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Emiliano Brancaccio¹

¹University of Sannio, Benevento, Italy
(emiliano.brancaccio@unisannio.it).

 ORCID ID:
orcid.org/0000-0001-7765-3892

Andrea Califano²

²Universidade Federal da Bahia (UFBA),
Salvador – BA, Brasil
(andrea.cfn@ufba.br).

 ORCID ID:
orcid.org/0000-0001-8942-7358

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War, Sanctions, Deglobalization: Which Comes First?

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Abstract

We argue that the war in Ukraine and the instrument of sanctions should be framed into a long trend – from globalization and the international imbalances it generates, to the subsequent “de-globalizing” movement –, which had a paramount role in the preparation for the war. The protagonists of the conflict are more properly identified with the two blocs of states whose economies are anchored either to the United States or China, respectively the major debtor and the major creditor of the world. In this context, the distinction between sanctions and protectionist policies is increasingly blurred, while both are growingly intertwined with defence policy.

Keywords: Centralization; Discriminatory protectionism; Friend-shoring; Globalization; Sanctions; Ukraine war.

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Introduction

Shortly after the beginning of the Russian invasion of Ukraine, the Secretary of the US Treasury and former President of the Federal Reserve called for a turning point in the path of world capitalism: she directly questioned the dogmas of the unconditional freedoms of movement of goods and capital that had been at the base of the so-called era of “globalization”, therefore implying the beginning of a new “de-globalizing” period, in which the “objective is to achieve free but secure trade”, and which would go under the label of “friend-shoring”.

As defined by Yellen, this term would mean to shore up the economic relations only between “friends”, that is, “countries we know we can count on”, applying sanctions and other measures to restrict the possibilities of interaction with everyone else. The so-called “others” would be identified in the Russian aggressor and its allies, and more generally in the regimes antagonistic to

Western-style liberal and democratic capitalism. Just as the collapse of the Berlin Wall is symbolically considered the beginning of the previous phase, the Russian invasion of Ukraine would be the symbol and trigger for this new era. The mainstream account of the new world economic setting considers the Russian aggression in Ukrainian territory, which began in February 2022, the starting point. This would lead to the United States' reaction in terms of "friend-shoring", eventually followed by various counter-reactions of antagonistic regimes (such as China's aggressive posture towards Taiwan).

The idea that the war in Ukraine represents the starting point of a new era of "de-globalizing friend-shoring" is in fact the dominant thesis in vogue today, as we will see further in this paper. However, it is not necessarily correct. If not for any other factor, at least due to the fact that the origin of the expression "friend-shoring" dates back to a period prior to this phase of the war (Coy 2021). In what follows, we will scrutinize the prevailing interpretation by raising some evidence and critical considerations. The collection of relevant data and events that follow aims to provide preliminary clues for an alternative thesis: that the war in Ukraine can be considered not the symbolic beginning, but rather the symbolic conclusion of a phase that began long ago, in which de-globalization has already been manifest and which had a paramount role in the preparation for the proper capitalist war; a war whose meaning is not that of an opposition between Ukraine and Russia, but more generally between the two blocs of states anchored either to United States' or China's economies, respectively the major debtor and the major creditor of the world.

The paper examines the issue from a specific reading angle, focusing on the policy instrument of "sanctions". Considered by most as an obvious consequence of the Russian invasion of Ukraine, the sanctions are in fact part of a consolidated path of policies, we argue, which traces back long into the past, and to some extent can be counted among the possible causal factors behind the war. The latter statement is surely controversial and may provoke scepticism or rejection: this is at least partially due to specific epistemological choices, conscious or less so. Therefore, the section that follows contains some necessary theoretical notes before moving to the core of the analysis.

Causal relations and capitalism's laws of motion

We propose a socio-historical method that challenges not only the interpretation of the specific event of the war in Ukraine, but also the renunciation to seek for "trends laws" in historical research and political analysis. As a first step, we reinforce that agency and contingency analysis, whether behavioural or conjunctural – what political leaders say and do, for example, or short-term changes in social and economic indicators – need to be complemented by theories about the deeper structures underlying immediately perceptible political events and social processes.

These structures are independent of intentionality and serve to place the conjunctural analysis in the context of long-term and large-scale processes whose explanation requires a structural analysis of the historical system of capitalism (Robinson 2008; Wallerstein 1979). We note incidentally that this vision is fully compatible with the stream of International Political Economy (IPE) that moves from the fundamental understanding that the central axis of international relations situates closer to the economy than security issues, even in war situations like the one discussed in this article.

This does not mean that one ignores the central dimensions of traditional IR theories, primarily realism. In the end, economic relations emerge and spread within specific countries, given that relations always occur in and from a specific space (Tussie 2015)¹. At the same time, this does not mean sticking to the widespread view in economic research, as well as in traditional IPE, that problems only become “political” due to the breaking of rules and norms, and that otherwise the system would work smoothly and in a technical and “apolitical” manner. Therefore, while questioning analyses that assume excessive political autonomy, our IPE view also moves from the awareness that it is not enough to manufacture a new transdisciplinary scenario that included economic interests. In fact, on the one hand, the real levers of power need to be brought to light; on the other, it must be recognized that in the structure of a world economy, relations between states are largely determined by the relations of production, together with their arrangements for the movements of capital, people, and goods.

These two requirements can be reconciled when “looking at economic phenomena as parts of a hierarchically structured totality and, therefore, as political phenomena. In turn, the socio-historical perspective fits the phenomena in their genesis and development, accounting for the asymmetrical interrelationships between countries” (Tussie 2015, 167)². In our view, this should be the framework for the analysis of the present conflict in Ukraine, either in its motivations and immediate antecedents, and as a supposed watershed moment in the history of the global system.

This approach directly connects to a traditional issue in history studies: indeed, the emphasis on unearthing the mechanisms that link hypothetical causes and outcomes is associated with a concern with “big questions”, that is, questions about large-scale phenomena that are considered substantively and normatively important by experts and non-experts (Mahoney and Rueschemeyer 2003). It is obvious that the normative relevance of such big questions – e.g. which are the deep causes of this war? Does globalization contain elements that could harm (relatively) peaceful relations between great powers? Is globalization a process that can be reverted, and how? At what risk? Etc. – proves to be a further disturbing element in the delicate interaction between the builder of causal models in the social sciences and the surrounding world. The reason concerns the fact that in the field of social studies the choice of exogenous variables can be easily influenced by the

¹ As will be seen later in this article, in the globalized economy in particular, this space is penetrated by those who produce and dominate exchange and ICT networks (Farrell and Newman 2019; Pigatto et al. 2021).

² All translations in this paper are the authors’.

historical conditions in which the researcher is embedded. Such conditions contribute to shaping their worldview, or ultimately their ideology³.

However, this implies the risk of denying, either implicitly or explicitly, any validity to the criteria for choosing exogenous data. Such an outcome could border on solipsism, that is the idea according to which, in the phase of choosing the premises of the model, “everything goes”, as long as, in the following stage of the research, propositions are derived which are logically consistent with the initial choice Feyerabend (1978). We strongly believe that this is not the only way the question of the choice of the exogenous can be addressed, since without necessarily denying the influence of ideology on the definition of the premises of a model, it is possible to judge the latter on the basis of historical, methodological and logical investigation.

In Trindade d’Ávila Magalhães (2018) this choice of the exogenous variables, fundamental for the construction of the model and its causal implications, is brought to the discussion on globalization: the author conceives globalization as an independent variable, outcome of the actions of the “globalizers”. However, in our research, we deal with this issue in a slightly different way: the key is the mentioned historical, methodological and logical investigation, which is able to keep together structure and agency, interacting in a dialectic manner. That would be, in our view, the deep meaning of the ambition to seek general “laws” for the functioning of the social system. Though only Marx put it at the core of the analysis of capitalism, this search for the general “laws” of social systems has generated great debates throughout history, even outside the Marxist tradition (Foster and Sweezy 2011). As accounted for in Brancaccio and De Cristofaro (2022), after a period of relative oblivion, the crises of recent years seem to have aroused renewed attention to this topic (Boyer 2010), even though the space obtained in mainstream social sciences is limited.

The analysis contained in this paper, which from the strict point of view of causal investigation is perhaps little more than a provocation, is therefore grafted onto a flourishing tradition of historical-social investigation which highlights the link between capitalist centralization and military warfare, as a general law of tendency inherent to capitalism. Just to name a few giants and confining ourselves to the literature on imperialism: Rudolf Hilferding (1982), Rosa Luxemburg (1968), and Vladimir Lenin (1966). Therefore, relying on this illustrious tradition, we dig deeper on the profound reasons of the current war in Ukraine in order to describe the following dynamic, which can be considered a law of motion of contemporary capitalism: a tendency that moves from the imbalances generated by economic competition between capitals in conditions of free trade and free movement of capitals, to “discriminatory protectionism”, and eventually warfare, along a single path filled with oppression and violence. Such pattern defines a new historical phase of capitalism, which would follow globalization, characterized by discriminatory protectionism, weaponized

³ According to Lunghini (1998), an ideology constitutes or implies a philosophical-social point of view. He points out that the prevailing idea would be that ideology must be kept distinct and separate from the scientific core of the theory, which should thus aspire to neutrality. In the construction of a theory, however, and in evaluating its realism and relevance, Lunghini emphasizes that historical intuition, political perspective, and social vision necessarily intervene.

interdependence, and extreme centralization of capital. As it happened with globalization, the new phase is also doomed to rewrite in blood the power balance between nations and classes.

Thus, the war in Ukraine does not look like an outlier and unexpected watershed moment; moreover, contemporary warfare, with the risks of the atomic collision that it implies, can never trivially spring from the individual raves of a few madmen in power, as the great number of analyses devoted to the single personalities involved in this conflict often suggest. Rather, modern capitalist war is the tragic outcome of a gigantic impersonal chain of events, a great Shakespearean mechanism: a general “law” tending towards the imperialist centralization of capital. Bearing in mind, however, that even in this disenchanted methodological framework nothing can be considered unavoidable, in a deterministic fashion. Indeed, the tendential “law” per se does not evoke a fatal inevitability. The concept of “general law” is today considered fruitful precisely because it is confined within the typical limits of scientific objects, with their complex conjunctures, articulations, and bifurcations (Brancaccio and De Cristofaro 2022; Althusser 1971). Bringing the force of a “law” of movement towards war at the core of the analysis, rather, serves precisely to understand that in order to divert its catastrophic course one cannot rely on the action of an individual, or on targeting specific individuals with the goal of altering their behaviour, or even on the spontaneity of a generic, albeit much needed, collective movement calling for peace. The “law” may instead assume a fatal and unavoidable character if and when ignored, that is, when such function of the current international system is not brought into the analysis. In this view, the “law” of motion and its terrible consequences represent the result of a historically determined situation, whose responsibilities must not be brought back to individuals, but to classes and other social and historical categories of analysis.

These are the underlying theoretical and epistemological reasons that prompted us to look beyond the dominant narrative on the war in Ukraine: what we aim to show is that even this event, often portrayed as shocking, illogical and unpredictable, can be brought back to profound and long-lasting dynamics of capitalism. We start this operation in the following section, which shows that sanctions have been a very much used policy instrument for a long time, and one of increasing popularity.

Sanctions precede the war

Sanctions precede this war, even if one considers 2014 as the year when the war has begun, when Crimea passed to the Russian Federation. Even before the war in Ukraine, sanctions were widely used, against Russia and others. It is worth noting, in this regard, that the instrument of sanctions is increasingly popular in the world, and its use has been growing rapidly. They are imposed not only by the United States, the top promoter, but also by other countries and institutions, including the European Union, the United Nations and China (Hille 2021; on the spread of this policy and on the countries that are promoters and targets, see Kirilakha et al. 2021; Van Bergeijk 2021; see

also: Global Sanctions Data Base, Threat and Imposition of Economic Sanctions (TIES) dataset and CEPR Sanctions Watch⁴).

Sanctions can be defined as measures taken to deal with cases of violations of rules or conventions, with the aim of punishing a given country or body and pushing it to comply with the political objectives of the imposing country or body (Kirilakha et al. 2021). Sanctions are usually distinguished from the imposition of protectionist measures such as tariffs or trade duties, which, in principle, are used to defend national economic interests, and which in recent years have most often been applied in accordance with defined rules, such as the anti-dumping regulations of the World Trade Organization. However, this distinction between sanctions and protectionist policies is increasingly difficult to make.

Since the Second World War, the United States has been the country that has used most the instrument of sanctions, as accounted by Campoy and Shendruk (2022): between 1950 and 2019, it has imposed sanctions more times than the subsequent five countries or organizations in the list summed together (which also includes the EU and the UN). With regards to the sector of sanctions imposed by the USA, it is interesting to note how financial measures have been meeting with increasing success over time. Campoy and Shendruk (2022) present sanctions in force in each year by sector of imposition, showing that the movements of capital, goods and people gain more weight over the decades. Since 2008, financial, travel, and trade sanctions are by far the most imposed ones. On the other hand, arms and military sanctions seem to have gone out of fashion in the last fifteen years, after the peak reached in the years of George W. Bush in office. Furthermore, as Kirilakha et al. (2021) show, we are witnessing an upward trend in the number of US sanctions implemented each year. The Economist, in an issue centred on sanctions, resumes this evolution in a few words – also unveiling the connection with warfare:

The unipolar moment of the 1990s, when America's supremacy was uncontested, is long gone, and the West's appetite to use military force has waned since the wars in Iraq and Afghanistan. Sanctions seemed to offer an answer by allowing the West to exert power through its control of the financial and technological networks at the heart of the 21st century economy ("Are sanctions on Russia working? The lessons from a new era of economic warfare" 2022).

The same editorial even evokes the possibility of discouraging or punishing a possible "invasion" of Taiwan by China through sanctions.

The so-called secondary sanctions deserve a separate mention. They stem from the power that the United States have to impose sanctions on third countries that trade with countries subject to primary sanctions. Such power is due to third parties' reluctance to question their relationship with the North American market.

⁴The Global Sanctions Data Base (GSDB). <https://www.globalsanctionsdatabase.com/>; Threat and Imposition of Economic Sanctions (TIES) Data. <https://sanctions.web.unc.edu/>; CEPR Sanctions Watch <https://cepr.net/issue/cepr-sanctions-watch/>

Not only about sanctions: the tightening of trade policy

It would be a mistake to interpret the increased use of sanctions as an isolated event, separate from the overall development of international relations. In fact, it can be argued that the intensification of sanctions can be included among the evidence supporting the emergence of a more general dynamic according to which, with globalization and its crisis, “everything became war” (Brooks 2016).

From this point of view, according to the approach that we presented in section two, the intensification of the use of sanctions and, now, the logic of “friend-shoring” should be framed within a general trend: the growing use of protectionist trade and financial policies, a phenomenon that clearly spans over a longer historical period. Trade policies, essentially connotated by protectionism, that openly and explicitly discriminate between politically welcome trading partners and opposing countries, clearly anticipate the recent calls for the redefinition of global value chains that followed the outbreak of the Covid-19 pandemic and, with more intensity, the Russian invasion of Ukraine. In sharp contrast to the still widespread rhetoric on the indiscriminate opening of borders (to goods and capitals), some indicators capture the growth of discriminatory protectionism in the world: from the decline of the KOF Globalization Index⁵ to the growth in the number of discriminatory commercial actions announced by G20 members since 2012, with tariffs and anti-dumping measures as favoured tools⁶.

At a closer analysis, other outstanding elements emerge, adding to trade restriction measures. For example, in an executive order issued in May 2019, former US President Trump introduced the category of “foreign adversaries” of the United States. That is, any foreign government or “foreign non-government person” who follows a long-term conduct that is adverse to the national security of the United States or US citizens. The innovative element is that we are faced with a commercial policy measure designed for the purpose of “secure ICTS supply chains” (information and communication technologies and services). The concern would be that the “unrestricted acquisition or use” in the United States of services designed, developed, produced, or provided by persons who are the expression of, controlled by, or subject to the jurisdiction or direction of foreign adversaries, would enhance the ability of the latter to create and exploit vulnerabilities in these sectors, with potentially catastrophic effects on US interests. This would be “an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States”, for which the Director of National Intelligence will have to “assess the threats to the United States and its people deriving from information and communications technology or services” from these countries, producing periodic written assessments of such threats (United States of America 2019). In January 2021, therefore, on the last day of Trump Presidency, the Department of Commerce

⁵ *KOF Globalisation Index*. <https://kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html>

⁶ A very recent report from the International Monetary Fund (IMF) provides an extensive account of this “geoeconomic fragmentation” (Aiyar et al. 2023).

issued a series of interim regulations aimed at securing the global chains of ICT services, according to which the Department can prohibit or restrict, with a case-by-case approach, ICT transactions involving countries that are considered foreign adversaries.

It could be assumed that the Trumpian approach was a fleeting exception, but this was not so. Despite the opposition of the Chamber of Commerce, and despite the expectation that the Biden Administration would make an about-face (US Chamber of Commerce 2021), such measures were confirmed in March 2021, and already in that month the Department of Commerce sued several Chinese ICT companies (Oleynik et al. 2021). The new administration thus confirms Trumpian measures despite numerous criticisms, directed at the substantial retroactive character, given the wide spectrum of transactions potentially at risk of subsequent censorship by the Department. Not to mention the ambiguity of the category of foreign adversary: the fact that the Department lists “China, Cuba, Iran, North Korea, Russia, and the Maduro regime” as foreign adversaries provides false comfort to businesses (US Chamber of Commerce 2021). Therefore, even before the invasion of Ukraine, Russia was included in the list of “foreign adversaries” from which the US must necessarily defend themselves. But, as will be shown in the next paragraph, China is the main target of this further restriction in US trade policy.

In this respect, there is a remarkable similarity between the new protectionist measures towards China and the so-called sanctions, to the point that it is increasingly difficult to distinguish one from the other. The two instruments are also comparable in the speed of escalation if one considers that, for example, in 2018 alone, the average tariffs on Chinese products entering the USA increased from 3.1% to 12% (in the reciprocal case, from 8% to 18.2%), reaching 21% in 2019 for both countries, a level which has remained largely unchanged. This figure takes on great relevance when we note that at the beginning of 2018 the lower tariff was applied to a portion of products traded which was actually close to zero; the percentage of trade subject to import duties, in a period of three months, has become 47% in the United States and 65.5% in China, before falling slightly in the latter (currently at 58.3%), while reaching 66.4% in the United States (Bown 2021).

Even in the specific case of China, there was no reversal by the Biden Administration. On the contrary, actions against China were incremented (Padula and Pizetta 2022). As an example, in March 2022, the US abolished some exceptions to the tariff regime that had previously been granted (US Trade Representative 2022). Since then, measures targeted at Chinese firms have all but increased. Furthermore, Trump cannot be considered the founder of such policy: data indicate that US protectionism begins well before, after the 2008 crisis, under the Obama presidency (Georgiadis and Gräß 2013). As stated by Xing and Bernal-Meza (2022), who frame the rise of China in “cycles of hegemony”, “Washington has long been preparing for an economic decoupling from China”. This is confirmed by Bown and Irwin (2019), among the most prominent experts on the trade war between the US and China.

In the words of a very recent editorial in *The Economist*, “The old system was already under strain, as America’s interest in maintaining it waned after the global financial crisis of 2007-09.

But President Joe Biden's abandonment of free-market rules for an aggressive industrial policy has dealt it a fresh blow" ("The destructive new logic that threatens globalization" 2023). The quote is insightful in making explicit the tight connection between decoupling and "reshoring", which can be seen as two sides of the same coin of fiend-shoring. Furthermore, one should bear in mind that the military industry is a powerful tool of industrial policy and economic growth, and that, conversely, it is increasingly dependent on the technologies at the core of the so-called digital revolution. The target of sanctions or protectionism might be one (military development) or the other (the economy as a whole), but the effects will deploy on both (Dall'Agnol and Dall'Agnol 2020).

Discriminatory protectionism: the intertwining of sanctions, trade policy, and the military

The intertwining between sanctions and protectionist policy in the strict sense is also long-standing, and, we argue, a key component of the "law of motion", as presented in section two. Focussing again on the United States, it was noted that rather than using tariffs as required by law to adjust import conditions in response to unfair trading partner practices, they "threatened and imposed tariffs to pressure countries to change policies they oppose – the exact rationale behind the use of economic sanctions" (Forrer and Harrington 2019, 23). Thus, the distinction between sanctions and commercial policy becomes increasingly blurred (Kirilakha et al. 2021).

As shown, a field in which geopolitics, national development (both in civil and military areas), national security, and trade are ever more tightly interconnected is ICTS (Padula and Pizetta 2022). An emblematic case of this intertwining is the National Defence Authorization Act of 2019 (the law that establishes the yearly military expenses of the United States), signed in August 2018, which shows in a clear and unprecedented way the mixture between national security and economic issues (Chorzempa 2018). The act contains two provisions, the FIRRMA (Foreign Investment Risk Review Modernization Act), dealing with foreign investments, and the ECRA (Export Control Reform Act), concerned with exports and the transfer of technologies abroad. As reconstructed by Chorzempa (2018), the Act was approved at the end of a year of debates on how to protect the United States from threats to public security deriving from inbound foreign investments and the transfer of technologies abroad.

The bipartisan consensus on the need for such measures is also to be emphasized. The two provisions, among other effects, give greater control to the Department of Commerce, which is entrusted with a biannual report on Chinese and other investments, and to the Committee on Foreign Investments in the United States (CFIUS), in charge of scrutinizing investments in the light of the protection of national security. Moreover, another instrument has a legal basis in the ECRA: the Bureau of Industry and Security (BIS), which has been entrusted with the restrictions on exports to Russia since the invasion of Ukraine.

Among other things, after the escalation of the Ukrainian crisis, this office decides which third countries are granted exceptions to the new regime of blockade to exports of a list of products that the USA does not want to arrive in Russia and Belarus. In order for a country to become a tolerated exception, it must autonomously comply with the same sanctioning regime established in the USA. As firmly stated by Janet Yellen (2022, unpaginated): “let’s be clear, the unified coalition of sanctioning countries will not be indifferent to actions that undermine the sanctions we’ve put in place”. The target is then specified:

Going forward, it will be increasingly difficult to separate economic issues from broader considerations of national interest, including national security. The world’s attitude towards China and its willingness to embrace further economic integration may well be affected by China’s reaction to our call for resolute action on Russia (Yellen 2022, unpaginated).

In sum, provisions that restrict trade and financial flows with countries that are considered strategic adversaries, but are in fact in peaceful relations with the United States, and are also members of the international institutions that should regulate such policies (such as the WTO), are approved within the Act which annually finances the army. Subsequently, these same provisions are used in regulating the sanctioning policy towards Russia, also heavily affecting, via the scrutiny on third countries, the entire international regime which, in the dominant rhetoric, would be exceptionally upset by the war in Ukraine. Ordinary means for the management of the extraordinary, or extraordinary means for the management of the ordinary?

The same question could be asked about the SWIFT system, from which Russia has been cut off: a move that has been called the “nuclear option in the financial field” (among others, by the French Minister of Finance Bruno Le Maire). In this regard, it was noted that:

the topography of the economic networks of interdependence intersects with domestic institutions and norms to shape coercive authority (p. 44) [...]. For those steeped in the liberal tradition, we demonstrate that institutions designed to generate market efficiencies and reduce transaction costs can be deployed for coercive ends (p. 46) [...]. Only those states that have physical or legal jurisdiction over hub nodes will be able to exploit the benefits of weaponized interdependence. (Farrell and Newman 2019, 56)

After the September 11 attacks, the quoted authors show, the US government managed to obtain access to SWIFT data as a fundamental weapon for the war on terrorism (this was also possible because they were stored in in Virginia, US). Pigatto et al. (2021, 4) claim that a similar argument can be made with respect to the internet, where “some states hold a tight grip over companies and citizens online, using measures such as regulation, access blocking, and policing to make sure the network serves specific purposes that are desirable to them”, so that

the network remains fairly rooted in US territory, due to its concentration of physical infrastructure and services. [...] Many popular platforms also have their canonical servers located there, and much of the world's data eventually flows in its direction regardless of data localization laws (Pigatto et al. 2021, 9).

The disconnection from SWIFT, presented today as an extraordinary “peaceful nuclear reaction” to Russia’s alleged nuclear threat, has already been used several times in the past. For example, against Iran. Therefore, it is no surprise that these and other episodes of “armed interdependence”, inextricably intertwined with measures of selective and discriminatory protectionism, such as those mentioned in the previous paragraphs, have pushed Russia and China, but also other countries of lower “geopolitical status”, to pursue the creation of networks and infrastructures supporting global exchanges, which are alternatives to the existing ones, believed to be controlled by the United States and its allies. In other terms, actors in the developing world are challenging the international governance system, aspiring to act as rule makers, and prompting a “messy transformation” in which the crisis of the existing order and the prospects for a more inclusive one intertwines (Villa and Ramanzini Junior 2021). In this “messy circle” of actions and reactions that takes shape and reshapes the world, going back to the causal factor upstream can be more complex than identifying what is immediately perceptible. In this specific case:

With the backing of China, Iran, Belarus, Kazakhstan, and the studied neutrality of India, a new international financial system is in the process of being created. It is the creation in a real sense, not of Russia herself, but of top policymakers and strategic thinkers in the United States (Galbraith 2022, unpaginated).

Another insightful example of dangerous dynamics which might compose the causal chain leading to war concerns middle powers forced to make binary choices, that is, to choose between the US and China. For instance, the literature shows the counterintuitive outcome of such choices, which usually take the shape of a series of decisions on different fields of policy rather than a once-for-all decision encompassing all fields, as the about-face option is largely adopted, even in the case of long-standing allies (Cha 2020). In conclusion:

If the United States intends to disengage selectively from China and reduce China’s economic competitiveness in the process, it should assess more rigorously how much influence it has over China’s development and how much support it would be able to enlist from other countries (Wyne 2020, 44).

Friend-shoring before friend-shoring

The director of the IMF, Kristalina Georgieva, at the World Economic Forum 2022 in Davos, reinforced the prevailing vulgate, insisting that the signs of “gloeconomic fragmentation” of our

time are a result of the pandemic and above all of Russian invasion of Ukraine (Georgieva et al. 2022; Aiyar et al. 2023). However, we have shown that the war in Ukraine does not represent the starting point, nor the cause, in the use of the punitive and discriminatory protectionist mechanisms typical of friend-shoring, whether expressly conceived as sanctions or as duties and other instruments of trade policy. Moreover, we have seen that this distinction is increasingly difficult to do. With reference to the epistemological notes of the present paper, the Russian invasion – less so a single head of state – is not to be considered the exogenous variable of the explanatory model.

In fact, the main tools of friend-shoring were already at work well before February 24, 2022. It is the magnitude and intensity of US and allies' reactions to the invasion that may differ from policies that preceded it, but not their nature. As illustrated, in most cases, even the legal and administrative instruments heralded today as sanctions against invaders had in fact been in place for some time, in a mixture of commercial, financial, foreign, and military policy whose beginning can be traced back to over a decade ago, coinciding with the great global recession. Even more significantly, these measures are directed against a wide spectrum of “foreign adversaries”: not only Russia, but above all China, and others.

The emphasis placed by exponents of the US administration and various opinion leaders on the apparently innovative concept of friend-shoring masks a clear continuity with previous policies. Moreover, well before the invasion of Ukraine, “allied-shoring” was already discussed in the circles of the US Administration (Dezenski and Austin 2020). Above all, the grand narrative of the promotion of free trade and of the United States as the standard bearer of globalization had long since vanished. Even from the US presidential dispute, despite polarization during the 2016 elections, there was already a bipartisan consensus on the need to strengthen the economic resilience of the US, abandoning free trade when necessary (Wyne 2022).

The Biden Administration openly and explicitly adopted this approach. One year before the Russian invasion of Ukraine, on February 24, 2021, the Executive Order “America’s supply chain” instructed the Government to undertake a complete review of trade relations, so that “close cooperation on resilient supply chains with allies and partners who share our values will foster collective economic and national security” (United States of America 2021a). The term friend-shoring already appears in official documents in June 2021 (United States of America 2021b). We could go even further back in time, to the Obama Administration, under which the first spikes in protectionist measures took place (Evenett and Fritz 2015). This trend is not limited to the USA. The need to redefine supply chains was already present in the various “reshoring” or “onshoring” plans launched by some important Western players well before the Covid-19 pandemic and the invasion of Ukraine. These include the set of policies implemented in Japan in the years preceding the pandemic related by Schoff (2020), the French Government’s Colbert 2.0 plan, adopted in 2013, the UK Reshore Plan and the British Government’s Advanced Manufacturing Supply Chain Initiative in 2014.

On the Western side, therefore, we are now far from the globalist and pacifist rhetoric, which is instead still supported by the Chinese government (defined by Trindade d'Ávila Magalhães (2018, 1728) as the “economic globaliser in the twenty-first century”, in open opposition to the logic of friend-shoring. In the words of Xi Jinping:

We need to uphold the pioneering spirit and innovation and unleash the potential and vitality of cooperation. Those who seize the opportunities of the new economy, such as big data and artificial intelligence, are in sync with the pulse of the times. Those who seek to create monopoly, blockade and barriers in science and technology in order to disrupt other countries' innovation and development and hold on to their dominant position are doomed to fail. [...] Some countries attempt to expand military alliances to seek absolute security, stoke bloc-based confrontation by coercing other countries into picking sides, and pursue unilateral dominance at the expense of others' rights and interests. If such dangerous trends are allowed to continue, the world will witness even more turbulence and insecurity (Xi 2022, unpaginated).

Conclusion

If during the golden age, following the Soviet collapse, the United States and its Western allies imposed the rules of capitalist globalization and even dragged China into it, for several years now we have been witnessing a reversal of roles, with the Chinese advocating for free trade and the West rebuking with friend-shoring. Such reversal of positions on the international stage is by no means accidental. It is a consequence of the large imbalances that have developed in the years of the global opening of the markets, with the United States and most Western countries accumulating foreign deficits and net passive foreign positions, whereas China, some emerging countries, and energy exporters – and in part even Russia – accumulated surpluses and credits towards foreign countries symmetrically. An imbalance that over time would logically foster a process of centralization of capital, with creditors liquidating, acquiring, and engulfing debtors, unless the latter have a protectionist reaction.

In short, Western friend-shoring can be seen as a defence against the risks of a Chinese-led centralization of capital, a strategy which has been applied since well before the term started to be openly used. The use of diversified instruments to pursue this strategy, depicted in this paper – instruments which have been directed from time to time to numerous and variegated countries – should not mislead on the ultimate goal. Indeed, such policy, primarily directed against China and countries anchored to it, aims at narrowing peer competitors' (and not, this time, *pariah states*) benefits from a globalized international system, while at the same time strengthening the resilience of the US' (and “friends”) own supply chain (Wyne 2020). In this sense, the current scenario could also be framed in the terms of the vexed question revolving around *Techno-Nationalism* and *Techno-Globalism* (Ostry and Nelson 1995), which is also

illustrative in differentiating the scope of the measures treated in the paper from antagonistic moves against smaller (i.e. non-peer) countries. Now, as major global powers are involved directly, and the instruments used – sanctions, trade war, military measures – ambiguously melt in one single aggressive policy of discriminatory protectionism, euphemistically named friend-shoring – the strategy is extremely dangerous. In this sense, the war ceases to look like a cause to closely resemble the foreseeable outcome of other policies and institutions. We should look for the explanatory variables in the latter, not the former.

Before “deglobalization”, large Western debtors have long tried to stay afloat in the great global maelstrom by adopting a strategy of double expansionism: expansion of debt and military influence in the world. Broadly speaking, foreign debts financed troops on the ground which for their part had to proceed with new hoardings capable of mitigating the debts themselves. The war campaigns in Iraq, also aimed at improving the US energy balance, are just the most elementary example of this complex military-monetary circuit. However, this form of debtor imperialism encountered growing obstacles, until it reached a crisis of results and an upper limit of expansion, also proven by rushed retreats, such as from Afghanistan. The crisis coincided then with the intensification of discriminatory protectionism. The problem is that, in turn, the creditors can react to it, trying to expand the space of economic influence by crossing the protectionist barriers with even more audacious means, even military ones. It is a long and complex chain of actions and reactions, which pushes the entire system towards an actual capitalist war. No longer just made up of duties, sanctions, and prevented foreign acquisitions, but also of bombs and troops on the ground.

The following quotes are examples of how this course had been forecast and announced, without this having halted the unfolding of the “law”. Speaking of financial sanctions, *The Economist* (“The pros and cons of a SWIFT response” 2014) had already warned in 2014: “Another risk is that using SWIFT in this way could lead to the creation of a rival. Russia’s central bank is pre-emptively working to develop an alternative network; China has also shown interest in shifting the world’s financial centre of gravity eastward”.

The CEO of the second Russian bank, VTB, speaking at the Davos Forum in 2015, went so far as to speak openly about war: “If there is no Swift, there is no banking relationship, it means that the countries are on the verge of war, or they are definitely in a cold war” (Tett and Farchy 2015). Medvedev, then Russian Prime Minister, commented on the threat of exclusion from the SWIFT system: “We’ll watch developments and if such decisions are made, I want to note that our economic reaction and generally any other reaction will be without limits”⁷. And in 2014, Putin interpreted the system of Western sanctions as a way of accelerating world economic divisions, and foreshadowed its potential implications:

The politically motivated sanctions have only strengthened the trend towards seeking to bolster economic and financial sovereignty and countries’ or their regional groups’

⁷ “Russia to respond to possible disconnection from SWIFT — PM.” *Russian News Agency*, January 27, 2015 <https://tass.com/russia/773628>

desire to find ways of protecting themselves from the risks of outside pressure. We already see that more and more countries are looking for ways to become less dependent on the dollar and are setting up alternative financial and payments systems and reserve currencies. I think that our American friends are quite simply cutting the branch they are sitting on. (Putin 2014, unpaginated)

In other words, the initiatives for the decoupling from the US-led international monetary system were already underway, and sanctions only accelerated these dynamics. With economic, financial, and even warlike results. The Russian invader, we could say, in these words gives itself an alibi for the future, through its own reading not as a subject, but as a determined object of the historical process: the invasion as a dependent variable, we could say, resorting to the epistemological notes previously raised in this paper. In a similar fashion, it can be argued that Russia was forced to improve its military and industrial resilience, stimulating its national industry, as a perverse and undesired outcome of sanctions (Dall’Agnol 2022; see also Wyne 2020 on similar effects on China; and Peksen 2019): preparing for the war through the experience of the sanctions which preceded the war. Once again, aggressive discriminatory protectionism seems to be placed upstream in the causal chain.

The prevailing thesis, according to which sanctions are a consequence of the war, is therefore too rough to be taken seriously. A more in-depth analysis suggests looking for causes along a long trend, which starts from globalization and goes through international imbalances, unexpected centralizations, protectionist and sanctioning reactions, and eventually belligerent counter-reactions. This interpretation forces us to conceive possible connecting threads even between rather distant facts, from the resurgent protectionism following the great financial crisis of 2008 to the war action of sabotage of the Nord Stream gas pipeline of 2022. It is a complex chain, in which the usual distinctions between endogenous and exogenous variables of the model, between historical causes and consequences, are shown as inappropriate. The causality of capitalist war is a dialectical object.

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