

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

Global Executive Conversation

Her Excellency Emily Haber

Speaker:

Her Excellency Emily Haber

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BARBARA HUMPTON: Ambassador Haber, let me just join Jake in thanking you for hosting us this evening. This has been delightful, has it not? [Applause.]

Now, in preparing for this evening – you know, this is – this is hard. I mean, this is such an honor to be able to be the one to interview you. And I know this group has a lot of questions. But I did spend a little bit of time thinking about this introduction and realizing that our two careers have an interesting parallel. We both have been in our work about 40 years. And when I got started, as you got started, in helping in Germany address the issues of the Cold War, I was starting as a software developer with projects dedicated to the same thing. And then she and I both joined our organizations or started into our new roles in June of 2018. So just as I was beginning in my role, you were too. And recently, we heard she's been extended. And so, I'm taking that as a good sign for myself. [Laughter, applause.]

But let me start here. Many of you may know that Siemens Corporation is a German company, but headquartered in the U.S. 160 years here, 40,000 employees. And I know that one of the things we're going to want to get into tonight is the role that we, as business leaders, play in the very aspects of your world, the diplomatic world. And I'd like to start there, with a question about you. You, yourself, are the daughter of diplomats. Your father and – was there ever any question that Emily Haber would be anything other than a diplomat?

AMBASSADOR EMILY HABER: You clearly attribute a great lack of fantasy to me. [Laughter.] But perhaps with some reason. When I come from a family of six, five siblings. None of them had ever considered entering the diplomatic service. I was the only one. And, yes, actually it was something I thought about quite early on.

MS. HUMPTON: But some of you have heard David Rubenstein actually conduct interviews at the Economic Club of Washington. And there is one question he always asks, and I feel obligated to ask it. Did you ever consider mankind's highest calling – [laughter] – private equity? [Laughter, applause.]

AMB. HABER: No. [Laughter.]

MS. HUMPTON: A simple "no." I'll report back to David. We'll get this squared away. But with that, you know, so you've had this front row seat. And you've actually yourself influenced the arc of history. And we'll talk about the transatlantic relationship. You've had postings in Russia, formerly in the Soviet Union, and then had the opportunity to come here. Would you talk to us a little bit about today's current events as they're unfolding with Russia and Ukraine?

AMB. HABER: The thing is, when I served in the Soviet Union for the first time in the 1980s, we knew more about the inner circle of the Politburo than we do now about the inner circle of Putin. Even though this was a dictatorship, an authoritarian at times totalitarian state, there were some mechanisms of accountability. There was the Politburo. There was the Central Committee. And we knew exactly – I was trained a Soviet expert – as Soviet experts, we knew exactly what it meant when X was standing beside A, B, or C on the Kremlin wall. We could read the system. And many were trained in that.

And all of that doesn't exist anymore because the system today – I can't even call it a system – is so personalized. We know nothing about the inner circle. And it just makes us do a lot of guesswork all the time. And, look, clearly when Putin attacked Ukraine, the first conclusion we all needed to take was that deterrence had clearly failed. But it occurs to me that since the aggression against Ukraine, none of the things that Putin had announced as retaliation against the West have actually occurred.

I remember in 2008 during the August War I warned my colleagues – it was before the August War. It was after the independence of Kosovo. I warned my colleagues, saying Putin and the defense ministers have repeatedly talked about Kosovo in the context of Abkhazia and South Ossetia. He's creating a precedent and he's doing what he says. He does what he says. You see, that's not the case anymore. That's the strange thing.

He has announced, did he not, that he would retaliate should Finland and Sweden become members of NATO. Did he? No. He has announced attacks against supply chains should we continue to support Ukraine by military equipment. Did he? No, he did not. The entire theater of war, including asymmetric actions and cyber actions, have been confined to Ukraine, although he has said otherwise. So I'm not saying that he – well, I am saying that so far he's been clearly and intentionally cautious in not extending the war, preventing spillovers.

But I'm not quite sure whether we can extrapolate from that that in a situation where the air is becoming very thin for him, with consequences for the systemic security of his regime, that he will not. For the moment, my prediction would be that he is counting in a devastating winter in Europe, on a skyrocketing energy crisis, with all the consequences this may have on public moods and resentment, and so forth. And he's counting clearly also on the – on the divisive effects of an economic situation that will look much more dire in Europe than it will in the United States, not only because of the energy prices but also of the energy prices.

So, let's be very cautious in predicting what will happen. As long as he believes he has got some leverage, by dint of economic crisis or whatever, over us, caution may reign. If that's not the case anymore, I worry.

MS. HUMPTON: We've been hearing that part of the calculus here is to prevent going to the brink. That part of the calculus is to prevent moves that would cause, you know, those longer-term, you know, steady decisions. We've seen some success in the northeast in Ukraine this week. And I think we would say much of that is attributable to the work of NATO to actually help the Ukrainians. And I'm curious how you read sort of the successes there. And are we at risk of pushing things too far there, or is that territory that's able to be ceded at this point?

AMB. HABER: Well, look, everything that happened after February 24th, from where Russia stood, was pushing things too far. Finland and Sweden are members of NATO. Ukraine will become a member of the European Union, has been equipped by modern and very efficient military equipment – something that Putin before had said was going to be a red line.

Effectively, at least all the neighbors – our Eastern European neighbors, are much more hawkish than they used to be. So there's a long string of consequences of the Russian behavior

that is clearly, and has been clearly, unacceptable and incompatible with the designs he had. And the designs he had was a total and – total territorial land grab, and very much a return of imperialism – Russian imperialism.

So, but what this – again, I return to what I said before. It's easy to analyze this, but what will happen once he has no leverage and no incentive anymore, does that make a country with chemical and with nuclear weapons more dangerous? And to what extent? There's still only small slivers of prospects of a position against him in the wake of Russian failure, because that's what we can assess as of now. I'm basically saying that in spite of the success, the situation is becoming more dangerous. And we'll have to deal with it.

MS. HUMPTON: And we will have to deal with it. Thank you. It is – it is – thank you so much for sharing your perspectives on this, because none of us have roles similar to yours, where we would be dealing with these issues day in and day out.

Let's shift this conversation a little bit then to the energy implications, and what this is likely to mean for all of us. We are – we're aware of the shortages that we're expecting in Europe. We recognize the kind of pressure that will put not only on Europeans for basic needs, but also on their participation in the global supply chain. Here we sit in the United States. Are there things we can and should be thinking about in terms of the role we can play in this moment?

AMB. HABER: Clearly, we're in for a difficult winter. Although, what I heard in Germany when discussing this was, it's not the next winter that's going to be the problem. It's the winter after that. For the moment, the storage facilities in Germany are quite full. And I must say that my government has done an incredible job in filling storage capacities that were practically empty. One needs to remember that, well, 50 percent of them were bought by Gazprom a couple of years ago. Fifty percent.

And as of summer, last year – usually you see – you fill storage capacities in summer, because that's when the gas is less expensive. This did not happen last year. It was the first – today, in hindsight, but even at the time it should have been a warning indicator of something that was in the offing. And it happened not quite simultaneously but not – well, quite simultaneously, actually – with a Russian and then Chinese decision to cap the export of fertilizers and of wheat.

These were stand-alone developments, and no one cared at the time or was able to place that into a context of potential strategies. Now, in hindsight, it's easy to see that a situation had been created in which – in which the biggest country in Europe would be vulnerable, and therefore possibly amenable to efforts to persuade with energy. And the same is true for the countries of the global south, many very much dependent on the import of fertilizers both from Russia and Ukraine. Both massively dependent – many massively dependent on the import of wheat. If shortages were there, how would that impact the discussions in international organizations about a potential or then an aggression that had occurred? This was all – this is, of course, evidence in hindsight. But it's difficult to find a different explanation for that.

MS. HUMPTON: So, something that I've been sharing with my colleagues at Siemens is that we are looking at a year, and maybe two, in which we'll see disruptions in Europe, for sure. We also know that Asia will be dealing with disruptions due to the pandemic. And so, we in the U.S. need to perform. The world needs us now more than ever. And so we are, in fact, looking at ways to quickly respond to reworking supply chains, and understanding where supplies can be moved. And – Ambassador, yes.

AMB. HABER: I forgot to – I actually did not respond to your real question, which is what can we do?

MS. HUMPTON: And do I get diplomatic points for not showing – not making a big deal about that? [Laughter.]

AMB. HABER: You do. [Laughs.] What I should have added – and we talked about it before – is I think there's a lot our two countries can do in trying to figure out how LNG exports to Europe can be part of the solution. There needs to be a lot – we need to do thinking on the European side, on the German side certainly. We are, as you know, striving to move to renewables, but we will need transition energies. And transition can mean a longer time. But this is something that may be a piece in the general solution, as we move forward to solve a seriously difficult situation.

MS. HUMPTON: This is a bit of a dilemma, isn't it? Because we in the U.S. have now invested heavily in the beginnings of our transition to renewables. We have made very strong statements about not pursuing fossil fuel exploitation. And Germany actually was the leader in this, and the European Union has taken great strides. And yet, we find ourselves in a moment when we do need that mix. So liquefied natural gas can be moved easily around the globe. It's far more effective than trying to load up a bunch of batteries. And so, this as a potential solution is something that I think we in the business community can help decision makers understand, that this is going to be a vital part of the balance of energy equation around the globe.

Thank you. Now, I know this group will be anxious as well to hear your thoughts about China. You know, we talk a little bit about are we living in a bipolar world or are we living in a tripolar world, etc. And of course, we have seen some increased tensions in just the past weeks. And some fascinating meetings happening around the world that don't involve us. And I'd love for you to set the stage for the audience, and I know we'll get into a little bit of question and answer, about these relationships.

AMB. HABER: I find that Americans tend to speak – or tend to look at the world through a bipolar filter. And I understand that. I understand it, because I'd say, as someone who has worked in the Soviet Union, it's the first time – the first time in American history where America is actually confronted with an actor or an adversary that has or will have comparable resources and capabilities. The Soviet Union didn't come close. Militarily it did, but otherwise it did not. So that reinforces the bipolar prism.

It's probably not the way Europeans or Germans would look at it. You see, I don't think Putin would have attacked Ukraine if he hadn't thought it was possible to do so because the

geopolitical balance of the world had changed, that the West had lost comparatively in terms of clout and power, and that this could be tested. If a balance – if a geopolitical balance changes massively, it's being tested. That's always the case in history, and it's happening now.

I'm saying that because it's not only because of the rise of China. That's a massive factor, obviously, but there are also many, many other actors across the world. It's what we call the global south, although that's a very bad term for a large and very heterogeneous group in Africa, and in Asia, and in Latin America. But many of these countries of the global south have little inclination to join one camp or the other. We've seen that after the – after the attempts in the United Nations to condemn the Russian aggression.

At first, many countries joined the condemnation, because for them the principle of territorial integrity is a category of the first order, a security category. That changed over time. And one of the reasons – there are different reasons. Also, the – our focus on democracy, obviously, which for many of these countries is also a systemic category of security of the first order. But another reason was they were not ready and not willing to be part of one camp.

It is truly – and that is my argument now – if we don't manage to look at the world, a more multipolar world – and I'm not saying that for reasons of equidistance; I'm saying it because it's a fact – then we will lose countries that we need for our collective power projection. So, my plea to you is while China is the one and only – the one and single most – single biggest challenge that America and Europe is confronted with, we will only manage the competition effectively if we look at the world through multipolar filters. Does that make sense?

MS. HUMPTON: Multipolar – yes. Yes. [Applause.] There's a term we've been using at Siemens, glocal, right? We've been through these decades of globalization and we're recognizing that, yes, it is brilliant to have global innovation, but look at the disruptions we've been through these last couple of years. We need glocal – we need local performance. And so, steps that we can be taking to strengthen those areas in the world, and frankly strengthen our own supply chains, are actually going to be the greatest contributors today – that this is the greatest contribution we feel we can make to global security.

Ambassador, we've talked a little bit – both of us are optimists. It may not feel like that in this moment as we're sitting here, talking about these weighty issues. But the fact is, we are. And optimism isn't about looking at things through rose-colored glasses. Optimism is about actually being honest about the data that we're seeing.

AMB. HABER: Absolutely.

MS. HUMPTON: And then knowing in your core that we have what it takes to rise to the moment, and address and do what needs to be done. So let's talk a little bit about what we can do. Tell us – tell us about your view of the transatlantic partnerships that have grown over the decades, and how our relationship now can help us to face these challenges the world is dealing with.

AMB. HABER: I expect the first part of your question alludes to the fact that the transatlantic relationship, not only the American-German relationship, the relationship America has with European countries – although I look at the German part of it, obviously. There is a very strong infrastructure of links. I felt that in recent years, when our relationship at times was under stress. [Laughs.]

But I noted that while here – and with a good reason – I often was confronted with questions about pipelines and trade issues and tariffs and the 2 percent goals, important as they are – these questions were, and important as the differences were, it's not what I felt was confronted with when traveling through the country, when I went to universities or to businesses. Actually, it seemed to me that all the differences we had were in a far-away, separate universe, because there was this intense architecture, or fabric, or what you want to call it, of bilateral links that existed no matter what the differences were. So that's part of the data bit.

We are in a new chapter now. I think none of us would have predicted in – although perhaps I would have. [Laughter.] You see, last summer, a year ago, all the discussions revolved around Afghanistan and AUKUS.¹ And I felt at the time that people didn't really realize to what extent actually on Afghanistan, even on the withdrawal, we cooperated with the American administration. It was incredibly intense. Yes, things had overtaken us dramatically at a certain point, but this was not the counterevidence, if you will, for a lack of cooperation, let alone a lack of intention to cooperate. And AUKUS was a specific case, so I didn't overstate that.

But there was out there the general narrative that the West was deeply divided, incapable of cooperating, that unilateralist tendencies had survived, and so forth. And I do wonder to what extent, by the way, the Russian president had read and misread – because he misread it – these cases. The truth is that ever since autumn last year, in preparation of what especially the American administration saw coming – and many in Europe did not believe it or could not imagine that the Russian president would be capable of doing something as mad and as foolish as he did.

But this was the beginning of an intensely close cooperation, information sharing, the shaping of an alliance, the shaping of common positions. And, well, we really did well. [Laughs.] We really did well. And look at the story that I described at the outset, the story after the 24th of February. It is a story of success. And it is – it's a consequence of close cooperation, realizing that only collectively we can actually push back. And whether we are capable to push back, and whether we will prevail, will, I think, not only be read by others but also – look, we are entering a new era.

The post-Cold War era has ended with the Russian war. And I don't know what the new era will be called. But what I know is the degree in which we manage to cooperate and shape the outcome of this aggression will probably give a name to the era that we are entering now.

¹ The trilateral security partnership of Australia, the United Kingdom, and the United States.

MS. HUMPTON: This is words of inspiration. And in fact, by the way, the naming contest begins tonight. [Laughter.] By the way, you were talking about interacting with businesses. Who is your favorite German American business here in the United States? [Laughter.]

AMB. HABER: Siemens. [Laughter.] There was no other choice. [Laughs.]

MS. HUMPTON: It's awesome. It's awesome. Actually, I have – I do have one more question - that I just want to broaden this out a little bit bigger and think not as Germans, not as Americans, but think as citizens of the world. And we have come through intense disruption. And I'm curious whether you have a view of whether we're coming out of this disruption stronger. Are there areas where you think we have learned things and where we've accelerated things that will help us into this new, as yet unnamed, age?

AMB. HABER: I hope so. I'd go to another example, which I'm not quite sure is as inspiring. And that's COVID. I think what we have seen during the COVID days was, to some extent, an implosion of international governance at a moment when we needed it most, and when mankind needed it most. Yes, there were islands of cooperation, but as structures of – global governance has not worked. And what this has left us with, or should and I hope it will, is the lesson from COVID that if international cooperation and governance implodes, it can have catastrophic consequences for humans.

And we should really think through what this will mean for other possible great catastrophes, from disruptive technologies to climate change. COVID has left us with that lesson. We cannot afford to let international governance, global governance, regional governance implode, because the costs are incredible.

MS. HUMPTON: There we have it. Ambassador, I want to tell you we are so grateful for you sharing your perspectives. We're so grateful for your service to your nation and what that means to ours.



**Her Excellency Emily Haber
Ambassador of the Federal Republic of
Germany to the United States**

Emily Haber has been German Ambassador to the United States since June 2018. Immediately prior to this, Haber, a career foreign service officer, was deployed to the Federal Ministry of the Interior, serving as State Secretary overseeing security and migration at the height of the refugee crisis in Europe. In this capacity, she worked closely with the U.S. administration on topics ranging from the fight against international terrorism to global cyberattacks and cybersecurity. In 2009, she was appointed Political Director and, in 2011, State

Secretary at the Foreign Office, the first woman to hold either post.

Emily Haber has extensive knowledge of the Soviet Union and Russia, having worked both in the Soviet Union Division at the German Foreign Office and, on various occasions, at the German Embassy in Moscow, where she served as Head of the Economic Affairs Section and Head of the Political Affairs Department.