

SFRC Hearing “The European Union as a Partner Against Russian Aggression: Sanctions,  
Security, Democratic Institutions and the Way Forward”

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Written Testimony for the Record

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Thank you Mr. Chairman and Mr. Ranking Member. When I was posted overseas I was grateful to have both of your support and, occasionally, your good advice, and I am grateful that you have invited me to testify today with Ambassador O’Sullivan and Ambassador Volker at this hearing on an important topic.

I would like to focus my comments on three main points. First, I want to talk about the EU as a partner. Second the challenge that we face with respect to Vladimir Putin’s Russia. And third, what we can do about it.

I.) An essential partner

The European Union is an essential partner to the United States—it is the only political actor in the world of comparable size to the United States in terms of population and economy that shares our core values and can be counted on to work with us—based on those values—to seize the opportunities and confront the challenges of the 21<sup>st</sup> Century.

The European Union, like the United States, is founded on universal principles grounded in human dignity. Despite the challenges of the present political moment, and in spite of Brexit and other steps backward, we should remember that the European Union has been a remarkably successful political project. Even half a century ago, many would have scoffed at the idea that what began as a Coal and Steel Union would continue to develop and grow into a community of values that inspires individuals outside its borders and attracts aspiring member states. Yes, the institutions of Europe need constant improvement—as institutions do everywhere. But the idea of Europe is one that reaches far beyond the formal delineation of member states and institutions, and resonates in the hearts of millions of people across Europe and Eurasia and around the world. I am a fervently pro-European American. The European Union and the United States, along with NATO and other entities grounded in universal values of liberty, equality, and human rights, must work together to build a more peaceful, prosperous world.

When I was U.S. Ambassador to the OSCE, the EU ambassador was my closest day-to-day partner in working to support a more democratic, peaceful, and prosperous Europe and Eurasia. We sometimes faced different political and policy constraints, but our cooperation was based on a confidence that we shared the same objective, and that our constituents would all benefit from the progress of open societies cooperating within a rules-based system.

The cooperation that was achieved between the EU and US (as well as Canada and other partners) in the process of applying sanctions to Russia for Russia's attempted illegal annexation of Crimea and ongoing violations of Ukraine's sovereignty and territorial integrity in the Donbas will, I think, be studied in the years to come. It was truly impressive the way that we were able to coordinate both at the political and the technical levels. People may not realize how complicated an instrument sanctions are—and that complexity could have stymied our attempts to deliver a common message to President Putin. But it didn't—we managed to impose several sets of sanctions with distinct purposes and targets in tandem with the EU, thereby maximizing the political impact of this policy tool.

## II.) The challenge we face in Putin and Putinism

The U.S., in cooperation with the EU and its member states, with NATO and NATO allies and partners, has worked over the last 75 years to support an international system based on rules, rather than zero-sum balance of power calculations. The horrors of World War II inspired this project at its inception, the inhumane repression of Soviet totalitarianism was a constant reminder of the importance of persisting through the Cold War, and, for the last quarter century, our efforts have been focused on opportunity: welcoming tens of millions of people into the free world, supporting the growth of democratic institutions, and knitting together the players in the international system in a way that use of force becomes increasingly unlikely and win-win partnerships across borders become increasingly possible.

The United States and the EU share an interest in a politically stable, economically strong European region—including not just EU member states but also aspirants and neighbors. I want to be very clear that this is also in the interests of the vast majority of the citizens of Russia. A strong, peaceful, economically successful Europe has the potential to be a partner to Russia and to help Russian citizens build the future they deserve.

Vladimir Putin seeks to weaken Europe by undermining its political unity and democratic institutions. He does this *not* because doing so would be good for Russia, but because he sees a strong democratic Europe as a threat to his own grip on power—a grip that is maintained by a mixture of corruption on a truly epic scale and authoritarianism, including both the rampant use of political violence as a tool to quell dissent and almost total control over the media.

Putin's attacks on European and American democracy are not motivated by ideological conviction but rather by a cold calculus that strong democracies and the rule of law pose a threat to his own kleptocratic authoritarianism. Putin, so often portrayed as a strongman, is, like many strongmen, perpetually insecure. With good reason: Putin knows that the people of Russia are increasingly ill-served by his system, and that at some point their dissatisfaction will become a greater political force than he can contain. The organic growth of mass anti-corruption protests 10 days ago must have unsettled him. He knows the facts: Russia's economy is about the 15<sup>th</sup> largest in the world, around the same size as Spain's—it's GDP per capita is less than that of Uruguay. It is economically stagnant and with no near term prospects of sustained and significant growth—why? Because Putin and his cronies were so busy stealing

money during the oil boom of the last decade that they didn't invest in diversifying the economy or the workforce. Public health problems limit life expectancy and harm productivity, yet Putin continues to drive toward an expensive military modernization. And his efforts to tighten his grip on power have nearly banished rule-of-law and free expression from Russia, damaging both the potential for incubating home-grown innovation and the attractiveness of Russia as a destination for foreign investment.

Putin's current foreign policy behavior—including using military action to stir up nationalist fervor, presenting Russia as a supposed counterpart and counterweight to the US or NATO—is motivated almost entirely by domestic political pressures (and certainly not consistent with the long term security and economic interests of most Russians). There is a direct link between Russia's external aggression and Russia's internal repression. Putin is doubling down on a losing formula; he's facing the "dictator's dilemma": once you've cheated and failed the people, you have to tighten your grip more and more and use more and more authoritarian tactics to "keep a lid on the pot" as discontent rises. Sadly, this suggests we must be prepared for Putin's behavior—internally and externally—to get worse before it gets better.

So, where are we today? Putin has pursued a number of policies aimed at attacking democracy, political stability, and the strength of rule of law and institutions in Europe. These include:

- **Invasion of Ukraine and attempted illegal annexation of Crimea.** After the attempted annexation of Crimea three years ago, which Putin used to fan nationalist sentiment at home and distract from domestic failures, Putin continues to fuel a conflict in Eastern Ukraine, motivated in part by his fear that a democratically successful Ukraine would prove to the people of Russia that they have an alternative to Putinism.
- **Attacks on the American elections in 2016** which aimed at fueling divisions in American society, undermining trust in our democratic institutions, elevating the candidate he saw as challenging American values, and undermining the candidate he knew would uphold American values in our foreign policy. A combination of hacking, propaganda, human and technical amplification on social media, and passive—and possibly active—coordination with U.S. political actors led to what I believe the FSB assesses as the most successful Russian intelligence operation since the end of the Cold War.
- **His attacks on a number of European democracies**, including efforts to sabotage or skew outcomes of upcoming elections in Germany and France and in the recently held elections in the Netherlands. Russia also seeks to undermine progress like Montenegro's NATO accession that would make European countries less susceptible to Russia's strong-arm tactics.
- **Support for far right groups and parties in Europe**, including through financial support—for example loans to Marine Le Pen's far right Front National party—and political propaganda.
- **Exploitation of energy supply as a political tool** accompanied by Putin's moves to maintain European dependence on Russia and to stymie efforts to enhance energy independence like those taken by the EU.

- **Amplification of the challenges attendant to the arrival of refugees** from Syria, Afghanistan and elsewhere in the Arab world in Europe. Russia supports media and political actors that fan xenophobia and anti-Muslim sentiment because Putin knows that this divides European societies and puts strain on European governments and leaders.
- **Support for corrupt political actors**, including in EU member states like Bulgaria, which gives him a network to use to sabotage progress on rule of law.
- **Efforts to maintain corruption and low-level instability in the Balkans** and to retard progress there so that he can use the threat of unrest in that region as a lever over the EU.
- **Massive use of Russia's propaganda organizations, including RT and Sputnik, to pollute the public sphere and undermine public debate** in Europe and the United States. Putin doesn't just seek to influence specific outcomes in our politics, he seeks to undermine fact-based discourse across the board, knowing that this will undermine the credibility of our democratic process. RT's motto "Question more" isn't about critical thinking, it's a reflection of the Kremlin's desire to use what some have called "weaponized relativism" and "whatabout-ism" to encourage us to doubt everything, robbing us of the ability to make fact-based judgments and values-based assessments. (It should be noted that that Russia's own citizens are victims of a similar kind of propaganda war on truth.)

What all of these efforts have in common is their aim to undermine the political project that has been the story of the United States since our founding, and that has found its international complement in the work we have done with our European and other partners over the last three quarters of a century: to build the institutions and laws that can protect the freedom and dignity of individuals and be a foundation for peaceful and prosperous societies.

### III.) What we can do to confront this shared challenge

It is vital that the U.S. corrects course and that the current administration moves quickly from a set of alarming and ignorant comments—paired with conspicuous silences—from the President, Vice-President and others to having a real policy and strategy for managing and mitigating Putin's negative impacts on world peace and security. The news that President Trump has hired Dr. Fiona Hill as the Senior Director for Russia at the National Security Council is reassuring. Dr. Hill has tremendous expertise and experience; she is tough, she is decent, she is kind; I hope that the members of this Committee will engage with her, and I hope that the White House will welcome and act upon her counsel.

The following is not a strategy or an outline thereof, but rather a non-exhaustive list of specific actions that should be part of a broader strategy for dealing with Russian aggression.

- 1) The first thing that we should continue to do, together with the EU and NATO allies, is support Ukraine. This means not only continuing our sanctions and our support for Ukraine's right to defend itself against Russian aggression, but also, and particularly,

supporting the young reformers in civil society and parliament who are pressing for the changes that will complete the Revolution of Dignity. The U.S. and EU have stood side-by-side in supporting the free choice of the people of Ukraine to abandon the “Putin-light” Yanukovich era and to move toward a European-style democracy. The best way to support the promise of a democratic future for Russia is to support democracy in Ukraine today. The transition from a corruption-driven economy to a competition based economy, and from a mobster-based political system to a democratic one, especially while fighting an invasion by a larger neighbor, is an enormous challenge. The progress has not been, and will not be, linear. But the progress must happen. It will require both pressure and support from Ukraine’s friends. But we must not doubt the determination of the people of Ukraine to embrace the free, prosperous, secure future they know can only come with completing the work that began on the Maidan. The U.S. and the EU are both grounded in universal values—in the belief that all men and women are entitled to certain rights by virtue of their humanity. The people of Ukraine have made clear that they too want to be part of that community of values. We cannot be true to our values, we cannot be ourselves, if we do not have an answer to their calls for help on the road to a democratic future.

- 2) We must have an independent commission to examine Russia’s intervention in the 2016 U.S. elections. This should not be a partisan issue. The Russians’ view their intervention in our elections as a successful operation. We must understand how it was executed, what worked, what didn’t work, and how such efforts can be countered. This time their apparent target was Hillary Clinton. Next time it could be a Republican. We must acknowledge that any time Russia or another state intervenes covertly in our elections it is an offense against *all* voters because it disrupts and distorts the open contest upon which our democracy depends. Russia’s aggression against the United States had an impact on our elections, and we must understand how that happened in order to defend ourselves in the future and in order to effectively help our European partners defend themselves.
- 3) Sanctions are a policy tool that can be used both to impose consequences and to deter further hostile actions. I congratulate the bipartisan group of Senators, including many from this committee, who have cosponsored the proposed Counteracting Russian Hostilities Act of 2017. This kind of legislation would enhance U.S. efforts to counter Russia’s insidious attacks on American and European democracies. I hope that the bill will be marked up soon. In addition to legislative tools, the Executive branch should review existing sanctions to identify appropriate additional targets, and also do the groundwork to prepare for additional sanctions under executive authority as part of a broader strategy for constraining Russian aggression. As I said before, our cooperation with the European Union has increased the impact of our own sanctions and has helped us deliver a unified political message. We should continue to seek a coordinated approach with the EU wherever and whenever possible, while also being prepared to take the lead when necessary. We must also do better at explaining that while sanctions have costs for us, too, and particularly for our companies, these costs are part

of an investment in reinforcing a rules-based system which is essential for the growth of international commerce in the long-term, and from which multi-national companies benefit today.

- 4) We should invest in partnerships—both government-to-government and with civil society and independent journalists—to expose the nature and extent of Russian efforts. The White House should instruct the Director of National Intelligence to review our current intelligence sharing with allies and partners in Europe to identify additional opportunities, consistent with protection of sources and methods, to inform our partners about Russian efforts to attack their democratic processes. We should enhance our efforts to work with allies and partners to share information with our publics about Russian disinformation. The EU’s “Mythbuster” products are a good example of how Russian propaganda can be exposed and defanged. In addition, we should recognize the role that civil society and independent journalists can play in unmasking Russian efforts to use propaganda or to coopt political discourse and advocacy campaigns to accomplish Russian objectives. The goal should not be to ramp up counter-propaganda or to counter every lie, but to expose the nature and extent of Putin’s efforts to manipulate the citizens of democratic countries.
- 5) Countering corruption should be explicitly identified as a U.S. national security priority. Corruption rots societies from within and makes countries vulnerable to covert manipulation and subjugation by Putin’s regime. Yanukovich’s Ukraine epitomized this weakness. I applaud the inclusion of specific initiatives to support counter-corruption work in the draft Counteracting Russian Hostilities Act. We should have a focused, outcome-oriented dialogue with the EU, as well as in bilateral channels and through other organizations including the OSCE, to identify additional steps we can take to support those working to attack corruption in European and Eurasian countries.
- 6) The White House should instruct the interagency to develop a plan to review and enhance our law enforcement partnerships with European countries with a focus on increasing enforcement of criminal sanctions for money laundering and other financial crimes. There are laws on the books in many countries that are not being enforced to their full extent. This is a way to put pressure on Putin and his corrupt clique who are happy to steal from their fellow Russians but want the ability to buy real estate and go shopping in New York, Miami, Paris, London, and Vienna. The inclusion of the Financial Crimes provisions in the draft legislation referenced above is smart. There are very few honest billionaires in Russia; we should not be enabling the kleptocracy that poses a threat to us and to our allies.
- 7) Send a clear and sincere message of friendship to the Russian people. Because of Putin’s grip on Russian television, the main source of news for most Russians, it is increasingly difficult to speak directly to the people of Russia. But we should continue to seek innovative and effective ways of doing so. We should be clear that the international system we seek is one in which Russia is a constructive partner, not a

destructive menace. We should be clear that we look forward to a day when partnerships between Russians and Europeans and Americans in business and the arts and civil society are easier to achieve and richer. We should be clear that we look forward to the day when there is a strong democratic, peaceful, prosperous Russian Federation that delivers on the aspirations of its citizens and can be a partner in tackling global challenges. The Russian people are victims of Putinism, and we must be clear that our concerns about the actions of their government in no way undermine our desire for friendship with them.

- 8) The United States and the European Union cannot counter Putin’s aggression unless we continue a legacy and tradition of moral leadership. The U.S. and E.U. share a commitment to the only kind of security system that can be stable and lasting: a system that is grounded in the protection of human freedom and dignity. This system is under attack militarily and politically from Vladimir Putin and others. These attacks are serious. But we must be confident and undeterred. For there has been no convincing moral or intellectual attack on the notion that free and open societies with respect for the rule of law and human rights are the fundamental building blocks of a Europe (and a world) that is prosperous, that delivers for its citizens, that is whole free and at peace. We didn’t get it wrong; Putin can attack truth, but he cannot kill it, and he will not win. We can counter Putin by defying his efforts to undermine our confidence in our democracy, and by reaffirming our commitment to the universal principles that underlie it. We can counter Putin by making use of the Magnitsky Act and the Global Magnitsky Act to punish human rights violators. When we speak out on behalf of human rights, when we call for protections for the most vulnerable, when we lend our support to those who seek to hold their governments accountable, when we champion the anti-corruption reformers around the world, we are reaffirming the moral foundation upon which our country and our progress rest. We must never cease to work toward a more perfect union here at home. We must never cease to be a champion for human rights in the world.

In closing, let me offer a word of personal gratitude for the efforts of several of you—on both sides of the aisle—to ensure that during this unusual political time in the United States, voices of moral clarity on national security issues continue to be heard. I had the honor of hosting a number of you in Vienna over the years, and I know from my time there how closely our European partners listen when a traveling U.S. Senator visits. There have been several times in recent weeks when I have been grateful to read the speeches or see the statements of members of this committee—statements that reaffirm an undying commitment to America’s role as a beacon, as President Reagan put it, “for all those who must have freedom.” Thank you for that.

I thank you for the opportunity to testify today and I look forward to our discussion. I will do my very best to respond to any questions that you might have.

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