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On Transatlantic Cooperation and the Crisis in Ukraine

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Dean, thank you for a wonderful introduction. Even if a little exaggerated, it was deeply appreciated. And Wolfgang...it's a great pleasure to have this excuse to get together with you and to see you. We go back to the 1990s when I served in the Clinton Administration and Wolfgang was performing truly heroic service, not only for his country but for the entire international community in the Balkans, among other places. And I remember that very well. And in fact, I remember dining in your home with one of my predecessors in this job, Strobe Talbott, some -- some years ago. Since then we've had the great opportunity to work together on other things including *Wehrkunde*. So I'm grateful to -- to have you here.

You mentioned, Dean, this famous photo of the bin Laden raid, when a number of us were in the Situation Room of the White House, and the famous photo with the President, the Vice President, Secretary Clinton, and others. And I was in the background of that...photograph.

We have a television show that I think is broadcast in Germany occasionally, The David Letterman Show. And a couple of nights after that photograph was taken and published, David Letterman had as a guest the then-Chairman of our Joint Chiefs of Staff, Mike Mullen. And he pulled up the photograph and he pointed at me in the background and he said to Mullen, "Who is that guy? He obviously doesn't belong in the photograph. Did he just come in off the tour of the White House?"[1] And Admiral Mullen, my great friend, just laughed, and didn't say anything. So I have fond memories of that putting me in my -- in my place.

I'm -- I'm grateful today also to be joined by some colleagues from Washington, including our Deputy Assistant Secretary of State for Europe and also a great embassy team, including our DCM [Deputy Chief of Mission], Jim Melville, who is doing a remarkable job. Ambassador [John B.] Emerson is back in the United States, otherwise he'd be here today. But I'm grateful to have Jim and the team with me.

And this has been the tail end now of a very productive trip that's taken place over the course of the last week.

You'll -- You'll understand that Americans sometimes are accused of not understanding Europe or its geography by the itinerary of the trip: It started in Paris; it went to Moldova; then it went to London; then to Berlin; and tomorrow to Kyiv. So that doesn't make a lot of sense, but somehow we've pulled it together.

And it's been a very interesting trip. A lot of focus on Ukraine, which is what I want to talk about today -- but every other issue under the sun. And here in Germany in particular, what's striking to me, especially thinking back even to the very productive work we did in the 1990s, is that at no time in my experience has the relationship with Germany and the United States covered more issues around the world, covered them in a deeper fashion, and covered them in a more collaborative fashion than we're doing today. It is truly extraordinary and I have to tell you the United States is grateful for this partnership. President Obama is particularly grateful for his partnership with Chancellor Merkel. I know the Secretary of State feels the same way about his partnership with the Foreign Minister.

I'm very honored to be here at the Hertie School. And it has literally become a mainstay of European policy analysis in a very short period of time. (And Dean and I were talking about this.) This is becoming, in our parlance, the Kennedy School of...Germany, and that's extraordinary.

In many ways, I think what we're seeing here is, in your great diversity, in your engagement, almost a -- a practical symbol of the thriving, transatlantic community. It's a community whose essential character is defined not by a single language or culture or religion or ethnicity, but by our common embrace of basic values: democracy, the rule of law, the dignity of every human being. These are values that we strive to live up to. We don't always succeed, but we're constantly trying.

And these are values that are being tested right now as Russian aggression engulfs Eastern Ukraine and imperils the hope of a Europe whole, free, and at peace. This crisis that we face in Ukraine today not only challenges this great European construction project. In my judgment -- and this is why we care so much about it -- it also threatens the governing principles of the international order that we all have a stake in defending.

If you go back 14 months, people took to the streets in Kyiv and other parts of Ukraine to demand an end to corruption and to insist that their leaders make good on a promise they had just broken to give Ukraine a European future. That's what was happening on the [Euro]maidan. These were not anarchists. These were not fascists. These were regular citizens -- students, business owners, veterans, grandmothers. The government responded with violence, with beatings, with snipers that killed more than a hundred people.

Working with Germany, working with France, working with the United Kingdom, the United States helped to broker talks between President [Viktor] Yanukovych and the opposition, and also with Russia. And they led to a deal that would have ended the violence, allowed Yanukovych to stay on for some period of time until elections could take place. But Yanukovych fled, having forfeited his legitimacy, and indeed lost the support of his own party. Western-oriented reformers filled the void -- pursuant to the constitution and with the overwhelming support of Yanukovych's party -- to try and make good on the promise of the Maidan.

President Putin saw Ukraine slipping from Russian influence. He manufactured a reverse Maidan in Crimea and Eastern Ukraine, inventing separatism. There was almost nothing spontaneous or indigenous about it. And so even as Ukraine began building a peaceful, democratic, independent nation on 93 percent of its territory, Crimea and parts of Eastern Ukraine suffered under a reign of aggression and violence. Today, Crimea remains under illegal occupation and human rights abuses are the norm, not the exception, for many at risk groups: Crimean Tatars, Ukrainians who won't give up their passports, lesbian and gay citizens, and others.

And of course in eastern Ukraine, it's true, citizens there before the crisis wanted more direct control over their daily lives; and they wanted respect for Russian culture and Russian language. But think about it. Before the crisis there was no violence in eastern Ukraine. The government was not abusing the fundamental rights of its citizens. Indeed, ethnic Russians in the Donbass enjoyed more rights and freedoms than most ethnic Russians in Russia.

Moscow and self-appointed separatist leaders who were Russian national[ists] manufactured a crisis, broke the peace, and unleashed what fast became a reign of terror:

- seizing government buildings;

- cowing the local populace;

- shooting at police who could not shoot back;

- downing MH-17 -- a civilian airliner;

- holding sham elections;

- taking over the border between Russia and Ukraine;

- pouring thousands of Russian heavy weapons into Ukraine and troops, fueling the conflict;

- repeatedly violating ceasefires that were unilaterally declared by Ukraine and killing Ukrainian soldiers;

- obliterating the Donetsk Airport;

- taking hundreds of hostages, including, to this day, Nadiya Savchenko, a Ukrainian pilot kidnapped from Ukraine and who languishes in a Moscow jail on day 84 of a hunger strike;

- expanding their territorial reach by more than a thousand square kilometers after the first Minsk Accord was signed last September, beyond the line of control that had been established;

- and more recently seizing Debaltseve, a key rail hub beyond the ceasefire lines, six days after the Minsk implementation plan was agreed, and following a vicious assault that resulted in over 500 deaths according to the United Nations.

So that's what's largely happened over the past year on one side of the equation. What has been the response from Kyiv?

Well, despite the conflict, the government has worked very hard to forge a new and better future. It signed the Association Agreement with the European Union. It held free and fair elections, not once but twice under siege and producing, for whatever its deficiencies, probably the best government that Ukraine has had since its independence. It's been working to undertake deep and comprehensive economic and political reforms.

These include laws to enhance transparency in public procurement; to reduce the government inefficiency and corruption; to clean up Ukraine's energy sector; to make the banking system more transparent, and measures to improve the climate for business and attract foreign investment; to create a new anti-corruption agency; to strengthen the prosecutor general's office. And today as we speak, the Rada is also moving forward on political decentralization to give Ukraine's regions more authority in advance of local elections that, under the Minsk Implementation Plan, are to be held in October. So the Ukrainians are trying despite the incredibly difficult environment in which they're living.

What has our response been? The United States, Germany, our European partners? Well, throughout we've tried to do four things. We've tried to support Ukraine with economic assistance, security assistance, and other support. We've worked to reassure our NATO allies who have been deeply concerned by Russia's actions in Ukraine.

We have sought to impose costs on Russia for its actions in Ukraine. And we have worked to pursue diplomacy, which remains the only sustainable answer to the conflict in Eastern Ukraine.

In terms of support for Ukraine, as you know, there have been IMF [International Monetary Fund] packages worth well over 20 billion dollars to help keep reform on track because they're conditioned; to keep the borders protected, the energy section functioning, the economy afloat. The United States itself has provided recently one billion dollars in a loan guarantee with another billion on the way if the reforms continue. We in the United States have worked to help Ukraine defend itself with more than 120 million dollars in security assistance, including things like protective vests, night vision goggles, counter-battery radars, explosive ordnance, disposal robots, and so on.

In terms of our reassurance to NATO, we've worked very closely with our key partners -- investing money, but also working to create a virtually constant land, sea, and air presence in the front line states since the crisis erupted. We impose costs on Russia -- which I'll come back to -- to try and convince Putin to change course. And let me be very clear about this because it's important. The purpose of that response was not to weaken Russia, was not to foment a Color Revolution, was not to topple Vladimir Putin; but simply to persuade Russia to cease its aggression in Ukraine.

Now as you all know very very well, competing narratives have emerged between Russia and the United States and Europe and the West about what's happened over the last 15 or 20 years and what our intentions are -- and are not. And there's clearly a Russian narrative that we are out to diminish Russia; we're out to encircle it; we're out to contain it; and we're out to, as I said, even to foment a color revolution. And I understand, looking at things from a Russian perspective, that certain things have happened over the last 20 years that could feed that perception. Arguably, NATO enlargement could. I would argue that it should be seen in another way but I understand how Russians can see that; pulling out of the ABM [Anti Ballistic Missile] Treaty -- I certainly understand how that could create such an impression in Russia.

But the fact is over the last 20 years we collectively in the United States and in Europe have tried to do just the opposite. We've tried to bring Russia in. We've tried to integrate Russia into the international system. We invited [them] to join the Partnership for Peace in 1994; the Council of Europe in 1996; the NATO-Russia Founding Act in 1999[7?]; the Charter for European Security, the OSCE [Organization for Security and Co-operation in Europe], again in 1999; and most recently, President Obama was Russia's greatest champion to get into the World Trade Organization. And of course in the United States alone we've spent over 20 billion dollars since 1991 in support to Russia for non-proliferation, for the economy, for free media, and so forth.

So it's true -- we have these competing and different narratives, but from our perspective we have sought very hard and strongly to bring Russia in. Wolfgang will remember this well. The first Munich Security Conference that our Administration was able to take part in in 2009 was the one that Vice President Biden attended. And it was at that conference in February 2009 that he gave what was really the first foreign policy speech of the Obama Administration and set out the reset policy with Russia. And he made very clear that we sought to strengthen our foundation of cooperation with Russia, which had eroded in the previous years.

And that's exactly what we did. And there were some very concrete, important results; including the work that we did on the New START [Strategic Arms Reduction Treaty] Agreement; including work that we did together in Afghanistan; including something that lasts to this day, real cooperation in working to convince Iran to foreswear nuclear weapons. And we were, I think, hopeful that we could move the relationship forward in a concrete way, that advanced our interests and advanced Russia's interests and advanced Europe's interests.

But it's interesting -- what got the headlines from that speech was the reset. What some people missed in the speech was the Vice President saying very clearly, even as we pursue a reset with Russia, we have certain basic principles upon which we will not compromise. We do not accept the proposition that spheres of influence are a relevant way of doing business in the 21st century, and we stand strongly for the proposition that a democratic country has the

right to choose its own future, and to choose with whom it will associate. And we won't compromise on that.[2]

And it's interesting now, thinking about that in -- in retrospect and everything that's happened, it turns out that that piece of the speech was as prescient and maybe even more prescient, unfortunately, than the reset piece.

Finally, as I said, in terms of our approach to the problem, we have worked to sustain diplomacy because we do not believe there's a military solution to the conflict. We've repeatedly tried to give President Putin what we call an off-ramp. When you're driving down the highway and there are exits we call them off-ramps. Unfortunately, each time we've worked to give him an off-ramp, he's pressed the accelerator and gone right past it.

So where does that leave us today? I think the efforts that we've undertaken together have produced some success. They created time and space for the elections that I talked about to take place in an independent Ukraine, to allow Ukraine to sign the Accession Agreement with the European Union, which was one of the causes of the crisis in the first place.

And in my judgment at least, what's happened to date has been a profound strategic loss for Russia that will become more and more clear over time. Why do I say that?

Well, first, Russia has, and Putin has in effect lost 93 percent of Ukraine. It is now more united and more Western-oriented than ever before. And the anger and indeed even hatred directed at Russia is something that will take, unfortunately, a long time to overcome.

Russia's actions in Ukraine have reenergized NATO in a way we haven't seen in many years.

They've also energized Europe's efforts to diversify its energy supply to end its dependence on Russia.

And of course, maybe most significantly, the Russian economy is in a freefall because of the sanctions, because of oil prices declining dramatically, and because of mismanagement of the economy that was taking place well before the crisis.

A record 151 billion dollars in capital has fled the country over the last year. Foreign direct investment has basically dried up. The ruble is at an all-time low despite Russia spending 100 billion dollars in reserves trying to defend it. Russia's credit -- credit rating is at what we call "junk" status. The economy, which had been growing at a little over two percent before the crisis, is predicted to fall into recession this year. The sanctions that we've designed, including particularly the sanctions on energy technology, are going to deny Russia the sophisticated technology it needs to exploit, going into the future, harder to reach energy sources. Inflation's running at 15 percent across the country. Food prices are up 40 percent. And unfortunately, this is having the effect of hurting average Russians.

Throughout all of this we have remained united -- the United States and Europe -- despite Putin's best efforts to divide us. And that's been maybe our greatest source of strength. So that's on the positive side of the ledger.

On the negative side is the reality that the conflict continues. And instead of working to end it, unfortunately, at least up until very recently, Russia has been continuing to fuel it.

In part, I think what's going on is this: Precisely because President Putin doesn't have an economic card to play with his people, because he can't deliver for them economically, the one card he has left is the nationalist card. So it works in the short term. It distracts people. And you see that in his popularity and approval ratings. But the problem with playing the nationalist card is you have to keep playing it because the moment you stop, people start to look up and look around and realize that things aren't going so well. And that's a very dangerous dynamic to be in, not only for Russia and Putin, but also for us, because how do you break out of it? How do you create incentives for Russia and for President Putin to stop the cycle of provocations that he needs to sustain his support at home? And that's something we're grappling with right now.

Second on the down side of the ledger is the terrible effects that the ongoing conflict is having in Ukraine itself. The human toll is significant. 1.7 million Ukrainians have been forced to flee from their homes and over 6,000 lives have been lost. The Ukrainian economy is right on the edge. Ukraine is spending money that it does not have on defense. It's lost, for now, the Donbass, a part of its economy and that is, as you know, the manufacturing base and the export-driving base of the economy. That's been taken out of the picture. And when there's a conflict going on, foreign investment is hard to attract because people don't want to invest into that kind of uncertainty.

So we've been compelled to do everything we can in the United States and Germany, in Europe, the international financial institutions, to sustain Ukraine economically; and that's imposing a cost on us.

So where do we go from here? It's a first imperative that we do everything we can to end the conflict in the Donbass and restore Ukraine's sovereignty and territorial integrity. And that's why the efforts of Chancellor Merkel and President Hollande in Minsk on February 12th to try again to end the fighting in Ukraine's east are so important and why we so strongly support them.

The Minsk package of agreements -- September 5th of last year, September 19th, and the February 12th implementing agreement -- offer the promise but not the certainty of peace, of disarmament, of political normalization, of decentralization in eastern Ukraine, and the return of Ukrainian state sovereignty and control over its territories and borders.

This package, if it's implemented, represents a fair deal, brokered and agreed to by all sides. Russia agreed to it. Ukraine agreed to it. The separatists agreed to it. The international community stands behind it. It needs to be implemented. And the critical elements of that implementation include a complete ceasefire in all parts of eastern Ukraine. That has not yet happened.

They include full and unfettered access over the whole conflict zone, including separatist-held territories for the OSCE and the monitors that they employ. It has to include a full pull-back of heavy weapons -- Ukrainian, Russian, separatist, monitored, and verified by the OSCE; the return of hostages; the removal from Ukraine of all foreign forces and weapons; and ultimately, and most critically, the restoration of Ukraine's international border. Because unless that happens, and until that happens, Russia will always have, and President Putin will always have, the possibility to turn up the dial any time he wants -- sending weapons in, sending men in, material in, and reigniting the conflict. So the critical piece, which is the last piece in the implementation plan, is getting the border back under control, giving Ukraine sovereignty over its border with Russia.

If Russia and the separatists it controls make good on these and other commitments, we can and we will start to roll back the sanctions that have been imposed on them. On the other hand, if they don't, or if they take further aggressive action, we will increase those sanctions and that pressure. The choice is clear and it's up to President Putin.

Let me conclude with this. Why does any of this matter? Why does it matter to us? Why should it matter to you? Well, in the first instance, in the United States our concern for Ukraine is about helping a European state meet its democratic aspirations and helping to forge a Europe that is more whole, free, and at peace. If Ukraine is not whole, if all of its people are not free, and if it's not at peace, then in a sense Europe is not either.

But even more than that, it is about defending the global rules-based system that we are working together to build. We all have a stake in upholding those rules -- that borders and the territorial integrity of the democratic state cannot be changed by force. If that rule does not stand, countries around the world may presume that their interests too can be advanced at the barrel of a gun.

Another principle and rule that's at stake -- that it is the inherent right of citizens in a democracy to make their country's choices and to determine its future -- not any outside force or country, not the United States, not Europe, not Russia. If not, if we don't stand up for that rule, large states will be given a free pass to bully their neighbors into submission.

Another principle, linguistic nationalism -- that whoever speaks Russian is Russian, should not be allowed to be resurrected. If not, it will be open season on aggression, on conflict, and on chaos.

And finally, responsible countries must live up to their international commitments. And this is particularly, and in a very interesting way, resonant in the Ukraine crisis.

As some of you will remember, and as Wolfgang and I know from our direct experience, when the Soviet Union dissolved, it left several successor states that inherited nuclear weapons: Kazakhstan, Belarus, and Ukraine. And we worked very closely together during that period of time to convince those successor states to give up the nuclear weapons they had inherited. And in the case of Ukraine, the Ukrainians said we'll do it, but we want guarantees for our territorial integrity and our sovereignty. And three guarantors stood up and said you've them: the United Kingdom, the United States, and Russia.

Now, Russia has in effect torn up that solemn commitment that it made, and at a time when we're trying to get the North Koreans to give up the nuclear weapons they have, and at this very moment working to convince Iran to forswear nuclear weapons -- what does that say to them? What would it say to countries around the world who we want not to have nuclear weapons or to give up the weapons they have and who may understandably seek some basic assurances from us -- what does it say to them when in the case of Ukraine, those assurances were blatantly disregarded and trampled on by one of the assuring states, in this case Russia? It sets a terrible precedent for everything that we're trying to achieve.

So I think what's at stake here is, on the one hand the European construction project and everything that's gone into that, but even more, even more, rules that are central to an international system of peace, security, prosperity, and freedom. We have, I believe, a collective responsibility to uphold those rules, and that's what we're trying to do in the case of Ukraine.

Just as this crisis reminds us why our transatlantic alliance is so important, I think it also reminds us of why it is strong. Throughout the decades its resilience has been tested in war; it's been deepened in peace; and it's been energized by the ingenuity and the talent of new generations of Atlanticists like, I suspect, many of the people in this room.

So as you finish your studies and you think about what you want to do next, I only hope that you'll deepen your engagement in these issues and continue the work that many of us have started, to build the foundation of peace, freedom, security, and prosperity that we hope more than anything else will be our common future.

Thank you very much.

[1]Consistent perhaps with the thrust of Letterman's remarks. Verbatim quotation: "This guy's not supposed to be there, right? He's not -- He's not supposed to be in there. He just wandered in off the [White House] tour."

[2] Relevant quotation from Biden's Speech: "We will not agree with Russia on everything. For example, the United States will not -- will not recognize Abkhazia and South Ossetia as independent states. We will not recognize any nation having a sphere of influence. It will remain our view that sovereign states have the right to make their own decisions and choose their own alliances." [Source: https://obamawhitehouse.archives.gov/the-press-office/remarks-vice-president-biden-45th-munich-conference-security-policy