

Book Review

Economic War: Ukraine and the Global Conflict between Russia and the West
by Maximilian Hess.

“Economic War: Ukraine and the Global Conflict between Russia and the West” by Maximilian Hess is not only a historical account of a conflict between Russia and the West but a critical analysis of the economic power struggles between the two. The book explicitly highlights the political problem that emerged when Russian President Vladimir Putin hit Ukraine in 2014 and the economic warfare that followed the event. Hess explores Russian strategies behind the scenes and against the sanctions, focused on pursuing global power. The author’s extensive research and deep analytical skills make the book an essential part of the knowledge impartation related to the intricate economic problems found within the conflict between Russia and the West on an international scale.

Maximilian Hess is a political risk analyst, consultant, and research fellow at the Foreign Policy Research Institute. Hess possessed notable strengths in the areas of trade, debts, diplomacy, and foreign policy. These strengths allowed him to become an accomplished writer who could effectively discuss the economic problems that affected Russia and the West. He has authored numerous articles on Russia and its neighbouring countries, which eventually led to the publication of his first book in partnership with Hurst and Oxford University Press in 2023.

In “Economic War: Ukraine and the Global Conflict between Russia and the West,” the author asserts that the present confrontation between Russia and the West is not the new Cold War but a struggle to influence the spheres of finance, energy, and capital markets. Economic war is defined as “the use of economic means to achieve geopolitical objectives or the use of geopolitical objectives to achieve economic ends.” Hess merges history with an analysis of the economic war, which has a long-term effect on liberalism, democracy, and the structure of the world’s economy. The author gives a clear and profound description of how the West preferred to use international markets to inflict pain on the Kremlin, and the Russian reaction was to seek the involvement of countries like China, Turkey, and Iran in the process.

Moreover, the author insists on the fact that in the short term, Russian oil production is at its maximum, and the consequences of shutting off the Russian market for European gas will be substantive. This is indeed a valid concern because Gazprom, a Russian state-controlled firm, supplied almost one-third of all gas consumed in Europe until Ukraine interrupted supplies and exposed the dangers of over-reliance on a single energy provider. This demonstrates how Russia’s gas blockade would severely impact Europe. Similarly, the author’s analysis and concrete examples strengthen analytical rigorousness about possible economic effects, thus enriching the previous literature, which does not entirely address issues in the context of economic warfare.

Considering the book's contents, the author presents a detailed assessment of the economic challenges that arise from the Russia-West confrontation regarding the Ukraine issue. The book is divided into two parts. Part 1, from 2013-21, depicts the prelude to the current military and economic war that followed the annexation of Crimea, the emergence of separatist republics in Donetsk and Luhansk, and the subsequent imposition of Western sanctions. Hess posits that the sanctions the West imposed on Russia produced only moderate results, which Russia used to its advantage to strengthen its economy and minimise the Western effect. Russia tried to bring its global geoeconomic power to a higher level by exploring the opportunity of cooperation with Latin America, Africa, and Asia, especially the Middle East, by establishing an essential partnership with Saudi Arabia. Nevertheless, the book does not deal deeply enough with the relevant literature on the debates on the efficacy of sanctions and the implications for the civilian populations. Understanding how economic sanctions impact Russia offers insights into the use of economic coercion in international events. Economic sanctions have serious consequences; therefore, analysing their impact is critical for businesses, governments, economists, and the public.

In the latter part, Hess divides the book's second part into seven sub-parts. Part II of the book looks at how Russia and the West's economic conflict has progressed after Russia invaded Ukraine in February 2022. Although the book has well-conducted research and is valid, some readers might think the level of detail is overwhelming.

Hess portrays the issue of power energy by means of an example of the German chemicals industry, Basel, the headquarters, whose needs of energy exceed those of Denmark, a small European country, yearly, and gas consumption is comparable to that of another European country, Switzerland. This was accomplished simply by importing expensive American LNG instead of cheap Russian gas, which the US has long desired but has never been economically viable for Germany. The US has always been against the Nord Stream 2 pipeline construction, but it is obvious that the project stopped the German industry's access to affordable energy. Hess also attributes the 2022 catastrophe to Russia, but his statement lacks plausibility.

Moreover, Russia's attempts to create a 'parallel system together with states like China and India' have been gradually failing. Russia's threat is primarily from its oil and gas reserves that threaten 'the risk of Europe being submissive to the Kremlin' because of its energy needs. There is no doubt that Hess did not mean the audience to interpret his work this way. However, it is impossible not to see that the conflict in Ukraine is a proxy one for US oil supplies.

Similarly, the influence of fossil fuel producers is indisputable. Yet, it is almost impossible to find evidence confirming Russia's goal or strategy of creating an alternative international financial system before facing hard sanctions. In 2007, Mr. Putin denounced the 'unipolar' system, saying it was 'harmful' to give absolute sovereignty only to the US, considering it unstable and its implosion inevitable. Hess's comments on Ukraine and gas import deals centre on the relationship between an equal global economic system and security worldwide. Some, such as Hess, regard this as proof of deliberate villainy. Yet, it is not a realistic expectation that countries would not take advantage of the resources at their disposal globally. Western powers are involved in the game as well.

Although the book possesses some advantages, it has some weaknesses as well. A missing theoretical framework without clarity and consistency would have served as a structure for the overwhelming amount of data and analysis presented. Besides that, the book is silent on the critical ethical and normative issues attached to the economic war, including environmental, distributional, and justice implications, as well as the responsibilities of the actors involved in the war.

Conclusively, the book highlights the main transformations in the foreign and defence policies of the West, such as increased weapons supplies to Ukraine, the allocation of financial resources for military aid, and the lifting of the German arms export ban. The author also addresses the flaws of the West, which include NATO's expansion and the paternalistic handling of Russia, which caused the evolution of the war from a manageable conflict to a serious confrontation. The author thus concluded with a plea for a responsible discussion of the European future security strategy and the restoration of détente with Russia after the war was over. He also mentions the addition of China's influence as Russia's biggest trading partner in this conflict. Ultimately, this book presents an insightful assessment of the conflict and its consequences for the future of European security.

Therefore, the ongoing economic rivalries between the US and Russia and between the US and China are not related to Ukraine but rather about maintaining dollar dominance and exploitative hegemonies. Moving from one hierarchy to another, such as switching from the dollar to the yuan or through initiatives like BRICS, is unlikely to lead to a peaceful world. Instead, the new hierarchy would be just as ruthless as the old one in order to preserve its supremacy. The wave of globalisation that swept through the 1990s and 2000s has ceased since international economic systems preserve inequities between states and spark conflict. The only way to break this cycle is through a global anti-war solidarity movement opposing the aggressive policies of ruling classes and militaristic solutions. The current system's vicious rulers cannot establish equitable mechanisms of international trade.

Despite the book's limitations, it deserves praise for introducing new ideas and investigating the war's financial, trade, and informational aspects as the latest battlegrounds in a world where conventional fighting is becoming outdated. This is a must-read for anybody looking better to comprehend the conflict and its consequences for world politics.

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REFERENCE

Hess, M. (2023, July). *Economic war: Ukraine and the global conflict between Russia and the west*. HURST. <https://www.hurstpublishers.com/book/economic-war/>