

# The Geoeconomic Front of the Ukraine War



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# Session's Structural Sequence

1. Background.
2. Ukraine's Geoeconomic Significance.
3. Western Punitive Sanctions.
4. Russian Countermeasures.
5. Lessons Learned.



# 1. Background

- **Hybrid concept / Definition.**
- **Reinterpretation** of traditional concepts related to statecraft.
- **Relevant precedents:** classical mercantilism, nationalist branch of international <political economy, geopolitical thinking, mercantile realism, economic statecraft.
- **Pertinence: structural trends** → changing balance of power, growing involvement of the state, natural resources, financial crises, financial and monetary order, circulation of transnational illicit flows.



# 1. Background

- **Usefulness:** scrutiny of complex phenomena whose behaviour reflects the connection between the economic and political spheres.
- Analytical assessments, strategic forecasting (preparedness), formulation of pragmatic suggestions (prescriptive).
- Its worldview **challenges conventional ideas** about globalisation, interdependence and 'Whig historiography'.
- Resulting **threats:** coercion, disruption, subordination, conquest.
- **Evolution of conflict** in the 21<sup>st</sup> century.





## 2. Ukraine's Geoeconomic Significance



- **Infrastructure:** highways and networks of pipelines.
- **Corridor** of trade and energy flows.
- **Gateway:** Dnieper River and the port of Odessa.
- Ukraine was the one of the most developed republics of the USSR.
- Industrial manufacturing capabilities in **strategic sectors**.
- **High-tech sector**.
- Emerging economy with substantial potential.

## 2. Ukraine's Geoeconomic Significance



- **Natural resources:** coal, metallic minerals, neon.
- **Fertile soil (*chernozem*)** → cereals and other cash crops.
- Condition as a breadbasket is depicted in the colours of the flag.
- Nazi Germany // Soviet Union.
- Highly desirable prize **worth fighting for**.
- For Russia, it would be the **crown jewel** of the **Eurasian Economic Union**.
- Quest for **EU membership**.
- **Formal membership is doubtful** for both economic and political reasons.



# 3. Western Punitive Sanctions

- Russian invasion of Ukraine → **strategic anxieties** in Washington and Brussels.
- Direct NATO intervention unconceivable.
- Military/diplomatic support + campaign of **punitive financial sanctions** against Moscow.
- Transatlantic consensus → **sanctions as vectors of power projection**.
- **Exclusion of Russian banks from the SWIFT network** (financial equivalent of a nuclear strike).
- **Confiscation of Russian monetary assets** held in the West (ForEx reserves were frozen).



# 3. Western Punitive Sanctions

- **Withdrawal of Western companies** from the Russian market.
- **Complementary measures:** US restricted the export of high-tech items, Germany refused to greenlight Nord Stream 2.
- **Endgame: strategic defeat.**
- Sounds far-fetched? Not necessarily: geoeconomic factors played a role in the collapse of the USSR.





### 3. Western Punitive Sanctions



# 3. Western Punitive Sanctions

**Reasonable doubts** about their effectiveness:

- Immediate dramatic impact.
- What do empirical examples and historical precedents tell us?
- Bitter political realities.
- Russia is not completely isolated.
- Challenges for EU energy security.
- Secondary US interests: killing two birds with one stone?





# 4. Russian Countermeasures



- **Unclear degree of preparedness.**
- **Initial defensive response:** monetary restrictions, higher interest rates, internationalisation of an electronic payments platform, indirect monetary connections.
- **Long-term resilience:** “Fortress Russia economy plan” (autarky, import substitution policies), deeper ties to China.
- **Access to foreign technology and capital markers** is a priority for Russian national security.

# 4. Russian Countermeasures



- **Offensive asymmetric response.**

- *Roskosmos* interrupted the supply of rocket engines to the US
- “Full-spectrum commodity superpower” restrict the sales of strategic natural resources to Western consumer markets.
- Divert energy flows from Europe to Asia / weaponisation of energy supplies (disruption or leverage).
- Bypass financial and monetary arteries controlled by the West → gold holdings, crypto, RMB and its associated circuits.
- Encourage other states to develop an alternative financial system, challenge USD.
- Cyberattacks against Western geoeconomic targets.



# 5. Lessons Learned

- War is a **kaleidoscopic phenomenon** (evolution).
- **Geoeconomic conflict** between the West and Russia.
- **Key battlespace of Cold War 2.0.**
- Less lethal than nukes but still **dangerous.**
- The nature of **strategic concepts** is being redefined.
- Escalating **geoeconomic arms race** → **analytical reassessment.**
- The **deadly art of geoeconomics.**



# END

## MANY THANKS!

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## SUGGESTED READING

***The Geoeconomic Front of the Ukraine War:***

<https://www.geopoliticalmonitor.com/the-geoeconomic-front-of-the-ukraine-war/>