



War and economy. Putin and Sun Tzu

Jacques Fontanel

► **To cite this version:**

Jacques Fontanel. War and economy. Putin and Sun Tzu. Guerre et économie, Sep 2019, Saint-Petersbourg, Russia. hal-02272498

HAL Id: hal-02272498

<https://hal.univ-grenoble-alpes.fr/hal-02272498>

Submitted on 27 Aug 2019

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

War and economy. Putin and Sun Tzu

Jacques Fontanel

**Conference at UNECON
State University of Economy**

September, 13, 2019

Pre-publication

In english and Russian

Summary : The annexation of Crimea to Russia has been the subject of economic retaliation measures mainly by NATO members. Putin has used the lessons of Sun Tzu to achieve a result that, on the side of Russia, is globally positive; since the question of the return of Crimea to Ukraine is hardly mentioned anymore. In this context, we realize that Russia has suffered some negative effects on its growth, but it has considerably improved the conditions of its national security and its patrimony and heritage.

Words : economic war, war, economic weapons, strategy

When countries have long been portrayed as antagonistic camp leaders, it is difficult for states to suppress the grievances arising from this confrontation. While Russia has now opted for a market economy adapted to its historical situation and has been admitted as a member of the World Trade Organization, it nevertheless remains partially obsessed with its past as a great ideological, political and military power. Washington, with its NATO allies, is gradually locking it into a position of active defence. Of course, Russia belongs to the famous BRICS, but this association of countries seeks to find coherence of action, while their immediate individual interests differ. The solution of an agreement with China is not easy today for the Kremlin, given the new strength of a state that stands up against the American all-powerful, to the point of becoming its main rival. Russia has engaged in a process of disarmament in its economy, including the military-industrial complex, which has made it more vulnerable. However, it remains a powerful nuclear force, the second in the world after the United States. However, the links between the national economy and national defence are complex, and often lead to the expression of long-term

power relations between states that are not sufficiently taken into account by economists.

Russia's military strategy in the Crimea case was inspired by Sun Sun Tse teachings of using cunning to lead the enemy to avoid direct combat, to lay down arms or to surrender even before having started to fight. You have to know how to win a war without fighting or do it at least gently, in relation to the importance of long-term issues. In 2019, Crimea is ruled by Russia. Major sanctions were taken against Moscow, but logistically Russia recovered the Crimea and thus protected the port of Sevastopol, their large military base turned directly to the "hot seas". No doubt Russia still suffers retaliatory measures from NATO allies, but the Crimea question seems set for the coming decade, it is an integral part of Russian territory. Overall, the situation is rather favourable for President Putin, both in terms of security and in economic terms. Today, in 2019, President Donald Trump talks about easing sanctions against Russia, while a few months ago, opposed to the North Stream, he had considered increasing pressure on Moscow by new economic measures.

In the long term, the annexation of Crimea seems today no longer to pose significant problems in international relations. The strategies advocated by Sun Tzu, 6 centuries before Christ, seem to have been retained by the master of the Kremlin.

- First lesson: "For the good strategist, the essential is in the victory and not in the prolonged operations". The Western camp wants Ukraine to join NATO. Such an eventuality is impossible to accept for Moscow, given the special situation of Sevastopol, its port of war, with almost direct access to the Mediterranean via the Black Sea, its only winter sea. In these circumstances, accepting that the Crimea surrounding the military port is now committed under NATO control, largely directed against Russia, is hardly acceptable to Moscow. If Ukraine wants to negotiate with Western countries, it cannot claim membership in an alliance against its big Russian neighbour, whose history is historically common. Western countries support the solution of a rapid accession of Ukraine to the European Union. In this context, the accession of Crimea to the European Union would become irreversible and Moscow would be strategically in a situation of great weakness in the face of the diplomatic, military and political advantage that the West would derive from this new situation. In these conditions, Russian action for the return of Crimea to the national fold is crucial. Faced with world public opinion, Vladimir Purine chose the only solution that allows him to maintain an international public authority, which of a masked military intervention, followed by a questionable

application of an "ad hoc" referendum justifying his operation. **Only the final result of all operations matters.**

- Second lesson: "Whoever pushes the enemy to move by making him glimmer an opportunity ensures superiority. It's about getting the opponent to attack you on the most seemingly sensitive point of your defence. It's about getting the opponent to act according to your strategic expectations. While Yanukovych's Ukraine, the legally elected president, was up to now faithful to the commitments with Moscow, the change of power becomes inevitable in Ukraine. The indirect intervention of Westerners is not necessarily in conformity with international law, especially since new elections are planned in one year. Russia has proof that the United States is financing and arming the Ukrainian opposition forces. Yet, in this context, direct Russian military action against Ukraine is unlikely.

- Third lesson: If the Western camp acts more and more openly for the change of a pro-Russian government, Moscow feigns a form of helplessness of action in the face of the potential conflict. He wants to avoid putting on a bellicose position. Moscow has left the field as helpless in the face of this display of interest to destabilize Ukraine and push it, even by elections, to choose a policy more favourable to the interests of Westerners. Moscow first chooses a strategy of invisibility and silence; the Kremlin seems obsessed with the international coverage of the Sochi Olympic Games. However, it did not go unchecked, but its actions were covertly and covertly supported by Russian-speaking Crimean citizens and disappointed by the political instability in Ukraine. Russia has had time to point out the errors and approximations of its opponents. The silence she imposed on herself suggested that she was reluctant to act, that she was not convinced by the legitimacy or effectiveness of her action.

- Fourth lesson: It is then to provoke the error of the adversary, in order to act where the opponent does not expect you. The violence and flight of Viktor Yanukovych are the occasion of the official awakening of Putin. The Western camp supported him when he was in favour of the agreement, but he abandoned it when he returned to the Russian fold. It does not matter who governs Ukraine provided that it engages in a policy favourable to NATO and the European Union. The West supported the popular revolution. While appealing to the notion of democracy (which will not, at least in the rule, respected), he has maintained and guided the wrath of the Maidan Square. While new elections would be held in one year, rioters no longer want to wait and install, with the help of Western countries, Arseniy

Yatsenyuk as Prime Minister. A priori, for Washington, Moscow is trapped, it can no longer react and it will suffer the effect of encirclement that limit its ambitions deemed "imperialist". The answer is not then wait. Since the Crimean pro-Russians are fighting for the reunification of the peninsula with Russia, in the name of the principle still claimed internationally the right of peoples to self-determination, the Crimean Parliament, acquired to the Russian cause, organizes a referendum that is supposed to legitimize the action of Russia against its opponents and the writing of history. For the organization of the referendum, popular pressure justifies the first official, then official, presence of Russia in Crimea. Thus, Vladimir Putin reacts to the signing of the Association Agreement between Ukraine and the European Union, gateway to NATO membership, and at the end of the lease of the Sevastopol maritime base to the Russian Navy. For the Kremlin, the whole operation is "up" against Russia. There remained to him the referendum solution of the Crimea, which, in conditions undoubtedly little serene, gives him reason. The fact that Crimea prefers Russia to Europe legitimizes this annexation. In fact, this operation is less "legitimate" than that engaged with the Kiev rioters.

- Fifth lesson. The retention of information or its deliberately erroneous character allows giving "time to time". Despite the information provided by the Western camp, Vladimir Putin says that there are no Russian troops in Crimea. Surprised by the action of the Kremlin, Westerners raise the issue of economic sanctions against Russia, evidence if it is impossible to imagine a military action for the return of Crimea in the Republic of Ukraine. Moscow is speeding up operations, while allies are spending a lot of time working together. In this context, Russia continues its action with a consummate art of strategy. The Crimean Parliament unanimously asks for its attachment to Russia, which will then be validated by a plebiscitary referendum. Crimea then nationalises the oil and gas sector, public companies become Russian companies. For Vladimir Putin, democracy has provided its verdict. The world is then faced with a fait accompli. Russia is then developing an information strategy, based on the right of peoples to self-determination, which justifies its action. In the face of Ukraine's political instability and growing corruption, Crimean citizens seem to prefer to become a member of the Russian Federation.

Lesson 6: Armed conflict must be engaged only if victory is offered to us. Officially, with the referendum, Russia justifies its action, which did not need serious military support. Russian military power was more present in the minds than in the facts. The art of war is precisely to reduce the collateral damage with regard to its own objectives. Victory is only true if

its price does not exceed the benefits received in exchange. Today, it is a question of convincing the opponents of the irremediable character of the union between Russia and Crimea. Some of the opponents fled, the Tatars could be in trouble. However, the "real politic" is never interested in the cruelty of situations.

- Lesson 7: Russia has integrated the limits of the military instrument. European citizens do not wish to engage in armed conflict for a rather Russian-speaking Crimea. Every European citizen knows that military action against Russia is doomed to failure. The economic war is then recommended. Only those at the third level, the highest (banking transactions and budgetary revenue sources), would have a significant impact, with the energy issue, which for the moment is still not retained. Russia must now bear the effects of the economic weapon. In case of embargo or economic war against Russia, the cost to pay would be significant for all actors, including Europeans. However, the interests of the United States, rich in oil and gas, are not the same as those of Germany or France, dependent on oil and gas, especially from Russia. The United States and even several countries of the European Union do not agree on the establishment of the Nord Stream gas pipeline linking Russia directly to Germany. The divergent interests of the Allies give new diplomatic prospects to Russia in the years to come. When the interests of the alliance formed by your enemies are divergent, the resumption of negotiations becomes inevitable in the long run. Opposite, Russia strengthens its military apparatus, but this effort remains difficult to digest for the Russian economy.

Eighth lesson: No voice was expressed in Russia against its policy in Crimea, quite the contrary. The Crimea had once belonged to the Russian Federation, and it was a simple decision of the Ukrainian Khrushchev that the island had been attached to Kiev. History often soothes resentment when struggles have not been violent in time and space. Vladimir Putin obtained the agreement of his people, while strengthening his personal power. In view of the stakes, the price of blood has not been very high. Putin thus strengthened his position in the strategists able to defend the interests of his country, which allowed him to increase, undoubtedly to excess, his personal power. However, Russia's economy remains highly dependent on its natural and energy resources, which is a point of weakness that may ultimately have disastrous consequences.

Russia is going through a new period in its history that is putting it out of the way of western chancelleries. She does not care, convinced of her right. If it undergoes more or less severe sanctions from the West, India or China

are less committed to the resolution of this conflict. Vladimir Putin seeks to get closer to these countries (especially in the framework of the BRICS group). She is nevertheless convinced that she will soon be allowed to return to the G8.

The annexation of Crimea to Russia has been the subject of economic retaliation measures mainly by NATO members. Putin has used the lessons of Sun Tzu to achieve a result that, on the side of Russia, is globally positive; since the question of the return of Crimea to Ukraine is hardly mentioned anymore. In this context, we realize that Russia has suffered some negative effects on its growth, but it has considerably improved the conditions of its national security and its patrimony and heritage.

Westerners have forgotten the principles enunciated by Sun Ste, so far-sighted about the desirability of wars and the rules to be respected in times of peace. Putin pursues his great goal of putting Russia back on the international scene and recreating a sphere of influence around it. He had not expected, however, that his person and his national government would gradually begin to stir up internal opposition ... except in Crimea.

Bibliography

Brunat, E., Fontanel, J. (2015), La stratégie internationale et la réforme militaire en Russie, in La stratégie internationale et la réforme militaire en Russie, in « Union européenne-Russie : une relation particulière », (Sous la direction de Eric Brunat, Georges-Henrin Soutou et Frédéric Turpin), Université Savoie Mont-Blanc, Laboratoire LLSETI, Chambéry. 2015.

Brunat, E. (2015), Where goes Russia? The risks of a continental divide; from the early structural difficulties to the Ukrainian crisis which hinders the country's re-emergence in Dallago B., Guri G., McGowan J. (eds), A Global Perspective on the European Economic Crisis, Eds., Routledge, London.

Brunat, E., Fontanel, J. (2015), L'économie de la Russie, les grands défis à relever, AFRI, Annuaire Français des Relations Internationales, Paris.

Brunat, E. Fontanel, J. (2018), La Russie de retour comme puissance militaire ? AFRI, 2018, Volume 19.

Connolly, R. (2016), Hard Times? Defence spending and the Russian Economy, in Russian Analytical Digest, n° 196, November.

Facon I. ; (2010), Russie, les chemins de la puissance, Ed. Artège, Coll. Initiation à la géopolitique, Perpignan, 191 p.

Facon, I. (2017), Russia's national security strategy and military doctrine and their implications for the EU, Fondation de la Recherche Stratégique, Janvier 2017.

Fontanel, J. (1993) Economistes de la paix, PUG, Presses Universitaires de Grenoble, Grenoble

Fontanel J., Borissova I, Ward M., (1995), The principles of arms conversion in the case of Russia, Defence and Peace Economics, Vol. 6.3.

Fontanel J. (1998), L'avenir de l'économie russe en question, PUG, Coll. Débats, Grenoble.

Fontanel J., Karlik A. ; (2005), L'industrie d'armement de la Russie. Effondrement ou renouveau ?, Innovation. n° 20, pp. 81-108, 1^{er} trimestre.

Fontanel, J. (2010), Economie politique de la sécurité internationale, La librairie des Humanités L'Harmattan, Paris.

Fontanel, J. (2019), Différends, conflits et guerres économiques, PSEI, Paix et Sécurité Européenne et Internationale, Unice.

Guilhaudis, J-F (2017), Relations internationales contemporaines, Manuels, Litec, Paris.

Skharatan O., Fontanel J. (1998), Conversion and personnel in the Russian Military-Industrial Complex, Defence and Peace Economics, Vol. 9.

Sokov, N. (2016), La Russie, le désarmement et les traités de contrôle des armements, Note de l'Observatoire franco-russe, n°14, Octobre

Sun Tzu ; (édition revue 2008), L'art de la guerre, Flammarion, Champs classiques, 338 p.

Vanderberghe M. ; (2011), Le renouveau de la puissance russe face à l'Europe, Regards sur l'Est (ressource en ligne), 10 avril.