

CHAPTER 6: The changing world order and its effects on the EU

In Euromemorandum 2023, we outlined the negative dynamics of the global political economy that culminated in a full-scale war at the heart of Europe. The war in Ukraine has dragged on for two years and continues to shape the dynamics of the world political economy. In the Granada Declaration of October 2023, the EU pledged ‘to support Ukraine and its people for as long as it takes’. Following its membership application in February 2022, the EU decided to open accession negotiations with Ukraine in December 2023.

From the point of view of US-centric geopolitics, these developments in Europe are only a part of a much bigger picture, which revolves around the US-China trade war, contestations over the future of Taiwan, conflicts in the Middle East, and other issues. While the US is trying to strengthen the hegemonic structure of the world, what in the West is understood as the new Cold War, is for many others a continuation of the century-long struggles for global equality. The division of the world into two blocs and the conflicting stories about what this division means, is threatening to derail the world into a new military disaster.

6.1. The continuation and gradual escalation of the war in Ukraine

The war in Ukraine could have ended quickly in February–March 2022 after Ukraine halted the Russian advance. Russia seems to have been agreeable to a ceasefire and to withdraw from most of Ukraine, if Ukraine had agreed not to join NATO and if international security guarantees for Ukraine would not extend to Crimea, Sevastopol, or certain areas in the Donbas. Regarding these areas, the parties accepted the existence of different interpretations and the need for future negotiations.

The then-Israeli Prime Minister Naftali Bennett served as the mediator and later disclosed many details about the negotiations about which the West was sceptical or outright hostile.¹ On March 24, 2022, NATO decided not to support these peace negotiations; the stance of key Western allies only hardened further in the next few days.² Revelation of the war crimes in Bucha on April 1 appears to have been an

¹ The full nearly five-hour long interview is available at: Naftali, Benett (2023, February 4). Benett speaks out, [Video]. YouTube. <https://www.youtube.com/watch?v=qK9tLDeWBzs> (recorded 4 February; last watched 22 November 2023).

² On March 28, Putin, as a sign of goodwill and in support of the peace negotiations, had declared readiness to withdraw troops from the Kharkov area and the Kiev area. It is unclear whether the actual Russian withdrawal occurred because of the successful counterattack of the Ukrainian army or because Putin attempted to facilitate negotiations, or as a result of a combination of the two, but it led to the revelation of the war crimes in Bucha. However, the stance of the Western allies hardened further already on March 29 during a phone conversation with Scholz, Biden, Draghi, Macron, and Johnson. See Hajo Funke and Harald Kujat, How the Chance Was Lost for a Peace Settlement of the Ukraine War. A detailed reconstruction of events in March 2022, *Brave New Europe* November 10, 2023, <https://braveneweuropa.com/michael-von-der-schulenburg-hajo-funke-harald-kujat-peace-for-ukraine>.

additional factor that tipped President Zelensky's balance against the continuation of the negotiations on the 2nd or 3rd April (by that time also popular opinion in Ukraine was hostile to such an agreement).³ Nevertheless, ethically and politically, blocking the negotiations was a choice on the part of the West, which Bennet considered to be a mistake.

After the almost completed negotiations suddenly failed in early April 2022, the war in Ukraine has continued to escalate, involving ever more mobilisation of people and resources. In two years, hundreds of thousands of people have died or been seriously injured (including mentally), and the costs of the war are rising every day. The expansion of NATO to Finland, and likely to Sweden, has contributed to that escalation. A further step in the escalation process occurred when Russia decided to annex four regions of Ukraine, illegally from the point of view of international law. Ukraine's negotiating position has deteriorated and in early 2024, a negotiated ceasefire and agreement seem further away than in March 2022. Importantly, as long as the war continues, Ukraine's membership and the EU's mutual defence clause (article 42(7) of the TEU) would seem to imply a war between the EU and Russia.

The political-economic effects of the war in Ukraine have surprised most economists and pundits. It is true that the war is weakening Russia and making it dependent on China, while Europe has once again become more dependent on the US, even if only ambiguously. However, although the Russian economy has suffered, it seems to have been more resilient than anticipated, while in the EU, the sanctions have worsened the economic situation, including through the cost-of-living crisis analysed in Chapter 2. A further surprise to many has been that inflation in the EU has not been self-accelerating but is already slowing down (see Chapter 1).

6.2. The current conflicts among great powers are closely interwoven

As explained in the Euromemorandum 2023, the processes leading to the war in Ukraine have involved the dynamics of insecurity created within the global political economy in the 2000s and 2010s involving mutual securitisation. The new era of sanctions against Russia started already in 2012, deepened in 2014, and exploded in 2022. Despite gradually deteriorating relations with Russia, in the US, China has come to be seen as the main adversary and primary threat. While the George W. Bush administration had already started to perceive China as a threat, this perception has gained further strength since the global financial crisis of 2007-9.

³ This accords not only with Bennett's account but also with that of Oleksi Arestovich, former Advisor to the Office of the President of Ukraine, who participated in the Ukraine negotiations: '...mid-agreement in Istanbul, we went back to Kiev, and after Bucha, we heard from the president that we had stopped the negotiations. The next meeting would have been on the 9th of April, and on the 2nd or 3rd April it was declined.' The interview video is posted on X and available at <https://twitter.com/MyLordBebo/status/1746620883660148946>.

In 2011, the Obama administration declared a 'pivot to Asia' and the 21st century as 'America's Pacific Century'. These were linked to military 'forward positioning' and US-led free trade efforts in the Pacific region. The Trump administration's economic and security policies mostly just made existing US foreign policy more unilateral and unpredictable, although there were also some qualitative shifts; for example in US trade policy, the United States' self-regard started to exhibit increasingly protectionist tendencies. The Trump foreign trade doctrine was known officially as the 'America First Trade Policy'. It included exploiting the leverage of interdependence to force market opening or improved market access for American goods and services. Biden's government has by and large continued similar policies under the rubric of 'invest, align, and compete', focussing on outcompeting China and preserving or developing a free and open Indo-Pacific region that excludes China.

A popular though misleading way of understanding the consequences of this geo-economic and -political struggle, is the concept of the 'Thucydides Trap', indicating a strong tendency towards a war between China and the US. Paraphrasing Thucydides, the basic storyline is that 'because the Chinese have grown in power and alarmed the Americans, this is making a war between them nearly inevitable'. Even Graham T. Allison, who coined the phrase, admits that the 'trap' is not a theoretical concept but rather a mere metaphor. One of the ironies of the metaphor is that the Chinese take the role of proto-democratic Athens and the Americans the role of authoritarian Sparta. A particularly worrying aspect of the 'Thucydides Trap's' conceptualization of the conflict is that these kinds of anticipations tend to be self-fulfilling.

Although it is uncertain whether unambiguous Chinese opposition to the Ukraine war would have restrained Russia, we know that since the invasion started, Russian exports to EU countries have nearly ceased, while exports to Asia have risen.⁴ Although Russian trade has in comparative terms increased more with India and Turkey, Russia and China have deepened economic ties amid a major surge in trade.⁵ The standard argument in China is that it needs Russia to counter the US. From the perspective of prevailing Chinese thinking, unequivocal condemnation of Russia's invasion of Ukraine does not seem to be a reasonable option, given the strained and inflamed relations with the US, involving the real potential for a major war. Current conflicts among great powers are closely interwoven.

⁴ The Bank of Finland Institute for Emerging Economies, BOFIT, (2023). *Russian exports down, imports up in first quarter*. Available at: https://www.bofit.fi/en/monitoring/weekly/2023/vw202315_1/.

⁵ Murray B. (2023, October 25). *China's closer bond with Russia reshapes trade flows* Atlantic Council. Bloomberg. Available at: <https://www.bloomberg.com/news/newsletters/2023-10-25/supply-chain-latest-russia-and-china-trade-relationship>; Lipsky J. & Graham N. (2023, May 30). *China is trading more with Russia – but so are many US allies and partners*, *New Atlanticist*. Available at: <https://www.atlanticcouncil.org/blogs/new-atlanticist/china-is-trading-more-with-russia-but-so-are-many-us-allies-and-partners/>.

6.3. The consequences of US-centric geopolitics are counterproductive, also for the EU

The US tech-oriented geopolitics includes sanctions against China and attempts to tackle commodity- and value chains by decoupling and friend-shoring, amounting to the weaponisation of interdependence.⁶ Similarly, China is trying to secure access to critical inputs and minimise exposure to the weaponisation of trade, and it has responded to many moves by the US either by precautionary measures (e.g. reducing trade through the Straits of Malacca) or by imposing similar restrictions and major attempts at friend-shoring (in particular the Belt and Road Initiative). The long-term US demands for higher arms spending by other NATO members have become part of the US 'pivot to Asia' through the transatlantic division of labour in which the US, with its dwindling power resources, could focus on its main enemy, China, and delegate responsibility for tackling problems and conflicts on Europe's external borders - from Ukraine to Syria, Libya to Mali - more to European NATO countries. Because of the war in Ukraine, the US has finally gotten its way in this matter, for example through Germany's *Zeitenwende*. Perhaps somewhat paradoxically, the rearmament of the European NATO members has been – at least so far – a military Keynesian economic stimulus programme for the US (and to a lesser extent for France), while they tend, together with high energy prices and such effects, to further diminish the growth potential of the EU economy.

The EU is entangled in these negative dynamics in various ways. The European Green Deal is a case in point. As a result of the weaponisation of energy supplies in the course of the war in Ukraine, the EU has enabled a large number of fossil fuel infrastructure projects and expansions and mobilised considerable sums for energy-intensive industries and for the electricity sector. The weaponisation of interdependence undermines the aims of the green transition.

Moreover, the production of all sorts of modules for renewable energy production and battery storage (necessary for electric vehicles) is dominated by Chinese companies with market shares between 75% and 90%. In some of the materials used in batteries and some niche products, China's market share is even close to 100%. Furthermore, many of the metals needed to produce modules, wafers and cells are extracted or produced by Chinese firms in and outside of China.⁷ The same goes for solar panels and similar products. As the EU and its member states adopt the US perspective on China as a threat and security risk, this creates a tendency to try to avoid the cheap offers made in China and insist on a strategy of doing it at home,

⁶ Farrell H. & Newman A. (2019). *Weaponized Interdependence: How Global Economic Networks Shape State Coercion*, *International Security*, 44 (1), pp. 42–79. In their 2023 book, they report how the Trump administration quickly adopted the ideas of the 2019 article as a 'good playbook to implement'. Farrell H. & Newman A. (2023). *Underground Empire. How America Weaponized the World Economy*, London: Allen Lane, pp.101-102.

⁷ See International Energy Association (2023). *Energy Technology Perspectives 2023*, Paris. Available at: <https://www.iea.org/reports/energy-technology-perspectives-2023>.

today labelled as ‘re-shoring’ or ‘de-risking’. As an illustrative result of this acceptance of US geopolitical interests, the Europeans are forced to return to the highly anti-environmental practices of mining because the green transition requires a huge volume of inputs, the production of which is currently dominated by China.

6.4. Generating a global tragedy? Competing narratives and real-world developments

The emerging division of the world into competing blocs involves contestations over narratives about what is going on. Actors try to make sense of real-world developments in terms of ideas and stories. The relevant real-world political-economy developments, especially from the US perspective, include trends such as:

- declining US share of world GDP (from 40% in 1960 to 23-24% in the early 2020s in nominal US dollars, and to 15-16% in PPP terms; by 2028, the IMF forecasts⁸ a Chinese share of 19.7%, a US share of 14.5%, and an EU share of 13.65% in PPP terms)
- declining US share of world trade (14% of exports in 1970 to 8% in 2022)
- doubling of the US trade deficits in 2000-2022 and growing net interest costs of the US public debt (US debt reached 135% of GDP in 2022, the year when the US government spent some \$475 billion on net interest costs, which is equivalent to half of US military expenditure)
- declining US dollar share of foreign reserves (the US dollar continues to dominate forex markets – 90% of transactions involve the US dollar – but the US dollar share of foreign reserves has declined from 72% in 2000 to less than 60% in 2022)

The theory of hegemonic stability emerged in the 1970s when the partial collapse of the Bretton Woods system was widely conceived as a sign of crisis in US global leadership. This perception was further reinforced by the catastrophe of the Vietnam War and the rise of the New Left movement. Basically, the theory claims that the stability of the world economy is dependent on the benevolent leadership of the hegemonic state – since WWII the US. In its standard version, the theory assumes that maximum global welfare and Pareto optimality are achieved under free trade and that a hegemonic distribution of potential economic power is likely to result in an open trading structure and, more generally, in an open world economy.⁹ More generally, the US-style liberal international order was bluntly defined as a (global) public good. The global public good was supposed to include the definition and enforcement of property rights, resolution of disputes, stability, and security. The

⁸ IMF (2023). GDP based on PPP, share of world, International Monetary Fund Database, April 2023. Available at: <https://www.imf.org/external/datamapper/PPPSH@WEO/EU/CHN/USA>.

⁹ E.g. Krasner, S. D. (1976). State Power and the Structure of International Trade. *World Politics*, 28 (3), pp. 317-47; Gilpin, R. (1981). *War and Change in World Politics*. Cambridge: Cambridge University Press.

problem lies in free-riding by the lesser states in Europe, Asia, and the global south; the poor exploit the rich.

The practical conclusion of the theory is to try to strengthen the hegemonic structure, make the free riders pay their share, and focus on taking care of one's own position and interests more. The first round of discussions around this theory faded into the background when the Cold War ended and US hegemony seemed restored for a while (in International Relations literature, this has often been referred to as 'the US unipolar moment'). The second round started in the 2000s. It is the basic themes of the mythic narrative of hegemonic stability – coupled with the assumption of the benevolence of the hegemon and related apologetic narratives – that explain the developments of US foreign policy since 2001, from the neoconservative turn of Bush to Obama's 'pivot to Asia', Trump's 'making America great again', to the 'invest, align, and compete' doctrine of the Biden administration.¹⁰

In other words, the theory functions performatively towards the world or tends to construct the world in its own image, even when it involves unintended and negative consequences, rather than seeking (or even pretending to seek) to provide accurate descriptions of it. It generates self-fulfilling prophecies, for example, the erosion of free trade and deglobalization have to a significant degree been caused by US actions, including its double standards, protectionism, and weaponisation of interdependence. Finally, its performative side resembles the insistence of Pericles that Athens should keep the empire and make no concessions, although its actions had by that time given rise to widespread grievances – which, according to Thucydides, was the true cause of the war. What seems worrying is that, from the US perspective, there is a narrow time window for winning the war against China over Taiwan, as the power of China continues to grow. This resembles the logic according to which the Germans were willing to risk a world war in the summer of 1914 in terms of the so-called Schlieffen Plan.

Of course, the theory of hegemonic stability is not the only sense-making storyline in the West. In global contestations, the narrative of 'democracy vs. authoritarianism' on the side of the US and its allies is juxtaposed with the 'post-colonial developmental states against the neo-colonialists' by China and the BRICS and several other countries of the global South. What in the West is understood as the new Cold War, is for many others a continuation of the century-long struggles for global equality. The formal process of decolonisation left asymmetric practices and mechanisms in place in the global political economy.

Box 6.1.: The Israel–Hamas 2023-24 war and the growing turmoil in the world

¹⁰ See e.g. Strange, S. (1987). The Persistent Myth of Lost Hegemony, *International Organization*, 41 (4), pp. 551-574; Grunberg, I. (1990). Exploring the 'Myth' of Hegemonic Stability, *International Organization*, 44 (4), pp. 431-477.

Since 2000 and following recurring episodes of violence, including the Gaza wars of 2008–2009 and 2014, the living conditions in the Gaza Strip and, to a lesser extent, other areas inhabited by Palestinians have deteriorated. Israel's economic embargoes and related attempts have impoverished the economy, whereas aid from the EU and others has partly countered this and at times even induced growth. The Covid-19 pandemic added to the misery. In 2022, despite a growth of 3.9% in Palestinian GDP, per capita real GDP was still well below its pre-pandemic level and close to its lowest level since 1994. Between 2006 and 2022, Gaza's real GDP per capita shrank by 37%.

During the last few years, a combination of factors has kept the Palestinian and especially Gazan economy down: the pandemic, inflation, a decline in foreign aid, reliance on the Israeli shekel (leaving little room for policy responses to shocks and crises), fiscal deductions by Israel, further loss of land and natural resources to illegal Israeli settlements, and the build-up of debt. As much as 80% of the population in Gaza is dependent on foreign aid. Unemployment has been high at 45% and still higher among young adults. UNCTAD summarises the situation of ordinary people: 'Living in Gaza in 2022 meant confinement in one of the most densely populated spaces in the world, without electricity half the time, and without adequate access to clean water or a proper sewage system'.¹¹

It was in this socio-economic context that the military wing of Hamas – the main political force in the area since the mid-2000s – started to prepare a large-scale attack on Israel in response to some specific political grievances, including settler violence. On 7 October 2023, Hamas attacked Israeli military bases and civilian areas, brutally killing at least 1,300 people and taking more than 200 hostages. The next day Israel formally declared a state of war, launching a counteroffensive named 'Operation Swords of Iron'. By February 2024, this counteroffensive had killed up to 30,000 people, mostly civilians including 6,000-9,000 children, and induced a total blockade of Gaza. The result is a massive humanitarian catastrophe.

On December 29 2023, South Africa filed an application to the International Court of Justice to initiate genocide proceedings against Israel. The case is being widely supported by thousands of popular movements, trade unions, and political parties, as well as by dozens of states. The point of South Africa's legal case against Israel is that it wants the ICJ to order Israel to "immediately suspend its military operations in and against Gaza". On January 26 2024, the ICJ fell short of ordering a ceasefire, but ruled South Africa's case of genocide to be 'plausible' and ordered Israel to take 'all measures within its power to prevent and punish the direct and public incitement to commit genocide'.

Josep Borrell, High Representative of the European Union for Foreign Affairs and Security Policy, has argued that '*all EU Member States back immediate pauses in hostilities. Humanitarian pauses, cease-fire, truces... the name does not really matter, what matters is to limit the suffering of the Palestinian civilian populations and Israeli hostages*'.¹² Obviously, the US plays the most decisive role in this regard.

The Euromemo group supports all attempts to stop the violence. In addition to the immense suffering caused by the massive scale of destruction in Gaza (and increased settler violence in the West Bank), the risk of further escalation of the conflict poses a global problem. At the time of writing, the USA and UK have conducted airstrikes on targets in Yemen in response to attacks on western vessels by the Houthis in the Red Sea justified in support of Palestinians in Gaza. After attacks on US military personnel in Jordan, a direct confrontation between Iran and the United States is a possibility.

However, the 'post-colonial developmental states against the neo-colonialists or neo-imperialists' storyline is also not free from its own ambiguities or contradictions. All theories adopted in policymaking have performative effects, which can justify inequalities, repression, or violence and have unintended negative consequences. Moreover, authoritarian state practices are not fully compatible with the ideas of emancipation and equal development of all. It is thus clear that from a global perspective, the overall story is far more complex than any of these simple juxtapositions suggest. What matters is that the ingredients for a massive global tragedy have now been assembled – at the same time as climate change and the extinction crisis are progressing in the background at an ever-increasing pace. Our darkened world needs enlightenment.

¹¹ The quotation is from UNCTAD (2023). Prior to current crisis, decades-long blockade hollowed Gaza's economy, leaving 80% of population dependent on international aid, [Press Release] UNCTAD/PRESS/PR/2023/025, October 27, 2023. Available at: <https://unctad.org/press-material/prior-current-crisis-decades-long-blockade-hollowed-gazas-economy-leaving-80>. The full report is available at https://unctad.org/system/files/official-document/tdbex74d2_en.pdf.

¹² Borrell, J. (2023, November 17) *What the EU stands for on Gaza and the Israeli-Palestinian conflict* https://www.eeas.europa.eu/delegations/uzbekistan/what-eu-stands-gaza-and-israeli-palestinian-conflict_en?s=233

6.5. Alternative policies and the need for institutional transformations

All the points we made in Euromemorandum 2023 remain relevant. As the world is once again increasingly divided and a much larger global military catastrophe looms in the air, it is urgent to restrain the dangerous global security dynamics in terms of confidence-building and arms control measures. A peace agreement between Russia and Ukraine and relevant parties to end the violence would be a major step in the right direction. Also, the violence in Gaza needs to stop; while in East Asia security and confidence-building measures could ease tensions. The world needs time to get to the heart of the matter, i.e. the fundamental reorganisation of the world political economy.

To enable better paths for world history, the West and the US in particular must give up the idea of an empire and theories that mystify and legitimise such one-sided asymmetries. We do not have to repeat the tragic fate of past empires or the tragedy of WWI, nor should the memories of those determine our common future. Even if the US remains committed to the idea of being a 'benevolent hegemon', at least the EU should distance itself from this counterproductive and potentially dangerous idea; it is good to bear in mind the already existing grievances, where EU officials have criticised the US over sky-high energy prices, weapons sales, and US subsidies affecting trade. The EU could for instance disaggregate the China challenge by cooperating on the environment, on tax evasion and maintaining trade, without giving up the advocacy of human rights (liberal human rights remain a constitutive principle of the EU) or opposing possible territorial expansion; China also stresses this principle, even though the problem lies in the definition of what constitutes 'inside' and what is expansion).

The EU itself should refrain from any further territorial expansion. EU expansion implies influence on their neighbours, including in the area of the former Community of Independent States (CIS), and this influence is not always innocent or benevolent in some universal moral sense. Moreover, the EU accession process is highly complicated, especially in the case of Ukraine. First, as long as the war continues, the EU cannot admit Ukraine without in effect declaring war against Russia (TEU article 42(7)). Secondly, Ukraine is nowhere near to fulfilling EU membership criteria, and the war has made it even less eligible for membership (e.g. martial law, many political parties prohibited, elections postponed, media censored, etc.). Thirdly, it would be much more important to commit major resources for reconstruction in Ukraine after the war. Promises of EU-membership cannot be a substitute for genuine assistance in reconstruction. Finally, further enlargement without a common fiscal policy, and without the establishment of other EU institutions, is a

recipe for compounding the current gridlock and strengthening disintegrative tendencies in the EU.

Modern Europeans must know how to look beyond the small peninsula of the old continent known as Europe. The fundamental reorganisation of the world political economy would involve (1) the transformation of some of the existing institutions to enable free and equal development of all (for example, creating a trade regime that allows for pluralist and developmentalist policies, or through supporting sustainable developments in places such as Palestine or Yemen); and (2) the building of new common institutions ranging from a clearing union to global tax organizations and a world parliament. Some of these we have outlined and discussed in previous Euromemoranda. Here we would like to highlight three persistent matters.

Firstly, any process – including the war in Ukraine and accelerating climate change – which lead to rapid food price inflation in the global South is likely to lead to hunger revolts and distributional conflicts, which may in turn lead to the collapsing of states and to civil wars, possibly followed by *ad hoc* foreign military interventions and mass refugee movements. Military interventions may involve powers from the competing camps and thereby risk escalation. Mass movements of people to the global north tend to feed into the process of strengthening the right-wing authoritarian-nationalist forces, which in turn can reinforce the currently prevailing deglobalising tendencies in the global political economy. Things are interconnected and these connections generate a vicious circle. What we thus need are global institutions and counter-mechanisms that can ensure people's ability to access and afford food that is nutritious and of sufficient quantity. Such mechanisms and institutions can contribute to the emergence of a virtuous circle, although to ensure this, it would also be necessary to tackle the underlying problems of war and global warming and their causes.

Secondly, now is the time to reopen the issue of the military-industrial complex and the growth of its relational power in different countries. While we can seek guidance from the previous rounds of discussions,¹³ a critical political economy analysis must take into account also the role of new technologies and the power of digital platforms. The tendency of such organizational complexes to develop a life, purpose, and truth of their own may be strengthened by the new opaque but powerful technologies, and the secretive nature of security practices. Even if the military-industrial complex is not the root cause or even among the most essential cause of conflict and the expansion of armaments-production, over time its growing power and its tendency to justify its own existence and importance can become a significant part of the dynamics of the whole.

¹³ Perhaps most noteworthy Galbraith, J. K. (1969). *How to Control the Military*, New York: Signet Books, freely readable at https://archive.org/details/howtocontrolmili0000galb_h1m2/page/n7/mode/2up. Some of the formulations of this paragraph owes to Galbraith.

This is not only an American or Russian problem, but one which is also shaping developments in Europe (of the EU members, perhaps most importantly in France which possesses nuclear weapons and is the third largest arms exporter in the world). Moreover, any nation or alliance that is alarmed by the power of the other, understood as a threat or enemy tends not to be tolerant of critics who question the only seemingly practical line. Furthermore, the combination of the power of the military-industrial complex and the disciplinary effects of securitisation can constitute a vicious circle. Breaking it may be very difficult – depending on the specific geohistorical context – but seems necessary for long-term human survival.

The third and final matter concerns sanctions. To the extent that sanctions are in general or in the specific case of Russia in 2022-24 reasonable, they should first and foremost be targeted at the decision-makers and their surroundings. Thomas Piketty has proposed sanctions based on a new transparency register for real estate and other capital assets in the West.¹⁴ These sanctions would have been sensible since they would have hit specifically the power elite around Putin, rather than ordinary middle-class wage earners in Russia. However, these sanctions have failed to materialise because a new transparency register is no more in the interest of the billionaires of the West than they are in the interests of Russian oligarchs. This is an arresting indication of the dangers of the concentration of wealth and power in a few hands.

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¹⁴ The idea is to impose high taxes by Western states on the real estate and financial assets owned by the Russian well-off and this requires detailed knowledge about these assets. Piketty, T. (2022, March 16). The Western elite is preventing us from going after the assets of Russia's hyper-rich, *The Guardian*. Available at: <https://www.theguardian.com/commentisfree/2022/mar/16/russia-rich-wealthy-western-elites-thomas-piketty>.