

The West Should Cripple Russia With Sanctions

By [David J. Kramer](#)

May 12, 2014



The West has been far too reactive to events on the ground in Ukraine caused by President Vladimir Putin and has let him set the agenda. The U. S. and European Union need to take a more proactive stance to prevent and preempt further Russian aggression, punish Putin and his regime for the damage they have already caused in Ukraine and seek to return to the status quo ante, difficult as that may seem.

For decades, the U.S. never recognized the absorption of the Baltic states into the Soviet Union, and now those countries are members of the EU and NATO. The U. S. must take a similarly principled stand on Crimea, even while currently focused on eastern and southern parts of the country.

If Putin is allowed to get away with his attacks on Ukraine, U.S. credibility will be damaged.

U.S. strategy should shift to preventing Putin's next moves by imposing crippling sanctions against more Russian banks, energy firms and state-owned entities, as well as broader sectoral sanctions. It is a mistake to wait either for Putin to move Russian tanks across the Ukrainian border or for him to disrupt the May 25 election, as U.S. President Barack Obama and German Chancellor Angela Merkel said in their joint news conference May 2. The U.S. has set the bar too high. As a result, Putin has found other means short of full-scale invasion — for the time being, at least — to accomplish his goals.

The outcome of the Russia-Ukraine crisis — and the response of the West — may determine the prospects of democracy for Russia's neighbors and well beyond Eurasia. While Western states have shown some resolve through imposition of visa bans and asset freezes on a limited number of Russian government officials, businessmen and 17 Russian entities, what has been done so far is not enough.

The U.S. must go after more high-level officials and more businessmen close to Putin, such as Gazprom head Alexei Miller, LUKoil head Vagit Alekperov, Federal Security Service head Alexander Bortnikov and Defense Minister Sergei Shoigu. Sanctions against Russian banks and state-owned enterprises, especially any doing business in Crimea, should be adopted, and broader economic sanctions should be considered. As part of an informal Friends of Ukraine Task Force, I joined a number of colleagues in recommending to officials at the State Department and White House the following companies to be targeted: Gazprombank, Vneshekonombank, VTB, Sberbank, Rosoboronexport, Transneft, Novatek, Gazprom and Rosneft. By imposing further sanctions now, the West would aim to preempt, rather than react to, the possibility that Putin will invade other parts of Ukraine or Moldova.

In response to criticism that his administration's sanctions have been too mild so far, Obama has cited his desire to avoid getting too far out ahead of the Europeans on sanctions and instead present a united U.S.-EU response to Putin. To be sure, it is much more difficult for the EU to get agreement among its 28 member states to impose tougher sanctions for various reasons, not least the fact that EU-Russia trade is more than 10 times larger than between the U.S. and Russia. A number of European countries are heavily dependent on Russia for their energy needs, and others simply want to continue business-as-usual and not let the events in Ukraine get in the way of making profits.

For all these reasons, the U.S. has to take the lead. The extra-territorial nature of U.S. sanctions has an impact in its own right: European companies and financial institutions would have to choose between staying in the good graces of the U.S. Treasury Department and doing business with sanctioned Russian enterprises. My bet is that they would choose maintaining good terms with the U.S. Thus, while joint U.S.-EU sanctions are naturally preferable, unilateral U.S. sanctions can deliver a solid punch. The U.S. must not let the aspiration to have unity with the EU on sanctions become an obstacle from doing the right thing now. The EU, I predict, will follow, but only if the U.S. leads. Naming and shaming those holding the EU back should also be considered.

Russia is significantly integrated into the global economy, particularly with Western states. This leaves it vulnerable and gives the U.S. leverage if it chooses to exercise it. This is no time for business as usual.

Putin's appetite will show no limits unless we impose a serious price for his aggression. Other countries with sizable ethnic Russian populations — including Moldova, Kazakhstan and even the Baltic states — will be at greater risk unless Putin suffers serious consequences for what he already has done and is deterred from going further.

If Putin is allowed to get away with his unprovoked attack against Ukraine, a blatant violation of that country's sovereignty and territorial integrity, then U.S. and European credibility will be badly damaged. Allies will not believe in the U.S., enemies will not fear it, and the world will be a much more dangerous place.

If Ukraine, with Western help, is able to fend off Putin's aggression, then freedom in Ukraine — and around the globe — will have scored a major victory against one of the biggest challenges to confront the democratic community of nations. This is about Ukrainians' aspirations to be free, Putin's efforts to deny them that possibility, and the West's willingness to rise to the challenge.

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