it sees in what happens in Europe. And he's demanded that the west recognize a Russian sphere of influence, a privileged interest in the post-Soviet space.

And now we see Putin taking the next step. He's threatened to use military force to undermine the current order and return Russia to what he insists is Russia's rightful place on the European continent. Which when he looks back to the Soviet period is essentially dominating half of the European continent and really to acknowledging Russia's rightful role in global affairs. And I think he sees this as an opportune time to do this. In his view, the United States is weak, it's divided, and it really hasn't been able to pursue a completely coherent foreign policy and has been rhetorically focused on China and has until very recently sort of wanted Russia to play a more a secondary role in all of its calculations. And don't forget Vladimir Putin is now dealing with his sixth U.S. president. So, he has seen them come and go.

So, I think Putin's core, the core driver of much of this, the background for this crisis is that he wants the west to treat Russia as if it were the Soviet Union. That is to say, a great power to be respected and to be feared. I don't think he wants to recreate the USSR but he seeks recognition really as the leader of a great power with these special rights in the neighborhood.

Steven Pifer has already described what's in the two treaties that were proposed on December 17th, but it would really mean that Ukraine, that all of the other post-Soviet countries, as well as we now know Sweden and Finland, would have to commit to permanent neutrality. They would have to issue a seeking NATO membership. NATO would retreat to its 1997 military posture before the first enlargement. And it would have to have no -- it would have to withdraw all the troops from Central and Eastern Europe. And just again today, the Russians have come specifically said Bulgaria and Romania must get rid of all the sort of NATO infrastructure troops and everything that they have.

So, this would reduce the NATO military presence to really what it was at the time of the Soviet collapse. And that's not acceptable to NATO's 30 members. Now, I don't think -- I think Russia wants more than just a veto right over the foreign policy choices of its NATO members, of its -- sorry -- of its neighbors. But it really wants to ensure that there are pro-Russian governments in countries that border Russia and including foremost in Ukraine.

So, the crisis is understood clearly in the United States as being about Ukraine's ability to make sovereign choices, about its domestic and its foreign policy orientation. What's not clear yet is whether the Russians really want to negotiate or whether they want to use failed negotiations to justify some kind of military incursion into Ukraine.

Today's talks of what we've read so far between Secretary Blinken and Foreign Minister Lavrov appear to give some cause for very cautious optimism. At least we know that negotiations will continue and there is some talk of a possible second in-person meeting between President Putin and President Biden. But on the other hand, as Steve has pointed out, if you look at the Russian military posture, it certainly sends the message that an invasion could be imminent. And we see that happening every day.

So, one of the challenges for the United States and its allies is understanding the various scenarios under which a Russian military incursion could occur. And then what the appropriate response

will be. And that really is a major challenge at the moment. So, you have a scenario where Russia could use a number of hybrid tactics, cyber-attacks, false flag operations, where it looks as if it's Ukrainian troops attacking the Russian back separatists in the Donbass region. There can be different kinds of political subversion in Kiev to subvert the government. We've already seen that going on. But that's not a kinetic war, right? But it could still be deeply destabilizing to Ukraine.

So, how do you respond to that? Or you could have a limited military incursion into the Donbass region with Russian say taking the City of Mariupol, building a land bridge to Crimea. It could recognize the independence of the Donetsk and Luhansk People's Republics, so-called People's Republics, as it recognized independence of Abkhazia and South Ossetia. Or there is, in my opinion, the less likely scenario of a full-fledged invasion where you have Russian troops going as far as Kiev.

So, there may be allied unity on how you respond to this last scenario, a full-scale military invasion. But it's not clear that that unity would be there in the event of a more hybrid or localized invasion. So, what's at stake for the United States is the future of the European order. A major military incursion by Russia will have destabilizing ramifications far beyond Ukraine and even beyond Europe. Even a limited military incursion into the Donbass to take more territory, would further destabilize Ukraine and impede its ability just for the government to function properly.

So, at the moment, the U.S. has a three-prong strategy: negotiate with Russia, continue to arm the Ukrainians, and thirdly, work with our allies to craft a punishing sanctions regime both to try and deter Russia and then implement them should a Russian military incursion occur. So, allied unity has prevailed so far. And I think we have to give both the Biden administration and the Europeans, NATO, much credit for that. And there's been many consultations with the allies, with partners in Eastern Europe as well. But we have also seen possible cracks in allied unity, which I'm sure Jeremy will talk about. And so, I think it's still too early to know whether this combination of diplomacy and deterrence is going to work.

And so, finally, I would just say the United States is going to have to craft a modus operandi that's acceptable to both sides, to the Transatlantic alliance and to Russia without compromising the sovereignty of its allies and its partners. But I think it's clear that even if a war is avoided, I don't think we're going to go back to the situation prior to April of 2021.

I think the ultimate result of this crisis could be a third reorganization of Euro-Atlantic Security since the 1940s. The first one, of course, was the Yalta system, if you like, the division of Europe into two rival blocks following World War II. The second rearrangement came between 1989 and 1991, with the collapse of the Communist Bloc and of the USSR and with a vision of Europe whole and free. Putin has now directly challenged that order with his moves against Ukraine. I think it's going to be a major challenge for the U.S. and its allies to negotiate this reorganization, but I believe ultimately they will have no choice.

MR. PIFER: Thanks very much, Angela. Jeremy, you've spent a lot of time in Europe in the last several years. Angela has talked about division in America as being perhaps one factor that motivates Putin to move now. If you look at Europe now you have Boris Johnson, fairly battered politically in London. French President Macron is facing his own reelection campaign. And you have a German government that has been in office now for I think all of six weeks. So, how does this impact Europe's ability to respond? And how do you see Europe responding to this crisis?

MR. SHAPIRO: Well, those things don't help. And I think they definitely matter for this specific response. But I would say that there's something more fundamental going on here in the European response or even the lack of European response to this crisis than just an awkward moment for key European governments. It's important, I think, to sort of let's say contextualize this. It's something that hasn't gotten a lot of attention really is that within the Transatlantic alliance, there's been a really big power shift toward to the U.S. since about 2008.

You know, from 2008 through 2020, the U.S. has outgrown the EU by more than two times the size of the British economy. And then after 2020, the EU lost another British economy in Brexit. So, that's three. Dollarization has gotten stronger since 2008. The U.S. tech dominance and follow-up by China has gotten greater relative to Europe. There has been a really continued relative military decline of Europe since then. There was an uptick in European military spending after 2014, but still much less than the U.S., Russia, or China. So, they're losing ground relatively.

And, of course, there's been just what you were sort of referring to, chronic division. The biggest example of that is Brexit, which took the, you know, the second largest or arguably the largest military power in the EU out of the EU. The European sovereignty movement in the last couple of years

has been a response to this, but to this awareness of this, but really actually very little progress has been made. And particularly not a lot relative to the problem. So, interestingly, even as the U.S. is losing power relative to emerging powers like China and India, it's been gaining power relative to its traditional allies. And I think what that has meant in this crisis is that there is a sort of return to the cold war era dependence on the U.S. in Europe, and thus to some of the cold war habits.

So, we see that the UK seems to have a desire to please the U.S. and to hug them close. We see Germany trying to lie low and hoping to a free ride, but probably ultimately going with the U.S. And we see France attempting to assert its independence but not being able to do so because it can't really find any followers for its leadership. And, of course, these differences mean that the EU as a whole, and the EU machinery is powerless because of the lack of consensus in Europe.

You know, it's not, from a European perspective, it's not as if the last 5 or 10 years didn't happen. They understand what Trump and the polarized politics in the U.S. means. They understand that the U.S. withdrawal from Afghanistan and the shift to Asia mean that there is a real desire on the part of the United States to be less involved in Europe. They also understand that when it comes to what a war with Russia would mean, a Russia-Ukraine war would mean in terms of economic fallout, in terms of refugees, in terms of energy cutoffs, and even direct military threats to EU and NATO member states, that the EU is a lot more vulnerable than the United States to this crisis. And that it has a lot of -- and then probably has different priorities than the United States even as they share overall interests.

So, what that means is that overall, there's a lot of uneasiness with the U.S., particularly in Western Europe, that's mostly due to its domestic politics and its lack of credibility and competence that it might create a mess for Europe in this crisis. And then in Eastern Europe, there's a lack of -- there's a lot of uneasiness with the Bush administration, the fear that they might sell out Eastern Europe to the Russians. But overall, there is a lack of unity, a loss of power, and an inability to reverse the trends I talk to, so, they have very -- I talked about -- so, they have very little choice but to follow the U.S. in this crisis.

And so, I think the implications of that situation are that basically outside of Paris and Brussels, everyone in Europe is pretty desperate for U.S. leadership in this crisis even if they have different views of what the U.S. should do. Inside of Paris and Brussels, they have little ability to change the situation. So, it doesn't matter much if Macron's idea for a European approach to Russia is a good

one. I happen to think that it is, but he doesn't have the followers among EU member states, especially Germany and in the east that he would need to make it meaningful.

Europeans are insisting on consultations, and they're getting them, but without an ability to present any unity or even many ideas in these consultations, they can't have much effect on the U.S. position. The easterners are trying to weigh in on Congress with some effect and through U.S. domestic politics, rather than through trying the effect the geopolitical situation directly. And so, all this means that Russia is somewhat verified in its view that Europe is a U.S. puppet and doesn't really need to be engaged separately.

I think it also means that Europe is unlikely to be either the problem or the solution in this crisis. It's hard to say, but I don't think it matters very much what most of the Europeans think. Any solution or lack of solution to this problem is probably going to come through a U.S.-Russia channel. So, you can see that in the case of a clear invasion, all of Europe is going to line up behind the U.S. and the sanctions. In the case of a U.S. compromise with Russia, the east will try to upset any deal through Congress, but probably have to end up accepting it. And as Angela talked about, in a more muddled situation, which is probably the most likely one, some countries will try to free ride and avoid sanctions, but basically they will do what the U.S. would like them to do.

This is, I think, you know, bad overall for a lot of obvious reasons. The U.S. really needs partners not supplicants and free riders. And this is a major setback, I think, to the Biden administration regardless, almost, of how this crisis comes out. A major setback to the Biden administration's hope that the U.S. could concentrate more on China and leave some of these European problems to more capable European allies.

MR. PIFER: Okay, Jeremy, that's a real interesting context. Jeremy, let me come back and ask a question to you. With that background you've outlined, how would you assess, I mean, are the Europeans though fairly united now in the moment behind the U.S. approach? This mix of offering diplomacy, but also holding out this threat of sanctions and other costs to the Russians, should the Russians take military action.

MR. SHAPIRO: I'm not so sure it's exactly that they're united behind it. It's just that they're not in a position to object to it. And they're not going to do anything about it. I think a lot of people

in the east are pretty horrified by it. I think some people in the west, as I said, are uncomfortable because they are afraid of the crisis and the conflict that might result.

But there isn't enough unity or enough leverage created to really do anything about it. So, they have very little choice but to follow the U.S. lead. And I think they will continue to follow the U.S. lead unless the Russians really succeed at muddying the situation as Angela was talking about.

MR. PIFER: For those watching, let me remind you that if you have questions, you can submit them to events@brookings.edu or put them on Twitter using the RussiaCrisis hashtag.

Angela and Jeremy, let me come back to you with a question, which is the Russians, as Angela, you outlined, the Russians seem to want a fairly major alteration to the European security architecture that emerged in the post-cold war period. And I can understand Russian unhappiness that NATO and EU enlargement have played such a big role in that. Do you think that the United States, Angela, and then, Jeremy, do you think that Europe is prepared for that kind of reconstruction of a new architecture?

MS. STENT: I think the United States would prefer not to have to engage in this. But I think there's also a realization that we've come 30 years now and the division we had after the Soviet collapse for this Europe whole and free where everyone would recognize the borders, particularly the post-Soviet states that that vision is gone. Because we've seen Russia, you know, slowly and peace meal, whether it's taking over those and recognizing the independence of those two enclaves within Georgia, Abkhazia and South Ossetia, whether it's what's happened in Transnistria. And now, obviously, with the annexation of Crimea and this war going on in the Donbass in these two self-declared republics, that that's really not working anymore.

No one wants to really have to sit down and have a wholly new conference. I mean, Medvedev when he was president, proposed that in 2008, and it didn't go anywhere. We do have the OSCE, which would theoretically be a forum where one could discuss these things, but just last week, the Russian ambassador of the OSCE, Mr. Lukashevich, after the meeting that they had to discuss Russia's concerns, was very dismissive of the OSCE and said this isn't the forum to talk about it. Which is ironic since the Soviet Union was one of the major backers of the 1975, you know, conference on security and cooperation in Europe.

So, this is all by way of saying, no, the United States would prefer not to have to do this, particularly in some new conference form. I think what the U.S. is trying to do as we seen now, is to take parts of issues where the Russians are concerned and you, yourself, have talked about this and written about it, which would have to do with missile deployments, troop deployments, things like that. Confidence building measures and try and use that as a way of getting at these Russian concerns. But right now, the Russians seem adamant that that's really not what they want. So, I think if these talks do have to happen, they will be with some U.S. reluctance. But there probably will have to be some forum found where they can take place.

MR. PIFER: Jeremy, how do you see it from the European side?

MR. SHAPIRO: Yeah, the Europeans are even less ready I think in large part because they're so divided on what the alterations to the order would be that it would just create a massive fight within the EU and within Europe that they'd really rather not have. Specific countries are ready. Obviously, the French are more than ready. But they are not creating much leadership within the EU.

I guess I would maybe take a slightly more nuanced view of the U.S. situation than Angela did though. I guess I feel as if the Biden administration at least is ready for some reevaluation of the European security order, even if I agree that they would prefer not to have any sort of talks. Their fundamental problem is not revising the European security order exactly because if you think about it, sort of putting Russia back into this stable box that the Biden administration's been talking about would obviously require such a thing and would be worth it if they were allowed to concentrate on China and their other priorities.

I think that the problem that they have -- and so, this isn't really that different than what Angela was saying -- is that that's incredibly difficult in both U.S. domestic politics and alliance politics. And that they're looking for formulas in both of those areas that can allow them to reach some sort of compromise with Russia that doesn't in the first instance reinforce this emerging weakness frame about the Biden administration and U.S. domestic politics. It won't allow them to be absolutely skewered in the Congress and in domestic public opinion for doing this. And the second instance won't create further ruptures within the NATO alliance.

And so, those are very difficult circles to square and I'm not sure they're going to find a

solution. And so, I think in the end I'd end up in the same place that Angela is that they'll probably have to take the careful track. But I think it's important to recognize that they would probably like to do something on this because they don't see any fundamental U.S. interests at stake in the questions of Ukraine.

MR. PIFER: Pavel, let me come back to you and ask, you know, if there was a readiness in the part of the west to look at a reorganization, a redo of the European security architecture, what do you think the Russians are looking for?

MR. SHAPIRO: Well, I mean, they've outlined --

MR. PIFER: I was going to Pavel.

MR. SHAPIRO: Oh, okay.

MR. BAEV: Sorry, I misunderstood. Yes, it is from what Russians are demanding, it's really hard to figure out what they really want here. Because the demands are going so high and deep that it's really beyond possible. And it's clear that as far as the whole European architecture is concerned, which is formally present with Russian demands, for them the OAC is something of no interest whatsoever. Not least because one of the baskets of the original Helsinki Accord was an agreement on human rights and respect of freedoms and liberties, which for the present-day Russia is a no-go, is matters which are not up to discussion at all. It's internal affairs and any criticism is brushed off as interference in the internal affairs.

So, what is the end goal for the whole Russian offensive for Putin's new war, which to all intents and purposes, is already ongoing in various forms going probably beyond hybrid which we have seen before, is much more assertion of Russia, you know, great power status. It's ability to dominate its neighborhood, which it has proven in Kazakhstan. And so, that's probably something which inspires, which gives new impetus to thinking in Moscow that we can be a producer of stability. We can guarantee the autocratic, authoritarian, despotic order in this space but, you know, it really is an illusion. Because when they try to describe the challenges to this order, it's coming from outside and that's the mainstream thinking.

It generally goes against the very basic tenets of kind of Marxism, which always tells you that revolutions are driven from inside. And that's what happened in Kazakhstan and that's what

happened in Armenia. And that's essentially what is happening in Ukraine. Countering that with your ideas about projecting military power isn't really a way forward. So, I think it's much more the fundamental confusion in Putin's mind, which is kind of which explains why this crisis is so personalized obviously. Why it is so very clearly driven by his fears and emotions over his ambitions and idiosyncrasies.

MR. PIFER: Okay. Let me pose this question which has come in. Successful diplomacy usually -- and I'll pose this to all three of you -- successful diplomacy usually means crafting and selling compromises that in the end nobody really likes but they can grudgingly accept. Do you see that kind of space for compromise between the western position, the Russian position, and let's not leave Ukraine out here, that there might be some kind of acceptable compromise that would allow the sides a way out of the crisis? And I throw that out to all three of you.

MR. SHAPIRO: I can start if you'd like.

MR. PIFER: Sure.

MR. SHAPIRO: I think that there is room for, as I was implying, I think there's room for compromise between the U.S. and Russia. I think if it's a question of bringing onboard all of the -- all of the OSC members for that compromise, then there is no such room. So, on a certain level, the U.S. has to decide whether it's willing to accept compromises and impose that on certain of its allies.

You know, I always sort use this joke about a couple searching for a house and first the wife -- the first house they see the husband hates it and the wife loves it. The second house they see the wife loves it and the husband hates it. And so, finally, they compromise and they agree to buy a house that they both hate. And I think that if for the U.S. and Russia to get out of this crisis, they're going to definitely have to buy a house that they both hate.

But I think that there is, given that really there are so few U.S. fundamental interests involved in things like NATO accession to Ukraine, which after all, it's not U.S. policy to admit. There's no process for admitting Ukraine to NATO. So, it seems rather strange to go to war with a nuclear power over something you have no intention of doing. So, because this crisis is very much about abstract principles and not really very solid interests, it does seem like to me, there's room for compromise.

I think that that for a variety of reasons that we've discussed, it may be incredibly difficult

or even impossible to find that compromise. And I think that particularly relates both to U.S. domestic politics and to the alliance politics that we've talked about.

MR. PIFER: Okay. Angela?

MS. STENT: Yeah, I mean, I agree with that. Obviously, if they do find a compromise, they won't be happy about it. But just to reiterate, on the two fundamental demands, right. NATO is not going to say Ukraine will never join NATO because again, it's very abstract. There's no process. But there is an understanding and the Russians themselves know that that as President Biden and European countries have said, right now the issue of Ukraine's NATO membership it's not an actual issue. And it won't be for the foreseeable future nor are there really plans to admit any other members in the near future. And, therefore, there could be, you know, there can be an understanding about that even if you don't have, you know, what the Russians are demanding, which is a written guarantee that this will never happen. I mean, that's possible.

And I think on the other non-negotiable demand as it's presented in the treaties now, which has to do with NATO, you know, withdrawing to essentially where it was in 1997, before the first enlargement happened, there are discussions that I understand have already been at least laid on the table about troop movements. About certain classes of missiles and weapons not being deployed, you know, in, you know, certainly in countries like Ukraine. I mean, the Russians have raised issues about systems of missiles that the U.S. doesn't or weapons that the U.S. actually doesn't have any intention of deploying.

So, it seems to me that on that broader issue about the sort of NATO forces and equipment in current NATO members, you can still have -- you can have some discussions about -- and Stoltenberg, you know, General Secretary of NATO has said that about reducing or taking Russian considerations into account. So, I think there is room for compromise. But some of these compromises would have to be understandings and not necessarily things that are, you know, are signed treaties. And I know that's going to be very difficult and maybe unpalatable but it's not impossible.

MR. PIFER: Pavel, let me come back to you and ask, you know, would from the Russian point of view, concrete negotiations on things like limiting the size and scope of military activities and exercises near the NATO-Russia border regions, things like a negotiation on missiles, I have to agree

with Angela. I mean, the only person I've heard talking about American strike missiles in Ukraine is Vladimir Putin. And I don't think these missiles have even been built yet.

So, you know, it may be easy to talk about agreeing not to put missiles that haven't been built in a place that you did not plan to put them, if there's some reciprocal movement on the Russian side. But, Pavel, would that be enough? I mean, that you wouldn't, I mean, as Angela says, there's these abstract principles where NATO's adopted a pretty firm view. Would that discussion on arms control, transparency measures, you know, would that be a diplomatic way out that the Russians could accept?

MR. BAEV: You know, every logical reason points in this direction. There is space for negotiations and for bargaining and for arms control. But it's very clear that the Russian diplomats, Russian negotiators are not giving any mandate of this kind. That what is on the table is deliberately framed in such a way that compromise is beyond reach. So, I don't think there is any chance for measures which generally could have been good for European security, could have really enhanced the open posture in Europe, could have lifted a lot of tensions and reassured a lot of doubts.

And it looks like Russia is not interested at all in these matters. Because, again, much like the idea of behaving in a stable and predictable way, for Russia, the compromises of the sword frame the situation where suddenly Russia is not important anymore, not interesting anymore. Where stability, which is to rebuild and reconstitute it, essentially means further destabilization of -- destabilizations of Putin regime inside.

So, I don't think compromise is in the cards. I don't think Moscow is looking for a compromise. I think Moscow is much more on the course of saying we have tried everything, we have tried diplomacy, we have given it every chance, now, we move. What sort of move, I think that is still debatable. And it still might be something surprising. I don't think Putin is going to deliver what is expected from him.

MR. PIFER: Okay. We have about one minute left. In 20 seconds, can each of you say where do you think we'll be a month from now? Will diplomacy still be ongoing? Will we have seen a Russian surprise? Will there be Russian military forces moving into Ukraine? I won't hold you to this because I would not want to make that firm bet myself. But, you know, what expectations --

MR. SHAPIRO: What's your answer, Steve?

MR. PIFER: Huh?

MR. SHAPIRO: What's your answer first?

MR. PIFER: My answer is I'm actually I've been growing more pessimistic over the last six weeks that the Russians are painting themselves into a corner from which it will be very hard to extract themselves. Your turn, Jeremy.

MR. SHAPIRO: Fair enough. I think even though I don't know what I'm going to have for breakfast tomorrow morning, I still think that a month from now, we will roughly speaking be in the same place that we are today.

MR. PIFER: Okay.

MR. SHAPIRO: Which is that we will be still under threat of this, but negotiations will still be continuing.

MR. PIFER: Angela?

MS. STENT: I would just remind you that in a month's time the Beijing Olympics will just have ended and people think that if Russia is going to strike militarily in some fashion, it would wait until then to do it. It doesn't want to repeat of what happened in 2008, when the Georgia war with Russia broke out just during the Beijing summer Olympics.

Well, I agree. I think we probably will still be trying to negotiate with the Russians. I don't think there will have been de-escalation. So, I'm not really sure we'll be any clearer in one month than we are now.

MR. PIFER: Okay, and Pavel.

MR. BAEV: Yes, I think the difference probably is in Putin's visit to Beijing for the opening ceremony. I think if one person can talk reason to him, it's Xi Jinping. It is really a leader who Putin is listening to. And I think Xi Jinping is not interested in the war, not in next month, not in the course of Olympic games, not in the near future. So, I hope that's our chance to be in a better place a month from now.

MR. PIFER: Thank you very much. Let me say I hope that the three of you are right and that I am wrong. That brings this panel to an end. And I'll now look forward to turning this over to my colleague, Constanze Stelzenmüller, for a discussion of the policy options. Where does the United States

and west go from here? Constanze, over to you.

MS. STELZENMULLER: Hi there. Hi everyone. Good morning. My name is Constanze Stelzenmüller. I am a Fritz Stern chair and senior fellow at the Center on the U.S. and Europe at Brookings. And it's now my pleasure to moderate our second panel about policy options for deescalating tensions.

I am going to be joined by three colleagues. Fiona Hill, a senior fellow at the Center on the U.S. at Brookings. Jim Goldgeier, who is -- or James Goldgeier, who is a visiting fellow currently with us, but is on a sabbatical at Stanford for now in probably much nicer weather than we have here. And finally, -- hi, Fiona, I just introduced you. And then Douglas Rediker who is a nonresident senior fellow also at the Center on the U.S. and Europe.

Before I go over to our panelists, I just want to remind everyone that we are on the record today and streaming live and if you have questions, please send them by email to events@brookings.edu or on Twitter using the #Russiacrisis.

And with that, Fiona, I'd like to start with you if I may. This second panel, as I said, we're going to discuss policy options to deal with this crisis. We already had some of that in the first panel. But you as one of the country's preeminent Russia experts, the author of a biography of Putin, and having served as a Russia advisor and Putin whisperer, as it were, for three different administrations, it seems to me watching these conversations between the administration and the Europeans and the administration and the Russians and the Europeans and the Russians, that I sometimes wonder a), whether we are finding the right way to talk to Putin and the Kremlin. And conversely, how good the Russians are at reading us. Do you want to get us started off on that? How do we conduct this diplomacy? Is there anything -- are we getting it right? Is there any recommendations that you'd like to give?

MS. HILL: Look, I think there are a lot of issues. And one of the reasons I came on a bit late there, there was this little scrambling to listen to -- I missed what Pavel said at the very end because I had to watch on YouTube before I came in here. So, you know, I'm sure there was poll of wisdom there that I have missed. Because I think the way that our colleagues have laid this out, just really underscores the problem.

First of all, we have some structural problems as all of them have laid out just in the kind

of the nature of, you know, the European institutions, you know, the divisions that Jeremy described. The dilemmas that are facing this administration as Angela, you know, also made clear. I think, you know, bear in mind Angela's point that Vladimir Putin has been in office at the same time as six different U.S. presidents. I was saying five in previous things, but I think, you know, kind of making that count along that underscores the very question that you have raised, Constanze, about how good are we in talking to the Russians and communicating.

We, as a changeable entity all the time, there are different people out there talking. As Pavel has described, at different phases. The Russian diplomats are not always fully empowered or even fully informed as they go into negotiations. They have their talking points. They themselves don't necessarily know what Putin is thinking. Let alone whether we think what he's thinking. Our diplomats, when they go out to these talks, actually have quite a lot of latitude and quite a lot of scope to propose all kinds of things like further talks on key issues as was being laid out in the previous panel.

But from Putin's point of view and the Russians' point of view, he's been there the entire time. He's something of a unitary actor. There's not much opposition to anything in Russia right now. The only real viable opposition to run against Putin, you know, of his reelection in 2024 is Alexei Navalny, and he is in a penal colony. Other opposition has been muted and silenced or neutered completely. The Russian press isn't on, you know, Putin's back at every moment. He isn't a member of a political party. So, he doesn't have, you know, anybody breathing down his neck about -- he doesn't have Ted Cruz, you know, sitting there in the Russian parliament, you know, constantly not just second guessing him, but, you know, pushing through, you know, bills or blocking ambassadors, you know, for example.

I mean, he can really act with a certain kind of impunity. At least, you know, kind of in the domestic front. As Pavel has said, he has plenty of opportunity for a surprise. I mean, I think, you know, what Pavel said should really be getting a lot of our attention now. I mean, I do hope that, you know, the people that are listening to this, and, you know, now thinking, yes, he could act in many different ways and not just in Ukraine.

And the point of this is how then, as you've suggested, to communicate. I think, you know, given the limitations that we have ourselves in terms of creating common talking points just even in the U.S. Government, common talking points with all of our allies, we do have to take this to a larger

stage. Now, look, if Putin actually does do something in pulling out of the test ban treaty, Pavel also pointed out that other countries signed this including China. And at least, you know, kind of they put it on their agenda. It's been signed and ratified by other countries. Other countries may not have actually ratified it as Pavel was, you know, just clarifying that a moment. But it is an international treaty. And there are other instances here where there is a larger forum and a larger set of issues at play.

A lot of the things that Russia is doing right now have implications beyond the European security arena. So, if I was thinking about this and, you know, advising it and, you know, which I am, is how to get other countries involved in the discussions here. And if Russia violates, you know, the test ban treaty and does a test in (inaudible), no it won't just be Europe that'll be worried, it'll be, you know, we'd be worried about North Korea for God's sake in terms of testing nuclear weapons and missiles.

We are here trying to have discussions again with Iran about going back to the negotiating table on the JCPOA. What Russia will do in all of these instances including invading Ukraine will put larger international issues at stake and set a precedent for others. So, that will be one way in which we can approach things. And I think, you know, on the financial, you know, and thinking about Doug and, you know, Jim and what they might say here, there will be much broader implications about anything we do as well for other international issues. So, we have to think about this in a much bigger frame than just, you know, what is happening narrowly here on Ukraine. I think, you know, the previous panel really put us there in a very different place.

MS. STELZENMULLER: Thank you, Fiona. I think that's a really valid point. I mean, it does -- in Pavel's suggestion of Russia pulling out of CTBT does seem to indicate as though Putin was extending this, shall we say, framing of a stress test, you know, pushing multiple pressure points. That's what he was doing previously in the fall, wasn't he, by pressuring us in the Black Sea in the Baltics. The ASAT test created so much debris that the people on the International Space Station had to scramble for cover, and so on. And that would be yet another pressure point extending the radius of the regional area in which he has applied that. I think that's a very useful point.

Let me ask you something else, which is one of the -- one of the readings of his behavior that has cropped up is this is a lonely man who gets very little advice who has stopped listening to his advisors. And whose mental state may be sort of, I mean, frankly occasionally I've been joking about this,

but it's maybe there's a kernel of truth. It makes him sound like Howard Hughes in his final years. You know, some hold up and not quite connected to reality. Do you think that this is remotely accurate? And if so, does that add to the risk of this situation?

MS. HILL: Look, I mean, we all have to kind of be careful about projecting mirror imaging. I mean, all of us, you know, have kind of seen ourselves sitting in the same little Zoom box, you know, for years.

MS. STELZENMULLER: Yeah.

MS. HILL: I didn't think I'd still be two years on. So, I've still got my Christmas tree back here. You know, I can't even, you know, get out of December, you know. So, you know, there is something to be said, you know, if we all want to, you know, project onto Vladimir Putin our own angst and, you know, anxiety about where things are heading. You know, he is a human being. He is admittedly in a very splendid isolation, a very different kind of isolation from the rest of us. You know, he doesn't have to run down to the 7-11 to get milk because, you know, it's kind of missing in the local supermarket. He's got all kinds of, you know, advantages that we ordinary mortals do not have.

But at the same time, he is existing in a very constrained environment like everyone else. I mean, there's something to be said here about, you know, diversion away from things happening at home. Extraordinarily high infectivity rate in Russia like everywhere. Real problems of the blowback, the boomerang effect of Russia's antivax campaigns coming right back to haunt them and Eastern European countries with very low vaccination and certainly very low booster rates. So, you know, Omicron running amok there. Worries about the future. The future stability as Pavel, you know, has already said of his regime. As, you know, they hit the 2024 mark when he, you know, has to do something about, you know, passing the baton up, staying, you know, and in power. Windows that may or may not be closing in terms of his thinking about his legacy. Certainly, a major opportunity right now here as he sees it in Europe and elsewhere to take action because he smells and sees weakness.

But absolutely right. What kind of information is he getting? And if I think back to all of the years of watching, you know, Vladimir Putin from time on, he, you know, kind is obviously still the master of his game. You know, you watch him on, you know, the town halls that he has, the call-in shows. He's still got a lot of details. But he also sounds a little bit, you know, stale and hackneyed. You

know, because, you know, kind of he's been there a very long time. He's not getting out in the way that he used to for sure.

And you do, you know, start to wonder about what information he's getting, not just about what's happening in Russia itself and globally, but what information does he have about the facts on the ground in Ukraine? There's been a rupture in Ukrainian and Russian relationships, apart from, you know, perhaps at the very top, you know, with a few oligarchs and others going backwards and forwards since 2014. Does he really know the dynamic there? What about the dynamic in Europe? Putin knows oligarchs. He knows the energy sector. He knows businesspeople that, you know, kind of interact with him. He reads polls, you know, like we do. Polling the, you know, Europeans don't want to be in the middle of a fight, you know, just like they didn't in the cold war between, you know, Russia and the United States. Polling, you know, in Alavardo and other pollings show that everyone's blaming the United States for this. It looks like it's going in his direction.

But does he really understand the dynamics? You know, does he see a risk of miscalculation? We all project to him all the time. It would be insane for them to go into Ukraine. But the worry is, it might not be from his perspective, because he's looking at different information and his mindset is very different. So, I do think that there is something that we have to be very mindful that we really don't know what the dynamic is. And there is a real risk that he is getting some pretty poor-quality information on all of the issues that he has to factor in when he's making a calculation of his next move.

MS. STELZENMULLER: Right, well, I take your point on the importance of not projecting our own fears. I think that's a really important reminder. Let me move to Jim Goldgeier. Jim, let's move from the personage of Putin and the Kremlin to the U.S. and NATO. But I'd also like to talk about the U.S.-Ukrainian bilateral relationship. Do you want to give us a roundup of how effective you think U.S.-NATO diplomacy has been and what the options are there?

MR. GOLDGEIER: Sure. I mean, it's great to with everybody. And first of all, I just want to say, I mean, I think the Biden administration is doing a really good job in recent weeks with all the moving parts that exist. I mean, and there a lot of moving parts. As you mentioned, there's the U.S.-Ukraine relationship, the NATO-Ukraine relationship, you know, trying to ensure that the Ukrainians don't do something that gives Putin, you know, a pretext to invade. That they don't do something escalatory as

happened 2008 with the Georgians and Russians leading to war.

Also, we're seeing, you know, efforts to provide more assistance to Ukraine though in the event that it has to defend itself. And then you've got the issues with respect to the NATO allies. The Russians want to keep as much as they can in a U.S.-Russia context. They would love nothing more than to be able to say we're deciding these issues for Europe, you know, bilaterally. It's the two big countries, U.S. and Russia.

And so, the U.S. is having conversations with the Russians, but very mindful of not trying to lead anyone to think that the U.S. is going to be making decisions on behalf of Europeans, on behalf of the Ukrainians. Keeping the NATO allies unified in trying to come up with a response and trying to keep the focus on concrete agreements on things that would reduce tensions in Europe. Issues like missile deployments, issues like size and scope of military exercises. You know, other confidence building measures. The United States recognize it. The European allies recognize it. Russia has security concerns just like any other country. Ukraine has security concerns. Estonia has security concerns. What can be done concretely?

And I just want to mention one other thing, which is this bigger issue that was proposed by the Russians in December and that they keep coming back to and this question of a written response to this, this big demand that NATO and the United States provide a written guarantee that Ukraine will never become a member of NATO. I think people who think there's a silver bullet here and that if just the United States and NATO agreed that they would never -- in a written manner, that they would never take Ukraine into NATO that that's some kind of silver bullet. I mean, Putin has shown his own views on how important or not written agreements signed by predecessors are. Mikhail Gorbachev signed the INF treaty in 1987. Putin violated it. Boris Yeltsin signed the Budapest Memorandum in 1994, respecting Ukraine's territorial integrity and sovereignty. Putin violated it.

He's watched American presidents walk away from agreements previously signed. George W. Bush walking away from the ABM treaty. Donald Trump walking away from the JCPOA with Iran. So, then the question is why did he put it out there? I think he put it out there it could be a number of reasons. The, you know, if it's rejected it gives him a pretext. It can sew division within the alliance to have this conversation. It can lower morale in Ukraine to have this conversation. I think he put it out

there. He knows it's not going to be accepted. And so, I think we need to ask why it was put out there and how to deal with that issue while focusing on specific real, concrete objectives.

MS. STELZENMULLER: Let me ask you something though, Jim. Would it make sense in your view to have the alliance respond with something like a declaration of first principles? Things that are not negotiable and that we will not do?

MR. GOLDGEIER: What do you have in mind?

MS. STELZENMULLER: The right of allies to choose -- the right of countries in Europe to choose with what organizations to ally themselves is not up for disposition.

MR. GOLDGEIER: Well, I think --

MS. STELZENMULLER: Territorial sovereignty is not up for disposition.

MR. GOLDGEIER: Yeah, I think this gets back to the fundamental issue, I think, in Europe, which is the 1975 Helsinki Final Act, which sought to provide these kinds of principles --

MS. STELZENMULLER: Yeah.

MR. GOLDGEIER: -- that, you know, you would not -- you wouldn't invade other countries. You wouldn't change borders by force. The countries did have the right to choose their own futures.

MS. STELZENMULLER: Yeah.

MR. GOLDGEIER: And I think that those principles remain important. They were committed to by Putin's predecessors, Mikhail Gorbachev and Boris Yeltsin. And I think it is important for the United States and its partners in Europe to make clear that it still believes in the importance of these principles and that countries should abide by them. And put the burden back on Putin.

MS. STELZENMULLER: Right.

MR. GOLDGEIER: Putin has through this crisis, has put it on the west in this whole issue. He's gotten everybody talking about NATO enlargement instead of talking about what he's done to violate the European order that countries --

MS. STELZENMULLER: Absolutely.

MR. GOLDGEIER: -- have basically (inaudible).

MS. STELZENMULLER: So, in other words, a written response to those two sort of

outrageous pieces of paper put out by the Kremlin could be a very calm reminder of the principles that we have all signed up to, including Russia. And that that's it. And that we're willing to talk about confidence building measures and about missile defense. Is that about -- would you agree with that?

MR. GOLDGEIER: Yes, and I think getting the negotiations on these concrete things that should try to reduce tensions like exercises, disposition of military forces, agreements on missiles. I think that that's the way to go. And I think the administration's trying to do that.

MS. STELZENMULLER: All right. Now, let me ask you one last thing, and I also want to say to our other two panelists, Fiona and Doug, that if you want to come in on this with a two-finger at any point just, you know, raise your hands. This isn't supposed to be a two way. And I do have questions also coming up from the audience that I want to inject.

But let me perhaps raise two current points. This morning Blinken and Lavrov had a conversation in Geneva and I thought the remarks coming out of that were notably less confrontational and frosty. And indicated a willingness to continue talks. Is that your sense as well? Or is this just more stalling and working for time?

MR. GOLDGEIER: Well, I think stalling and working for time is great. I think, you know, saying, you know, Secretary Blinken said that the United States is preparing a response as the Russians have asked for, demanded really, to their proposals that they put out publicly in December. And that then there would be a follow-on meeting between Secretary Blinken and Foreign Minister Lavrov. I think we could also expect another conversation in some form between President Biden and President Putin. And I think that would be all to the good. I mean, as long as they are continuing to set up the next round of talks, then that is only to the good.

MS. STELZENMULLER: Right. Thank you very much. Fiona do you want to come in on this at all? Otherwise, I'll move to Doug. You're on mute.

MS. HILL: Yeah, sorry. I was just going to say yes to move to Doug because I do think a lot of the financial issues here --

MS. STELZENMULLER: Exactly.

MS. HILL: -- which, of course, are Doug's bailiwick, are very important because, you know, President Biden has been promising, you know, some kind of punishing response, you know, to an

invasion in the form of --

MS. STELZENMULLER: Yeah.

MS. HILL: -- sanctions. I think, you know, the biggest concern we all have is there is, well, that might not be as meaningful as, you know, we think.

MS. STELZENMULLER: Exactly. Well, thank you very much. That, indeed, brings me to our third panelist, Doug Rediker who is our economics and sanctions expert. Doug, I want to talk about two things with you. One is Russian coercion through energy policies. This is also a question raised by one of our listeners, John Bergman. But also, about sanctions. Maybe let's start with the energy question briefly. How real is the power of Russia to coerce with energy suppliers in Europe? And what can allies, what can the U.S. do to mitigate that in the short term and perhaps in the -- I mean, in the longer term, I think we can all think of things, you know. Change your energy, diversify your energy supply, you know, build more L&G terminals, yada, yada. But that kind of thing takes a lot of time. It takes years. What can we do in the short term?

MR. REDIKER: Yeah, well, you know, you hit the nail on the head. Those sort of things take time. And certainly, the U.S. and others had been warning the EU, specifically Germany let's point out, for years about the EU's gas dependency problem on Russia. Obviously, this is a topic that came up repeatedly when Angela Merkel was the chancellor. There were a lot of commitments made about, you know, if Russia were to use energy as a weapon, as if this was a theoretical concept that had never been contemplated for real, much less actually undertaken, which, of course, we know is not the case.

So, Europe has been willfully blind to the fact that they've got this, you know, Russian gas dependency problem. And it is creating an economic divide between EU members. Between the EU and the U.S. And that's something that clearly, you know, Vladimir Putin is well aware of and seeking to exploit. You know, in the short term, you know, this is winter, obviously. EU gas shortage is already well below 50 percent capacity. You know, Europe dropped the ball on energy security. Energy prices are sky high. Russia accounts for about 40 percent of Europe's gas imports.

So, you know, that's just the framing of where we are. It is very, very hard and I'm not a technical energy guy. So, I can't tell you how many, you know, cubic meters of liquid natural gas needs to be replenished by what means. But we know right now existing sources, if you take Russian sources off

the table, that Europe cannot use its existing energy supplies and maintain both heating in homes and manufacturing and other industrial capacity as it is right now.

So, Putin knows this. Of course, you know, there's a perverse element to this, which is as the crisis accelerates, gas and oil prices go up. And, of course, Putin benefits from higher gas and oil prices. There is a point at which if you're not exporting, obviously, the price increase doesn't matter if you're not exporting. But what Putin has done extremely successfully is create new channels, not just for energy, but for other aspects of trade and financial exposure to the east.

So, you know, do not dismiss the fact that Russia has tried to sanctions-proof its economy. And in many ways, I mean, sanctions-proofing is hard. So, it's not as if it's a 100 percent successful effort. But clearly, on the energy side, you know, Putin is engaging in more and more energy diplomacy with China. And is allowing himself to potentially benefit from dollar denominated imports. Remember, they get energy import dollars. Their budget is denominated in rubles.

So, there's a great irony here. The weakening ruble, the rising cost of energy, the fact that those energy costs are denominated in dollars, and the fact that Putin has created alternative sources by which to export some of this gas and oil, but primarily gas, you know, does mean that Europe could end up being on the short end of the stick on this. And Russia ends up -- sure, he gets hurt. And we'll get to sanctions in a moment. But he gets hurt by this general dynamic of the energy export shift but maybe not as much as the Europeans get hurt by lacking the alternative sources of energy that Russia provides.

And again, this comes in the context of energy transformation, a green transformation, a shift away from nuclear in Germany, a shift away from coal everywhere. This is not a great dynamic in terms of leverage for Europe to be saying, well, we're going to puff out our chest and support the U.S. in a very tough line against Russia. Russia has a very, very dominant card here and that's the energy card.

MS. STELZENMULLER: Right. Let me perhaps add as the lone German at this event that Germany has the largest energy gas storage facilities in all of Europe. And that a number of those are owned by GasCom, which isn't helping things. And although there is a federal network agency emergency plan against cold winters or supply shortages, nonetheless those storage facilities were near to empty at the beginning of the winter because of a harsh previous winter.

I have to say that I still haven't bent my mind around the fact that there isn't a German national or a Europe-wide resilience plan that monitors the state of the storage facilities and then asks the question, are we as Germany, capable of organizing not just supplying ourselves, but organizing reverse flow to our neighbors from these storage facilities in the case of either a harsh winter or a politically induced, Russian induced supply crisis. I think that's definitely a policy prescription for the future for both the Germans nationally and the Europeans.

But let's move to --

MR. REDIKER: Let's weigh in on that and then we'll get to the next. But, you know, the fact that is you've got that enormous dichotomy of use between the Germans and the French, but that's really reflective of Europe more broadly which is to say the French have said for years, nuclear, nuclear, nuclear. The Germans --

MS. STELZENMULLER: Right.

MR. REDIKER: -- have said no nuclear. And you've got other countries that have said we will provide transit of natural gas or other non-nuclear supplies to other countries, including Germany. And you've had the French say, no, because we want to export our energy to Germany. We don't want to be a transit hub for you, country X, to transport through France to get to Germany. So, the fact is Europe doesn't only not have a resiliency plan, they just don't have a comprehensive energy plan whatsoever.

MS. STELZENMULLER: Okay.

MS. HILL: Yeah, can I --

MS. STELZENMULLER: Fiona, yes.

MS. HILL: -- add something on that, yeah, Constanze, just very quickly. Because this is exactly, you know, one of the reasons why, you know, Putin sees an opportunity to act now. Because, you know, there is a cost of risk no matter small it might be. The Europeans unifying on this issue and trying to get their act together. They also know that coming out of the Glasgow Climate Conference in the summer that, you know, eventually there is going to be, you know, some serious effort to diversify away from hydrocarbons. It's going to take a long time. And I think we're all unrealistic about how difficult that's going to be.

But that also actually factors into the chaos that we have at the moment. Because gas is

always seen as a transitional fuel on the move to something else. And so, that actually somewhat precludes them that strategic thinking in that short to medium term if you don't know what that is. Off building of these storage facilities and, you know, building intercontinental connectors. I mean, one of the issues was for L&G, for example, not just from the United States, but building, you know, interconnectors across Europe to create that resilience in a more diversified network.

And, you know, one of those connectors would have to go across the Pyrenees from Spain to France. And the French for all the reasons that Doug has said were, you know, were reluctant to do that. And also, given the fact that while, you know, in the future we have to move away from gas anyway. So, I think, you know, our problem is that we haven't got our head around at all, you know, the implications of the transition that we're trying to make from the hydrocarbon economy to something else. You know, some of our ideas of renewables have brought us back to Russia again, you know, with that long grain timber and pulp and paper and, you know, other, you know, kind of fuels. Russia's generation of electricity, for example, for export.

And we just, you know, because we keep moving on in time and changing governments, you know, with different perspectives and, you know, different representatives, you know, while Putin stays the same and focused on all of this and not just GasCom and, you know, the Russian energy sector. We just have an awful lot of problems there to content with. Putin knows it and this is a great opportunity to move now before, you know, we start to get our act together in some way.

MS. STELZENMULLER: Right. So much for that sorry part of the picture. Doug, let's talk about the economic sanctions. I have a question here from a gentleman called Peter Asperstrand (phonetic). What is the efficacy of the western deterrence strategy, mainly sanctions, considering the siege economy that Russia has been building over the years with very high reserves, low debt, and minimizing dollar trade?

And let me add to that, if I may, a follow-on of my own, which is we all know that economic sanctions are the preferred path for the alliance because nobody really wants to contemplate western boots on the ground in Ukraine in response to a Russian attack. And but that these economic sanctions will generate massive blowback on western economies and Europeans are much more vulnerable to that blowback than America is. And the first and foremost among those who are vulnerable

are, in fact, my country Germany and then after that Italy. Is it possible to conceive of a strategy that encompasses this blowback and tries to mitigate it or minimize it?

MR. REDIKER: Well, all right. So, first of all, the U.S., which is obviously leading on the economic sanctions creation front, is not going to use the same playbook as they did in 2014. And in 2014, the idea was you created an escalating ladder of sanctions. And let me just take a step back and without going into too great detail, remember the premise of economic sanctions is that it hurts commercial and financial private interests. And at least in the U.S., but certainly in most, if not all, European countries, you can't do that without a legal predicate for doing so.

So, crafting these sanctions is hard. It requires a lot of work. It requires a lot of coordination between the U.S. and Europe. It requires a lot of coordination with the legal authorities. It's hard to do. In 2014, the Obama administration spent a lot of work doing that along with its European counterparts. So, there is effectively a roadmap that you can pull off the shelf and use now.

And the idea of this escalating sanctions, let's say they got on a scale of 1 to 10, to level 3 or 4 before. Well, I think that the Biden administration's approach now is not to go to 5 or 6, but to start at 9 or 10. So, I think it is to go up in a big way. But the problem is -- I don't want to say the problem -- the issue is that when you're down at the three or four level, the premise is that you're going to be scalpel-like, you're going to be targeted, and you're going to be asymmetric. You are going to try and hurt the other guy more than you hurt your own interests. That makes sense.

The problem is now if you go big, you are by definition going to be hurting their interests a lot and our interests a lot too. And as you said when you were asking the question, Constance, a lot of the economic relationships between Russia and Europe versus Russia and the U.S. are way disproportionately tilted towards Europe. So, when we, the U.S., ask our European allies to come along in a big sanctions package, it makes great strategic sense, but let's be clear, it hurts them, European countries, more than it hurts us, American commercial interests. That doesn't mean they won't be hurt across the board. And it starts from the premise that in a warlike setting, which is effectively what this is, you've got to be willing to take a hit. You've got to be willing to make a sacrifice.

And again, the old way of looking at sanctions was, minimize the sacrifice on our end to maximize the targeted impact on the other end. And now, if we go big, it is likely to be max, well, max -- a

lot of impact on all sides and that is going to have some pain. So, even if we do get there, it is really going to be -- and I do think -- I think Pavel said it before. I think we all agree. Europe will reluctantly in some cases, but it will reluctantly go along with a major sanctions package initiated by the U.S. whatever that looks like.

But how long is that sustainable? We'll see. And as we said before, Russia is sanctions proofing its economy looking to the east with China. Let's see how long this actually plays out in an effective way. One of the things about sanctions, especially when you're threatening to go big, is the threat of going big is more of a deterrent sometimes than the actual impact of once you pull the trigger and see where it settles out. Because the disruption is so symmetric that you might lose public support for continuing to do so anyway. So, actually it's that threat that is a big deal more than pulling the trigger, which again, is why President Biden's misstatement the other night was so potentially damaging because if it undermined the credibility of that coherent U.S.-EU threat on going big, then it had the risk of undermining the threat aspect of this which really is the deterrent aspect.

MS. STELZENMULLER: This is fascinating. Thank you very much. I think that was a very helpful exposition. Let me ask you something that I occasionally hear in Berlin. I'm not sure it's a critique that I share, but I'll just put it out there. Which is I hear people who, you know, think of themselves as transatlanticists, but on the sort of center left side of the political spectrum saying, well, if the Americans really sort of want to prove, you know, want us to incur this kind of damage to our economy, why don't they themselves stop importing oil from Russia? That would be the right signal to make us move. Do you find that persuasive? Is that a reasonable request?

MR. REDIKER: So, I'm not an expert on oil import/export dynamics. First of all, oil is a global commodity. So, we know that, you know, it's on ships. That's why there's a market price. Liquid natural gas is more difficult to transport and that's why it's a more discrete pipeline based or, you know, other forms of transit. But there's an oil price out there and I think the U.S. is -- I mean, I don't know this as a fact -- but I don't think we have a huge dependency on importing Russian oil. And even if we wanted to say we're not going to do it anymore, importing oil from the global market as and when we need to do so, means, you know, you're replacing a fungible good in a global market that is interchangeable. So, I don't buy that argument as a very credible one.

MS. STELZENMULLER: Right, okay. I was just relaying it. It's something that I hear. Let me ask you another question that's popping up in the chat from Brian D. Taylor. And again, if you, Jim and Fiona, want to jump in on this one, please feel free. Alexei Navalny recently told Simon Shuster of *Time* that what the west should do in terms of sanctions is to go after Putin's own fortune and the bagmen who keep it for him in western banks. How feasible is that either in technical or political terms? That strikes me as a really good point.

We keep talking about financial sanctions, export controls, and swift. But there has been very little conversation about publicizing and cutting off the financial relationships that the celebrity around Putin and Putin himself have with western financial institutions. And let me maybe just make this a little even more pointed, is this because those institutions are not just in Europe and in Germany, although they certainly are there, but they also have relations with American institutions?

MS. HILL: Can I just jump in here --

MS. STELZENMULLER: Yeah.

MS. HILL: -- and push in a different way on this well and Jim. Because there's a personal element to this that I don't want to get kind of lost in the mix for people here. Because you said, you know, in the question, you know, Brian says, you know, Putin's personal fortune and the bagmen. A lot of Putin's personal fortune as we know from Panama papers and Pandora papers is held kind of in escrow for him. So, there's a lot of bagmen out there including, --

MS. STELZENMULLER: Right.

MS. HILL: -- you know, close friends, family, and relatives. Things pop up in the press at all times in different settings. You know, we know from all kinds of exposes by investigative journalists, that all kinds of, you know, relatives and friends of all of, you know, kind of the Russian principals have property and holdings outside of Russia. And this is actually, you know, something where there is a real asymmetry. You know, I don't think that any of us here on this Zoom have any property or holdings in Russia. And an awful lot of, you know, kind of U.S. and European and other businesspeople don't have too. We don't have dachas on the Black Sea. You know, we don't have private companies. We don't have our -- I don't have one, of course, girlfriends and mistresses and, you know, extra children studying in elite institutions in Moscow. But they certainly do.

And this is part of our dilemma here. That we have made it very possible for the bad actors in the Russian system who are turning aggression onto us to just basically take advantages of all the kind of wherewithals, the freedoms, the investments of the west writ large. Miami, Delaware, you know, New York, just as bad, actually, South Dakota appears to be too, you know, with the shell holding companies. And this is why, you know, I would like Doug and Jim to come in on this.

MR. GOLDGEIER: That was my point.

MR. HILL: Yeah, people studying, you know, with Jim perhaps, there's an American university. I'm not saying that we should, you know, punish, you know, the kids for the sins of the fathers and et cetera. You know, collective punishment, you know, isn't really, you know, what I'm aiming for here. But, I mean, how about all of this, right? Sanctioning ourselves, cleaning up our own act. We had a little of this in the NDAA. You know, we've announced, you know, sanctions against, you know, various oligarchs or, you know, ways of reigning them in. But there is a real asymmetry here that ought to be called out too.

I mean, I would love to go and visit Moscow and not end up in a penal colony like some of our American citizens have. You know, people went out there for the soccer games. But Russia is fortress Russia, keeping everyone else out. While these guys, you know, run about all over the place and, you know, we have plenty of exposes, not just what Navalny is saying about Black Sea dachas. But, you know, property all over Europe and the United States and elsewhere that belongs. So, what can we do about this?

MS. STELZENMULLER: You know, I hate to cut you off, but I've three more minutes and I have to sort of corral you all into final statements. Forgive me. And I'm going to go back to Jim because I think he's had -- I've given him the least airtime. Jim, on the final thought, what are your thoughts about the U.S.-Ukrainian relationship? Is there anything that could be done to improve it? And do you think that -- how do you feel about U.S. weapons deliveries to Ukraine?

MR. GOLDGEIER: Well, I mean, I think, you know, the United States has made very clear that U.S. troops are not going to be in Ukraine fighting the Russians. What the United States is trying to do and other European countries as well, we've been seeing the UK ferry equipment in recent days to Ukraine. You know, the hope is to provide Ukraine with enough assistance that it will help them

defend itself. Now, there are those who have been making arguments in the last couple days that it doesn't really matter what we're providing. The Russians can still overwhelm the Ukrainian military.

You know, the goal it's the same with talking about the sanctions. The goal is just to find a number of ways to increase the costs on the Russians as Putin deliberates what to do. Because doing something militarily and having a number of dead Russians is not going to be good for Putin back home.

And the last point I just want to make for the prior conversation, this administration has talked a lot since even before it came in the officials, before they came in, about these issues of anticorruption and greater transparency. And trying to do something globally to try to deal with these flows of money that are going in from Russia and other places going into Europe and the United States. And I think it's important for them to keep a focus on that.

MS. STELZENMULLER: All right. Doug, you know what, I'm going to give you the last word since I have one more minute. Forgive me, Fiona. This has been a terrific conversation with all of you and it could have gone on a lot longer. Apologies to everybody's questions that I haven't taken. Hate on me on Twitter if you want.

Doug, what about Fiona's suggestions of tackling these private money flows? Feasible?

MR. REDIKER: Sure. Well, unfortunately, it's not. And that's the problem. So, I talked about a roadmap that was created under Obama because of how complicated these legal issues are. It is multiple times more complicated to actually go after individuals who as exposed in secret papers that are leaked to a, you know, a journalistic operation and allege a connection between Vladimir Putin and multiple bear bond shell companies in, you know, dodgy jurisdictions. To go after them under the force of U.S. and EU sanctions and say we have a legal ability to do this because we know that you are actually fronting for Vladimir Putin, et cetera, et cetera. That's a very easy thing to say in, you know, on a talk show. It is not so easy to prove if you're the United States Treasury or their European counterparts. So, again, it goes back to my earlier point. We have a rule of law-based society. We have private creditors and private interests that will be hurt by sanctions. And we have to be careful about how we impose them even if we really want to and we think they'd be effective if we did.

MS. STELZENMULLER: All right. That was a very stark final word. Clearly, we're going to have to have a separate event about all this. Thank you. This has been a terrific conversation. I knew

that my work as moderator would just be, would be minimal here. No moderating required. Thank you, Fiona Hill. Thank you, Jim Goldgeier in Stanford. And thank you, Doug Rediker, for this conversation. It's been great. Thank you to our listeners and watchers for sending in questions. Apologies to all those whose questions I haven't referenced. But please stay with us. We will have more events about this topic I'm sure. Have a lovely weekend everyone. Cheers.

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