

The Unending Farce of US Sanctions Against Russia

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Rather than working diplomatically to resolve the civil war in Ukraine that it played a principal role in precipitating (by backing the unconstitutional transfer of power in that country in 2014), the Biden administration spent the months leading up to the Russian invasion in February assiduously working to make sure “extreme” economic sanctions could be put in place.

The threat of such additional sanctions, for Washington already had imposed a series of sanctions in 2014, was purportedly meant to deter the invasion. That having failed, it was then claimed the sanctions would force Russia to the negotiating table.

That, too, has clearly failed.

Given the centrality of economic warfare to Washington’s foreign policy, it is worth exploring how the Kremlin has managed to keep the Russian economy afloat since invading Ukraine and the likely wider implications and possible future application vis-à-vis China.

First, the immediate collapse of the ruble was reversed by the actions of the Russian central bank and the treasury. While the former nearly doubled interest rates overnight, the latter began spending its accumulated reserves to offset the price inflation that began eating into Russian consumers’ purchasing power. Though locked out of nearly half of its foreign reserves by Washington and its vassal allies, the government in Moscow has used its record balance of payments surplus to make up for the temporary loss.

While that balance of payments surplus, the result oil and gas sales continuing at lower volumes but higher prices while imports dropped precipitously, has mitigated the effects of domestic inflation, currently running at around [17 percent](#), it has not been able to prevent a sharp contraction in Russia’s economic growth (a contraction of approximately [10 percent](#) is now expected over the coming year).

Given that governments from Washington to London, Warsaw, and Vilnius have made it

clear that they do not even favor lifting these sanctions in the event of a cessation of hostilities, Russia's future growth is likely to be far short of what it otherwise would have been. Lacking access to Western capital and technology, Russia will be increasingly dependent on China, India, or other developing economies for imports, as well as for a home for its energy exports as much of Europe moves to drastically reduce and eliminate its dependence on Russian hydrocarbons—though this too will depend on US sanctions, secondary sanctions, and on US-allied governments and their domestic industries' willingness to risk running afoul of the US.

Long term, therefore, there is little doubt that the sanctions now in place will make Russia weaker and poorer. Of course, just as at present, it is the Russian people who will bear the costs of the West's financial warfare—not their leadership.

As usual, we are expected to believe that the people of the countries targeted by US economic warfare will blame their own government rather than Washington—that they may even throw off Vladimir Putin and welcome the West! Apart from the fact that from Cuba to Venezuela, Iran, Iraq, North Korea, et cetera, this has never worked, [Anne Williamson](#) explained twenty years ago that given that the last time Russia invited the West in, people like Jeffrey Sachs, Larry Summers, and Paul Rubin destroyed the economy, handing it to oligarchs they ultimately hoped would then hand it to Western multinationals, it's highly unlikely Russians will blame their government for their woes.

Of course, the Russian people won't be alone in their present impoverishment. Normal people the world over are also being made poorer and weaker by Washington's policies. Indeed, while Europeans empty their savings in the face of record-high gas, oil, and food prices, many in the developing world are literally going to starve long before the war in Ukraine ends—which North Atlantic Treaty Organization (NATO) secretary general Jens Stoltenberg now says may take years.

That these policies have been cheered by Democrats and Republicans alike is not surprising: America's Democrats are delusional with hatred for Russia because they can't accept that Hillary Clinton failed to beat Donald Trump, while Republicans like Ted Cruz are beholden to mercantilist interests—i.e., US oil and natural gas producers who want to sell to Europe. In the case of the former, even if Russia did concertedly try to interfere, it made no demonstrable impact on the elections, which even the thoroughly establishment *Economist* admits; and in the case of the latter, US gas and oil exports are already climbing toward all-time highs.

As a demonstration of its capacity to force others in line with its policies, and to get its own population to bear the consequences, Washington has doubtlessly succeeded in sending its intended message to Beijing over Taiwan. While Washington's weaponization of the global financial system has no doubt alarmed Chinese Communist Party planners, the fact that their own population would be quite willing to suffer for the reunification of their country, as well as the fact that many countries in the developing world have eschewed following the West's example, provide ample reason to doubt the efficacy of looming sanctions as a deterrent in the event of another, bigger Taiwan Strait crisis.

Not that it prevents the staff at the [Atlantic Council](#) from daydreaming about it in the runup to a NATO summit focused on saber-rattling in Beijing's direction.

Because what does a history of failure and mass impoverishment prove if not that next time

will be different?

If only Karl Marx had been right when he said that history repeats, first as tragedy, then as farce, paraphrasing Georg Wilhelm Friedrich Hegel. The truth instead seems to be that we are doomed to suffer an unending parade of farces under Washington's continued pursuit of a demonstrably failed and immoral policy.

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