

## **Radosław Sikorski's AEI speech – “THE CASE FOR A RENEWED TRANSATLANTIC LEADERSHIP”**

*Ladies and Gentlemen,*

In 2005, when I was wrapping up my tenure at AEI, we lived in a different world.

Back then we were unaware of how much time one can waste staring at the phone, arguing with strangers or watching holiday pictures of people we hardly know.

The premiere of the first iPhone was still two years away. Facebook was not yet available to a wider public, and YouTube launched only in February that year.

Out in the world, Chinese economy was at full speed reaching a record level of 9.9 percent growth. But on diplomatic and military front authorities in Beijing still kept a low profile, mindful of Deng Xiaoping's famous maxim – hide your strength bide your time.

*“China has no intention to restrict or limit United States influence”,* the Chinese Assistant Foreign Minister, Guofeng Sheng, said in a CNN interview at that time. It had neither the will nor the capability. Chinese military spending amounted to one-eighth of what the US spent at the time.

20 years later it is four times lower and stands at 229 billion dollars but, according to an analysis published by AEI in April, Beijing's official data on its military expenses is misleading. The real number, supposedly, is closer to 700 billion dollars – just 150 billion short of Pentagon's budget.

Back in 2005 such rapid expansion seemed not only unbelievable but unnecessary. As a newly admitted member of the World Trade Organization China had much more to gain from participating in the international order than from challenging it. At least that is what we believed at the time.

Similar hopes were held for Russia. Putin's handling of political opposition and the independent media drew scrutiny from international observers, but no serious consequences followed. In November 2005 Angela Merkel assumed office as Germany's first female chancellor. She replaced Gerhard Schroeder, Putin's bon ami, who would soon end up on Gazprom's payroll. Nord Stream started operating six years later.

Few in the West sounded the alarm. But there were exceptions. The late senator John McCain already in 2003 warned that *“a creeping coup against the forces of democracy and market capitalism in Russia is threatening the foundation of the U.S.-Russia relationship and raising the specter of a new era of cold peace between Washington and Moscow”*.

*“It presents”,* McCain argued, *“a fundamental challenge to American interests across Eurasia.”*

The good senator was right as usual.

Already in 2005 Putin said that the collapse of the Soviet empire “was the greatest geopolitical catastrophe of the century”. And he was determined to undo this calamity.

As the numbers of democratic oppositionists shrank, Russian military budget began to swell. In 2005 it amounted to 27 billion dollars in current dollars, or 3.3 percent of Russia’s GDP.

This year it is set to reach 140 billion dollars, 7.1 percent of Russia’s GDP and about one third of the country’s entire budget.

The Kremlin advanced its agenda by a variety of means: by suppressing civil society, killing opposition leaders, meddling in electoral processes abroad, and finally by invading insubordinate neighbors – starting with Georgia in 2008 and then moving on to Ukraine in 2014.

And yet the Russian gas and coal kept on flowing west right until Putin’s full scale invasion of Ukraine in February 2022. Even today there is no shortage of political influencers blinded by global authoritarian propaganda and the myths it peddles.

So let me tackle some of these illusions one by one.

**Myth 1:** *“Russia is one of the last and most committed defenders of Judeo-Christian values.”*

Nothing can be further from the truth. The Russian Orthodox Church is a moral black hole. It incites hatred and greed. It condones targeted killings, rape and pillage. It lacks basic tolerance and respect for human dignity. It’s a corrupt department of a corrupt state.

Russian society seems to have fallen into a state of anomy – a total breakdown of moral values, standards or guidance for individuals to follow.

According to Russia’s own Interior Ministry, the number of violent crimes committed in 2024 reached a 152,000 – the highest figure in 15 years. This data correlates with a rapid increase in alcoholism from a very high base. Life expectancy for men in this supposedly conservative paradise is 65 years.

To think there are still people in the West who consider Putin – a KGB colonel – a defender of Christianity would be perversely amusing if it was not so hopelessly stupid.

**Myth 2:** *“Russia is invincible”.*

Because they defeated Napoleon and Hitler, Russia always wins in the end – is the myth. Well, they lost their share of wars:

- the Crimean War in 1856;
- the war against Japan in 1905;
- World War I;
- the Bolshevik invasion against Poland in 1920, stopped at the gates of Warsaw;
- the war in Afghanistan where the Soviet army was humiliated by the Mujahideen equipped with American weapons;
- and finally of course, the Cold War.

Each of these losses shook up the Russian political system, forcing the authorities to introduce reforms. Russia only ever reforms itself after a lost war. The Kremlin can be stopped and even beaten – we just forgot about it.

**Myth 3:** *“The U.S. must make a choice – either to deter Russia, or to focus on China.”*

My friend and mentor, Zbigniew Brzezinski, once said that Russia has a clear choice – it can either be an ally of the West, or a vassal of China. Driven by his personal ambitions rather than by a long-term interest of his country, Putin has chosen the latter. Taking advantage of Kremlin’s predicament may be beneficial to Xi Jinping but it has costs. For example, the image of China among Western societies has tumbled. From Australia, through Japan, South Korea, Europe – all the way to North America, majorities now see Beijing more as a threat than a partner.

That might change if China used its influence over Moscow to bring the aggressor to reason. For the time being this seems unlikely as both countries are bent more on blowing the world order up rather than restoring it. Other autocracies – with Iran and North Korea leading the pack – could not be more eager to help.

This brings us to **Myth 4:** *“Authoritarian countries do not meaningfully cooperate, as there is no autocratic equivalent of NATO or the EU”.*

The emerging autocratic coalition does not need an alliance to be effective. Hal Brands, senior fellow here at the AEI, put it well in his recent Foreign Affairs article: *“Beijing and Moscow don’t need to fight shoulder to shoulder, as Washington does with its allies, if they fight back to back against the liberal world”.*

Instead of looking for formal alliances and networks we should simply look at the facts.

Russia displaced Saudi Arabia as the main exporter of crude oil to China. Beijing is also an indispensable client for Russian gas. The relation, although unequal, is mutual. The value of Chinese exports to Russia between 2021 and 2023 increased by 63 percent. Among the exported items – dual-use goods, which feed Russia’s military machine.

The Islamic Republic of Iran has so far provided the Kremlin with thousands of drones. North Korea has sent millions of rounds of ammunition. Putin’s recent visit to Pyongyang – first in almost a quarter of a century – concluded with an agreement pledging mutual aid if either country faces “aggression”.

Kremlin’s reliance on rogue states is growing heavier.

A simple conclusion follows. To stifle the efforts of its adversaries the community of democracies cannot deal with each threat in isolation. Seen from this perspective Russian aggression in Ukraine is directly linked with the possible expansion of Chinese military and economic clout, or Iranian-provoked disruption across the Middle East. Success of one member of the axis will benefit others – either by engaging resources, or by undermining its credibility.

A “tunnel-vision” which makes us look at these challenges separately should be replaced by a comprehensive outlook which allows us to see them for what they really are: elements contributing to the inflexion point at which we find ourselves.

**Myth 5:** *“As the post-war order finds itself under siege, the U.S. should abandon international organizations and shift to bilateral relations or isolationism”.*

Here I can only say that turning a blind eye does not make a problem disappear. And into the void left by the U.S., other countries, including China, always step in.

And finally, **Myth 6:** *“Europe is not living up to current challenges and is therefore of little value as an ally”*

I’d like you to remember that so far Ukraine’s partners have allocated and committed almost 300 billion dollars in economic and military assistance, this is according to the latest figures compiled by the German Kiel Institute for the World Economy. European contributions to this are 60 percent of the figure. On this, we are not free-riders, the American package has actually only come up to about the same as the European contribution.

In transatlantic relations the era of “free-riders” is belatedly I admit – but coming to an end. At the NATO Summit that has just concluded, 23 out of 32 NATO countries now meet the Alliance's defense spending target of 2%. Poland tops the list with a defense budget exceeding 4 percent of its GDP, which is actually the highest in NATO, including the United States, and next year we are going higher.

Ladies and Gentlemen,

While Russia – with the help of other autocracies – is writing another tragic page of European history, the US and the EU must rediscover the value of the Transatlantic Alliance.

Assisting Ukraine today prevents the war that may be at our doorstep tomorrow. Helping them now will be much cheaper than sending personnel and equipment to the battlefield later, should Putin decide to carry out an attack a NATO member state. And they do talk about it. In the begging is always the word. First they threatened Georgia, they did it. They threatened Ukraine, they did it. Today they threaten Latvia, and Poland.

And we can afford this, our assistance to Ukraine. The nominal GDP of NATO countries constitutes well over 45 percent of global GDP and surpasses that of Russia by twenty times. The 300 billion dollars we have pledged to Ukraine since 2022 amount to 0.65 percent of NATO countries' annual Gross Domestic Product – it's a bargain.

Taming a belligerent nuclear power for less than one percent of GDP is a good deal for money.

Europe has also finally moved on its trade relations with Russia with serious consequences for the Russian economy.

Between the first quarter of 2021 and the first quarter of 2024, the value of EU imports from Russia fell by 85 percent.

The share of petroleum oil imports dropped from 30 percent in the first quarter of 2022 to 3 percent now.

In the first quarter of 2024, the volume of natural gas imported from Russia was 63 percent lower than in the first quarter of 2021.

Last year, for the first time in more than two decades, Russian gas giant Gazprom plunged into a net loss of 6.9 billion dollars. Think about it, Gazprom as a loss making enterprise. From where else can Putin fund this war in the medium term.

In fact, Putin's very business model is failing. We should not be fooled by GDP estimates suggesting Russian economy might grow over 3 percent this year. GDP measures activity,

not economic sustainability. A tank financed with state reserves and swiftly destroyed on the battlefield increases GDP, but destroys wealth and the capacity of the economy.

The unravelling of the Russian economy is not yet spectacular but it is real.

The reserves of Russia's National Wealth Fund have already halved since the invasion. In a year or two, Russia may lose everything it saved over the past 20 years from profits made on oil and gas.

For now, the enormous amounts of money flowing into the Russian military drive inflationary pressure. Annual inflation rate surpassed 8 percent in June, even though Russian interest rates are 16 percent. If they dropped interest rates, their inflation would go through the roof.

In 2023, Russia's imports of Western technology dropped by 30 to 40 percent compared to pre-war levels. This means Putin has to pay exorbitant prices for technologies and goods he buys on the black market or extorts from others. International sanctions and U.S. export controls have practically cut off Russia from Western-made semiconductors.

The Russians produce 500 or 600 new tanks and a little more than a thousand new fighting vehicles every year. Meanwhile, they lose more than a thousand tanks and close to 2,000 fighting vehicles every year on the battlefield. They trying to patch up the whole by pulling out decades old Soviet tanks from these open air warehouses, but they are running out of them.

These and some other mad-max-style vehicles seen on the battlefield do not look like the sight of a confident superpower on the battlefield.

The West's strategy is working. All we have to do is stay the course, maintain the sanctions while fixing the still existing loopholes.

If we do, in 12 to 24 months Russia should reach the end of the line.

Wars end in various ways: not only through unconditional surrender, as in the World War II, but also in a stalemate, or because the aggressor has no more resources to spare, as in World War I. While the Ukrainian economy is also under heavy pressures, Kyiv is being supported by its allies, while Russia is being ruthlessly exploited.

*Ladies and Gentlemen,*

The West must lead by example, convinced of its moral standing and determined to stand up to evil. Weakness emboldens despots and thugs. Strength and resolve, deter and diminish their destructive potential.

That was true back in 2005 when I was leaving AEI, it is still true today.

No matter what turn the world takes in the next 10 or 20 years there will still be basic democratic values worth defending and we will still be more effective by defending them together.

Thank you.