EUROPEAN SUICIDE: THE ECONOMIC WAR AGAINST RUSSIA

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The Goals of the German Federal Government and the Current Situation

The Federal Government dreams of a comprehensive integration of Ukraine into the EU and a prosperous post-war Ukraine. A "confidential memorandum" of the London School of Economics, commissioned jointly by the Foreign and Economic Ministries, envisages a driving private sector run reconstruction backed by active German industrial policy [Luke Cooper, *After the Ukraine Recovery Conference 2023: Lessons and themes for 2024*. Confidential Memo. London School of Economics, 2023]. Technology transfer should play a central role. The state protects the private sector's risk—investments. The memo provides close cooperation with USAID and the Friedrich Ebert Foundation, which is close to the leading Social Democratic Party. According to the memo, reconstruction is in the interests of large German companies. So the plan is to set up an extended workbench in Ukraine as a low-wage country. But the dreams of a "new Singapore in Kiev" only show the government coalition in Berlin's loss of reality ["A Singapore in Kiev"—that was the tenor of a confidential technical discussion at government level in autumn 2023]. Apparently, the external costs for the German taxpayer are not even evaluated.

That is why I want to present the economic consequences of the Ukraine war based on the studies and forecasts known so far. This includes the dimensions of war, the economic situation of Ukraine, the consequences of a possible EU-membership of Ukraine, the sanction's impact on Russia, its impact on the German economy, the economic and geostrategic reasons for the Ukraine-war, winners and losers of a "European suicide" and the goverment's options.

1. Dimensions of War

"War is never an isolated act," wrote Carl von Clausewitz [*On War*, Book I, Chapter1, 7]. It must be seen in a political context. In addition to the military dimension, there is also the economic war and the propaganda battle.

1.1. Military Dimension

The military and geostrategic dimension refers to operations on the battlefield, i.e., what the British call "theater of war." This also concerns the situation in Poland, the Baltics, Romania and around the Black Sea. The war in Gaza also interferes with the Ukraine-Russia conflict. This particularly addresses the

Washington's pressure to drag Germany ever deeper into this war. Soon it will probably be said: "Germans to the front!"—as was the case with the Boxer Rebellion in Quingdao (Tsingtau) in 1900. The discussion about the delivery of German "Taurus" cruise missiles is also ongoing. If the Ukrainians, as expected, attack the Kerch Bridge, this could trigger a massive escalation. What Clausewitz could not yet overlook at the beginning of the 19th century was the risk of nuclear confrontation. This is pointed out by US political scientist John J. Mearsheimer ["A Russian victory significantly reduces the threat of nuclear war, as nuclear escalation is most likely when Ukrainian forces achieve battlefield victories and threaten to recapture all or most of the territory Kiev lost to Moscow. The Russian leadership would certainly seriously consider using nuclear weapons to salvage the situation"], as well as experienced military officials, such as the former Inspector General of the Bundeswehr general Harald Kujat ["However, if one of the two sides assesses the situation differently, which is unlikely, such a wrong decision could have catastrophic consequences for the European continent. Because according to the current doctrines, each side would try to avert an impending conventional defeat through the first use of nuclear weapons"].

NATO Secretary General Jens Stoltenberg told the EU Parliament on September 7, 2023 that Putin had proposed foregoing NATO expansion in exchange for not invading Ukraine. According to Stoltenberg, the Russian President sent NATO a draft treaty in autumn 2021 that NATO should sign:

> "The background was that President Putin declared in the autumn of 2021, and actually sent a draft treaty that they wanted NATO to sign, to promise no more NATO enlargement. That was what he sent us. And was a pre-condition for not invade Ukraine. Of course, we didn't sign that. The opposite happened. He wanted us to sign that promise, never to enlarge NATO. He wanted us to remove our military infrastructure in all Allies that have joined NATO since 1997, meaning half of NATO, all the Central and Eastern Europe, we should remove NATO from that part of our Alliance, introducing some kind of B, or second-class membership. We rejected that. So, he went to war to prevent NATO, more NATO, close to his borders" [Jean Stoltenberg: "Opening remarks" at the joint meeting of the European Parliament's committee on Foreign Affairs (AFET) and the Subcommittee on Security and Defence (SEDE), followed by an exchange of views with Members of the European Parliament. September 7, 2023].

This means: Firstly, this is not an "unprovoked" war of aggression; NATO provoked him. Secondly, it is a proxy war that is essentially about NATO's eastward expansion. Jens Stoltenberg said clearly:

> “But then there is no other option for us than to ensure peace for NATO Allies, for EU members by investing in defence supporting Ukraine. Because if President Putin wins in Ukraine, it’s a tragedy for the Ukrainians, but it's also dangerous for us. It sends a message that when they use military force, they get what they want, authoritarian leaders. So it's in our security interest to support Ukraine, and therefore I'm extremely grateful for all the support that EU members the European Union and NATO Allies are providing to Ukraine.”

Especially after the peace talks in March and April 2022 in Istanbul, there is no longer any trust in Western politics in the Kremlin. To this day, the mainstream press in Germany denies that these negotiations took place. But you only had to read the US magazine “Foreign Affairs”. In September 2022, the magazine published an article co-authored by Fiona Hill. As a senior fellow at the Brookings Institution in Washington, a former member of the National Security Council and as an advisor to three US presidents, Fiona Hill wrote:

> “According to several former senior U.S. officials we spoke with, in April 2022, Russian and Ukrainian negotiators appeared to have tentatively agreed on the broad outlines of a negotiated interim solution: Russia would retreat to its February 23 position, when it controlled part of the Donbass region and all of Crimea, and in return Ukraine would promise not to seek NATO membership and instead receive security guarantees from a number of countries.”

Former Chancellor Gerhard Schröder, who was also involved in the peace talks, commented: “But in the end nothing happened. My impression was: Nothing could happen because everything else had been decided in Washington.”

The West has prevented an agreement already initialed. This is simply what research shows. There are at least six different sources independent from each other for such an agreement ready to be signed, five of which were directly involved in the negotiation process. Member of the Kiev delegation, Aleksander Tschaly, also confirmed that an Istanbul communiqué on a peaceful settlement of the conflict had been initialed. International experts agree that, contrary to what US President Joe Biden promised, Ukraine is now in a significantly worse negotiating position. Kiev lost more territory than it regained during the so-called summer offensive.

In December 2023, Russian troops were advancing along the entire front: They captured the Mariinka fortress in front of Donetsk. Avdiivka northwest of Donetsk was surrounded. Bakhmut was conquered. In the north they were advancing on Slavyansk. However, a strategic initiative does not succeed. At the turn of 2023/24, Russia controlled around 18% of Ukrainian territory. Moscow is preparing for a long war. President Putin is firmly in the saddle and even stronger than ever, politically and militarily. A coup in Russia is not expected. The Kremlin's goal remains "demilitarization," "denazification" and "neutralization," i.e., regime change in Kiev. Security Council Chairman Dmitry Medvedev said, Odessa, Dnipropetrovsk, Kharkiv, Mykolaev and Kiev were "Russian cities" Dmitry Medvedem on 28.12.2023: "1. Спецоперация продолжится, её целью останется разоружение украинских войск и отказ нынешнего украинского государства от идеологии неонацизма… Одесса, Днепропетровск, Харьков, Николаев, Киев – русские города, как и многие другие временно оккупированные. Все они пока ещё маркированы жёлто-голубым на бумажных картах и в электронных планшетах ("1. The special operation will continue, its goal will remain the disarmament of Ukrainian troops and the rejection of the current Ukrainian state from the ideology of neo-Nazism... 3. Odessa, Dnepropetrovsk, Kharkov, Nikolaev, Kyiv are Russian cities, like many other temporarily occupied ones. All of them are still marked in yellow-blue on paper maps and on electronic tablets"). Further war aims and territorial claims can be derived from this. Russia's plan is to reach a comprehensive agreement with the West or to advance further towards the stated goals.

Ukraine controls the western part of the Black Sea and has secured a trade route through the Bosphorus. But the summer offensive collapsed. In Washington, wrote the Swiss military analyst Jacques Baud, this was clear from the very first moment. According to Baud, the entire war was never about success for Ukraine, but about weakening Russia in a battle of attrition.

In fact, Russia is waging a proxy war against NATO, which NATO is in danger of losing. Seymour Hersh quotes a senior US intelligence official:

> The war is over. Russia has won. There is no Ukrainian offensive anymore, but the White House and the American media have to keep the lie going. The truth is if the Ukrainian army is ordered to continue the offensive, the army would mutiny. The soldiers aren't willing to die any more, but this doesn't fit the B.S. that is being authored by the Biden White House.

Nevertheless, no relent is expected in Washington. The military confrontation continues. The war has become a battle of attrition. The West is at war with Russia. The West pushed Ukraine to keep fighting. The conflict serves primarily the interests of the United States. Neither side will give in: Moscow sees

NATO membership for Ukraine as an existential threat. Washington is committed to NATO membership for Ukraine, the reconquest of Russian-occupied territories and the goal of regime change in Moscow. Russian literature argues that the West is providing Ukraine with “strategic depth” through arms supplies, satellite data, training and financial aid. Dmitri Trenin, Member of the Council for Foreign and Defense Policy:

> In fact, Ukraine plays the role of a spearhead with which the West wants to hit, weaken and, if successful, destroy Russia and destroy it in its current form. The current conflict has the potential for a direct armed conflict up to and including nuclear escalation. (Фактически Украина выполняет роль острия копья, которым Запад стремится поразить, ослабить, а если удастся – уничтожить Россию в её нынешнем виде. В отличие от прошлых времён – включая периоды Наполеоновских и двух мировых войн – Запад сейчас политически и идеологически выступает как единое целое. Россия и современный Запад – антагонисты. Нынешний конфликт чреват непосредственным вооружённым столкновением, вплоть до ядерной эскалации).

This *de facto* means that a compromise is impossible. But this war of attrition is not a stalemate. Russia clearly has the advantage on the war theatre and in the economic war. NATO lead Ukraine to defeat, and the West is trapped by its own involvement: underestimating the opponent is the best recipe for losing.

1.2. Propaganda War

The propaganda war is part of psychological warfare: NATO calls it “cognitive warfare”: “While actions are carried out in the five military domains (land, sea, air, space and cyber) in order to affect people, Cognitive warfare aims to use every human being as a weapon.” The goal is to exploit the weak points of the human brain and, through deep indoctrination, manipulate the human psyche in a way to make it “war-ready” and immunize it against rational considerations. The mainstream media plays a central role in this.

They demonize Putin, talk about “unprovoked” war of aggression and accuse Russia of being solely responsible for the war, discredit dissenting opinions and follow state propaganda. “The causes of the distorted representation of reality,” said the former Inspector General of the Bundeswehr, General Harald Kujat, “are the unreflective adoption of disinformation and, above all, incompetence and ideological delusion." There is indeed a journalistic underground in a landscape of mendacious conformity ["An underground of journalism exists… in a landscape of mendacious conformity. Dissenting journalists have been defenestrated from the 'mainstream'… the media's task is to invert the truth and support the illusions of democracy, including 'free press" (the late John Pilger)]. But the representatives of grass-roots media are mostly excluded. The job of the mainstream media is to distort the truth and maintain the illusion of democracy, a free press—and the Illusion of Ukraine's potential victory.

The syncrisis of German journalism with NATO's war propaganda is disconcerting, not only in view of the primitiveness of deep indoctrination and its postfactual structure, but even more due to the blind submission to its intolerant claim to exclusivity ["At its summit in Madrid in June, Nato, which is controlled by the United States, adopted a strategy document that militarises the European continent, and escalates the prospect of war with Russia and China. It proposes multi domain warfighting against nuclear-armed peer-competitor. In other words, nuclear war. It says: 'Nato enlargement has been a historic success.' I read that in disbelief. A measure of this 'historic success' is the war in Ukraine, news of which is mostly not news, but a one-sided litany of jingoism, distortion, omission. I have reported a number of wars and have never known such blanket propaganda." John Pilger].

But this only shows the degree of self-alignment that extends from talk show hosts to media managers, from radio station directors to desk editors, from foreign correspondents to daily news reporters. By foregoing sober research and rational reasoning, they only differ from other academic henchmen of the elites by their aggressiveness. They only develop a falsifying killer instinct when they outlaw dissent. This exposes the media maker's indignity. Both the public media and the corporate media are becoming, as the novelist Günter Grass once put it, "court jesters taking into account non-existent courts" ("Princeton-Rede," p. 112)—the court jesters of NATO. The mainstream media lies by omission, shifts the population's aggression about social grievances onto external enemies and thus sends people into war hysteria. They have become the central warmonger. [Mark Galliker, Patrik Baab and here, Roberto J. De Lapuente].

However, the propaganda media can only develop their effectiveness in cooperation with other ideological apparatuses. Because state apparatuses are not neutral, but rather ensure the conditions of capital's reproduction. So they don't protect people from the market, but the market from people. Like the repressive state apparatuses—judiciary, military and police—ideological state apparatuses such as schools, universities, NGOs, churches and media (even if they are organized privately or under public law) ensure that citizens are loyal to the state and to the market capitalist social order [Louis Althusser, "Idéologie et appareils idéologiques d'État." *La Pensée*, No. 151, June 1970; also, Louis Althusser, Positions (Paris. Les Éditions sociales, 1976), pp. 67-125]. They function like communicating tubes.

In addition, the EU Commission is tightening censorship with the so-called "Media Freedom Act". It actually takes over media supervision, although this is the responsibility of the member states. The EU Commission is already exercising censorship with the "Digital Services Act" and the "Code of Conduct to Combat Disinformation" from June 2022. Online platforms such as Meta, Google, Twitter, TikTok and Microsoft as well as many other players have joined in. They committed to mark providers who, in the Commission's opinion, spread disinformation as unreliable, to block advertising revenue and to report this to the Commission. Such information must be deleted upon instruction from the Commission. This is the privatization of censorship.

1.3. Economic War

The third area is the economic war the USA, NATO and the EU have been waging against Russia since 2014. This includes the situation in Ukraine, the effects on Russia, the backfire effects in the EU and the particular impact on Germany.

2. The Economic Situation of Ukraine

The biggest loser of the war is Ukraine. The population has fallen from 52 million to 31 million since 1991. The war damage is immense. The population impoverished. The average wage has fallen from around 400 euros to 200 euros in 30 years as a result of Western integration. The West fights Russia at the expense of Ukraine.

Ukrainian losses are high. The sources now speak of a total of up to 500,000 men, which Stoltenberg did not deny in the European Parliament. A Ukrainian mobile phone provider has extrapolated from various estimates and information about deleted SIM cards that up to 400,000 Ukrainian soldiers may have already died. Deputy Chairwoman of the Rada's Committee on National Security, Defense and Intelligence, Maryana Bezuhla, said that a Ukrainian soldier was wounded or killed every five minutes. That would correspond to a quota of 288 per day or 8640 per month. By December 2023, this would bring the total to 210,000 men in just over 22 months of war. These are clues; both sides keep the actual number of losses secret.

In July 2022, at the Ukraine Recovery Conference in Lugano, Switzerland, Ukraine estimated the cost of reconstruction at 750 billion euros. How high the actual amount will be is unclear because the war is going on.
Ukraine has three economic regions that converged in poverty before the start of the war, but also showed extreme divergence: the Rust Belt region in the center and the east, where industrial production fell sharply after the collapse of the Soviet Union and average wages fell by 80% compared to 1990. The service region in Kiev and Kharkiv, where a modern financial and digital sector developed, and in the south a strong sector with transport and logistic services from the Dnipro and to the Black Sea and to Sevastopol in Crimea. Then the agricultural regions in the industrially underdeveloped center with the fertile black earth soil.

Even during Soviet times, Ukraine played an important role in titanium and uranium. The manganese and iron ore reserves are among the largest in the world, as are the mercury ore deposits. This is also important for the EU:

> In order to become independent of imports from Russia, shale gas is also important, especially as a transition technology and for future special applications such as fertilizer production. The importance of titanium is particularly noteworthy: currently Ukraine is one of five countries in the world producing titanium ore mineral concentrates (ilmenite5 and rutile6). More than 30 titanium deposits, some in production and some explored in detail, are located on the territory of Ukraine.

In terms of agricultural potential, Ukraine is one of the richest countries in the world and one of the leading producers and exporters. Ukraine's arable land is three times larger than that of Poland and Romania. In 2021, it covered a total of 32.9 million hectares and in 2023, an estimated 27.9 million hectares due to the consequences of the war.

The industrial potential is also great, there are a number of specialized industries, e.g. for rocket engines and high-performance turbines. As a steel producer, Ukraine had plants such as Azov and Ilyich in Mariupol, Zaporizhstal in Zaporizhia, Kryvorizhstal in Dnipropetrovsk, Dneprospetstal in the Dnipro region, Khartsyzsk Pipe Plant in Donetsk, Dnipropetrovsk Metal Plant in Dnipro, Yenakiieve Metallurgical Plant in the Donetsk Region, Nikopol Pipe Plant LLC in the Dnipropetrovsk region, Avdiiv Coke chemical plant near Donetsk and Dnipropetrovsk Metallurgical Combine in the Dnipro region and is an important world player.

Ukraine's well-developed pipeline infrastructure is also suitable for transporting hydrogen and could be used in the future to supply customers within the country and the EU. The power grid is highly integrated and has provided many workarounds for destroyed connections during Russian attacks. From the Soviet era, Ukraine has inherited an efficient energy system with nuclear power plants, thermal power plants and hydroelectric power plants, which, however, needs to be modernized. The nuclear power plants are Soviet-design pressurized water reactors in Rivne (four units commissioned in 1980, 1981, 1896 and 2004), Khmelnitsk (2 units in 1987 and 2004), southern Ukraine (3 units, 1982, 1985 and 1989) and Zaporizhia (6 blocks, 1984, 1985, 1986, 1987, 1989 and 1995). Nuclear power supplies about half of the electricity. Thermal and hydroelectric power plants also play an important role. In order to achieve its sustainability goals, Ukraine needs foreign investments, especially in solar panels and wind turbines.

Ukraine has the world's largest reserves of commercially viable iron ore—30 billion tons, which is a fifth of the world total. There are also large natural gas and oil deposits that are still largely undeveloped, and 4 percent of the world's coal reserves.

The World Bank has examined the events of the first year of the war and said that the Russian invasion "has taken an unimaginable toll on the people of Ukraine and the country's economy, whose activity fell by a staggering 29.2% in 2022." They estimates that damages exceed $135 billion and that about $411 billion will be needed to rebuild Ukraine. The poverty rate "rose from 5.5% in 2021 to 24.1% in 2022, pushing 7.1 million more people into poverty and undoing 15 years of progress." 62 cities were destroyed, approximately 8 million Ukrainians have fled the country, and there are around 7 million internally displaced people. The United Nations confirmed 8,490 civilian deaths but believes the actual number is "significantly higher."

In the end, Ukraine will be divided. The Russian-occupied territories are not returning. Where exactly the demarcation line will run is unclear. The Russians try to advance further either to Odessa or northeast of the Dnieper. Russian troops are unlikely to reach the Curzon Line according to the Treaty of Versailles, which was confirmed with some corrections as the Polish-Soviet demarcation line of the Peace of Riga in 1921. It lies well west of Kiev and, after the Yalta Conference, represents today's eastern border of Poland. The Curzon Line ran well west of Kiev.

Clearing the minefields and cluster munitions alone is likely to cost billions. The LSE also estimates the cost of reconstruction at $411 billion, which is 2.5 times higher than the country's gross national product.

Instead, Ukraine's resources are likely to be withdrawn from the public sector and privatized. With the entry of Blackrock as a debt and reconstruction manager, the country is *de facto* falling into the hands of a locust.

Exiled Ukrainian opposition leader Viktor Medvedchuk describes Ukraine as “a European Somalia.” The country is on a list of the most dangerous places in the world. He pointed to forced conscriptions, the destruction of monuments linked to Russia, the media's aggressive anti-Russian rhetoric, the torture: "All of this happened at the behest of the West, and billions were spent on it, which Western politicians openly admitted."

3. Consequences of Admitting Ukraine into the EU

In 2023, Ukraine received more than 38 billion euros in international financial aid. This was the only way the country could survive financially and bear the costs of the war—around 120 million euros per day. Nevertheless, the West is divided on the question of further aid. Larger aid packages have been temporarily blocked by Hungary in the EU and by Republicans in the US Congress. That is why Washington is putting increasing pressure on Western countries to seize Russia's foreign assets of around $300 billion to Ukraine. Moscow has already announced that it will also confiscate foreign, including German, assets in Russia in this case. This would alleviate the West's financing problems in supporting Ukraine, but would likely come primarily at the expense of EU countries. In Russia, such a seizure is described as “theft,” which will further erode trust in the West and thus “further stimulate the process of de-dollarization and de-Westernization of the planet.” The USA, “which has not succeeded in bringing most of the world under its control,” is prepared to “sacrifice Europe to save itself.” [При этом данные 300 миллиардов во многом виртуальны, а в реальности заполучить удастся куда меньшие суммы. Зато можно быть уверенным в том, что конфискация только подстегнет процесс дедолларизации и девестернизации планеты, поскольку от Запада начнут отгребать еще энергичнее все страны, которые имеют хоть минимальный выбор… Правда, возникает вопрос: а неужто официальные лица в Вашингтоне, Берлине, Париже, Брюсселе и далее по списку не понимают всех этих очевидных обстоятельств? Есть подозрение, что понимают, но в складывающихся обстоятельствах считают это наилучшим из наихудших решений. Во-первых, ухудшающееся экономическое положение вынуждает Запад искать любые возможные источники финансирования, например, Киева. Конфискованные российские активы, до которых удастся реально дотянуться, дадут возможность закрыть данную статью расходов на год-другой. (At the same time, the 300 billion is largely virtual, and in reality it will be possible to get much smaller sums.

But we can be sure that confiscation will only spur the process of de-dollarization and de-westernization of the planet, as all countries that have at least a minimal choice will begin to shovel even more vigorously from the West… However, the question arises: do officials in Washington, Berlin, Paris, Brussels and further down the list not understand all these obvious circumstances? It is suspected that they do, but in the current circumstances they consider this to be the best of the worst solutions. First, the deteriorating economic situation is forcing the West to look for any possible sources of funding for Kiev. Confiscated Russian assets, which can be realistically grabbed, will make it possible to cover this item of expenditure for a year or two), Irina Alksnis].

In Brussels' EU administration, financial aid for Ukraine totaling 77.1 billion euros had been accumulated since January 24, 2022. There is also humanitarian aid worth 2.1 billion euros and military support worth 5.6 billion euros. Over the course of 2023, the willingness to continue for helping Ukraine to the same extent as before began to crumble. Slovakia announced that it would stop arms deliveries, and there were protests in Poland because Ukrainian grain and Ukrainian drivers were entering the market at low wages. Hungary temporarily refused to release the next 50 billion euros for Ukraine.

After the failed summer offensive, Kiev should now be kept happy with the official prospect of joining the EU. But this is likely to cost the EU dearly. The German Economic Institute (IW) assumes that Ukraine would receive extensive financial resources from the EU budget. The institute estimates the financial impact of Ukraine's full membership in the EU on the EU's current multi-year budget at around 130 to 190 billion euros. Of this, between 70 and 90 billion euros would go to agricultural subsidies and between 50 to 90 billion euros to cohesion policy. For comparison: The EU's multi-year community budget for the years 2021-2027 amounts to 1,216 billion euros. The scientists comment:

> Given this volume, the EU should be ready to reform. Only in this way can the political decision be credible to bind Ukraine more closely to itself with the prospect of accession. This applies on the one hand at the institutional level, but it also applies at the fiscal level. A shift in the EU budget could help provide the necessary financial resources.

Cohesion policy assumes that redistribution should take place between richer and poorer EU countries. The Cologne economists propose to concentrate resources on poorer countries. Then around 140 billion euros would be available for Ukraine over a seven-year period. If you add cohesion and agricultural subsidies, then Ukraine would be entitled to an amount of 127-187 billion euros based on the multi-year budget 2021-2027. This cannot be done without reallocating or increasing the budget.

The richer states would either have to pay more or forego benefits.

If the EU is expanded to include Ukraine, there is a risk of massive social cuts, large-scale farmers dying and massive downward pressure on wages in all EU countries. As a result, it is possible that the EU will collapse. French MPs have already warned that it would be best to leave the EU as quickly as possible. The British say: “The EU will last as long as the Germans pay.” The majority of the war burden and the costs of reconstruction will end up with the German taxpayer. The federal government has not evaluated this either.

In East Saxony’s Pirna there are 12 huge, new granaries. Grain from Poland and Ukraine is delivered there by truck. From Pirna, deliveries are sent by train to the processing industry in Hamburg and other places. This shows the problem. If Ukraine joins the EU and the customs barriers fall, the European market will be flooded with cheap Ukrainian agricultural products. Comparatively low labor costs, the fertile black earth soil and the opening of the Ukrainian market for genetically modified seeds as well as large-scale industrial production by companies such as Monsanto, Elli Lilly, Cargill and John Deere enable an unrivaled range of agricultural products. The land grab by foreign corporations in Ukraine means that farmers across the EU are coming under pressure because they can no longer produce at market prices. This will lead to further concentration in agriculture and farms dying out.

The Polish Minister of Agriculture Robert Telus imposed an import ban on Ukrainian grain from September 15, 2023, thereby entering into a dispute with the EU: “Ukrainian agriculture represents a threat to the agriculture of neighboring countries, but also to the whole of Europe.” He points out that Ukraine increased its overland grain exports from 7.3 million tons to 9.6 million tons during the embargo. Kiev defends the interests of large domestic companies. Hungarian Prime Minister Viktor Orbán indicated what these are. He explained that the blocked Ukrainian grain was actually more likely to be a US commercial product, because the land on which it is grown “has probably been in the hands of the USA for a long time. Ukrainian agricultural products destined for Africa are flooding Central European markets. The bureaucrats in Brussels are once again turning a blind eye to the problems of local farmers.” US agricultural companies such as Monsanto have invested heavily in Ukrainian black earth soil. On the most fertile soil in the world, they can produce at unrivaled prices using genetically modified seeds and cheap labor. Economist Ernst Wolff: “We are currently experiencing a frontal attack on German medium-sized businesses.” Behind these agricultural giants such as Monsanto, John Deere and Elli Lilly are large financial investors such as Blackrock, that are also invested in the arms industry. They make money both from the war and the deaths of farmers.

Ukraine is not expected to join the EU in the short term. But Washington is increasing pressure for passing the costs of the war can on to the Union. Then Europe will collapse into a collection of failed states—a kind of co-transformation as a consequence of the Ukraine war. An impoverishment of the entire EU and harsh social cuts will follow. A break-up of the EU cannot be ruled out. Europe is becoming not only Washington's backyard, but also Moscow's backyard. This shows that US imperialism is a dead end for Europe.

4. The Effect of Sanctions on Russia

In response to the war of aggression against Ukraine, which violates international law, the EU has imposed unprecedented sanctions. They complement the existing measures that have been initiated since 2014 due to the accession of Crimea to the Russian Federation. So far twelve packages include sanctions against individuals, economic sanctions and visa measures. They apply to 1,950 institutions and people, including President Putin, Foreign Minister Lavrov, commanders of the Wagner Group, oligarchs, officials, military personnel and “anti-Ukrainian propagandists,” as well as banks, companies and parties. The economic sanctions affect, among other things, exports of advanced technology, vehicles, the energy sector and goods that can also be used for military purposes, as well as imports into the EU of petroleum products, coal, steel, gold and diamonds. Services such as auditing, IT consulting, legal advice, software and engineering services may no longer be provided. The oil import stop applies to sea routes with exceptions and affects 90% of Russian deliveries. A cap on oil prices was set at $60 per barrel. Transport by EU ships is prohibited. By the end of 2023, 12 sanctions packages were in force.

Even before the invasion, there were 2,695 sanctions against Russian private individuals, companies or state bodies. Since February 22, 2022, 12,077 new punitive measures have been added. The most serious factors were certainly the exclusion of Russian banks from the global financial communications system SWIFT and the confiscation of Russian assets worth around $300 billion. But the sanctions create the breeding ground on which alternative structures for circumvention emerge. By the end of 2022, the German government had no information about the effect of the sanctions. The effect of the first eleven sanctions packages has apparently evaporated: *The Financial Times* reports that almost no Russian oil is sold below the price cap of 60 USD, but world market prices of more than 80 USD are paid for it. Oil and gas revenues account for more than 28% of Russian state revenue.

Russia has now expanded its transport capacities. A large proportion of oil and gas is now transported via the northern route, even in winter. Russia is the only country to have two nuclear-powered icebreakers. The loading capacities in the ports of Primorsk, Vysotsk and Petersburg are utilized. A new gas liquefaction plant is currently being built in the westernmost Russian Baltic Sea port of Ust-Luga.

Industrial warfare, according to former director of the Royal United Services Institute Michael Clarke, is a war between societies. The Russian military budget, he estimates, has tripled since 2021 and will amount to around 30% of government spending in 2024. Russia has proven to be surprisingly weak militarily, but significantly stronger economically than the West expected. ["Because it's true, the Third World War has begun. True, it started 'small' and with two surprises. We went into this war with the idea that Russia's army was very powerful and its economy very weak. We thought that Ukraine would be crushed militarily and that Russia would be crushed economically by the West. But the opposite happened. Ukraine was not crushed militarily, even though it had lost 16% of its territory by then; Russia was not crushed economically. As I speak, the rouble has gained 8% against the dollar and 18% since the start of the war." Emmanuel Todd].

The sanctions against Russia have so far largely failed to have any effect. Russia has prepared itself for a war of attrition that will last for years. Moscow wants to advance slowly and exhaust Ukraine in order to dash the West's hopes of a Ukrainian victory. Putin is still seeking a fundamental security agreement with the West.

At first, the West's calculations seemed to work: the ruble was in free fall and the stock market practically came to a standstill. However, after initial losses of more than 40% of its value, the Russian currency recovered and reached higher values than before the beginning of the war. In 2022, Russian economy contracted by 2.2%; in January 2024, the IMF forecast growth for 2024 of 2.4%. According to an economic survey by the Russian Central Bank, the average growth forecast for 2023 was 3.1%. Analysts only expected 1.3% for 2024.

Nevertheless, according to a study of the Canadian Central Bank, the standard of living in Russia is falling. However, the analysis shows that these welfare losses are significantly mitigated and the boomerang effects on the sanctioning countries are intensified when third countries such as China, India and Turkey do not play along. These countries benefit: "Our welfare analysis demonstrates that the sanctioned country's welfare losses are significantly mitigated, and the sanctioning country's losses are amplified, if the third country does not join the sanctions, but the third country benefits from not joining" (Ghironi, *et al*.). Therefore, the West can only hope that the measures will have a long-term effect: that there is a lack of investment from abroad and the capital flight from Russia continues. But at best this will slow the growth of the Russian economy.

The sanctions were aimed at cutting off Russia from the international financial system and depriving the country of hundreds of billions in foreign exchange assets in order to make foreign trade impossible for Moscow. But there was an almost complete de-dollarization of Russian trade. Moscow switched to paying in the local currencies of its international partners, primarily China and India. In this way, Russian industry was able to maintain its production level in the first ten months of 2022 and recorded growth in November and December. Even stronger growth is expected for 2023. Nobody would have expected Russia to surpass Germany and Great Britain in economic growth. The sanctions have made Russia the strongest European economy.

Russia is an energy self-sufficient country and has many of the world's most important raw materials such as oil and natural gas. Moscow also has a dominant position on world markets and is the leading exporter of fertilizers and food. Despite Western sanctions, 80% of the planet is expanding its cooperation with Russia. Giants like China and India are increasing Russian energy imports. The European Council on Foreign Relations found in a study: The West is united but separated from the rest of the world.

There is always talk in the West that Russia has not set up its own microchip production and is dependent on Western and Asian imports for microelectronics. But the West's sanctions are not effective here either: The import volume of CNC (computer numerical control) machines from China, which are also used in the military sector, has increased tenfold—Customs declarations increased by 6.5 million US dollars in February 2022 to $68 million in July 2023. Chinese machines replaced European imports.

In fact, eyewitnesses report that truckloads of digital technology from China and Taiwan are being imported to the Russian-Kazakh border—from Polish and Lithuanian trucking companies. But with microchips the dependency is mutual. The West has the know-how, but not the necessary raw materials. For example, according to a survey by market research group Techcet, the US must import 90% of semiconductor-grade neon from Ukraine, while 35% of the palladium it needs comes from Russia. This means that the US chip industry is dependent on materials from Russia and Ukraine. So Russia can put as much pressure on the American semiconductor industry as the other way around. That is why Washington is investing in diversifying supply chains and Russia is investing in expanding manufacturing:

> The US government has warned domestic chipmakers that they could face a materials supply crunch, reports Reuters, citing "people familiar with the matter." The warning is based on worries about the potential for conflict between Russia and Ukraine. If Russia does make military advances, there will almost certainly be impacts on industries in Ukraine. Moreover, US sanctions will be implemented on Russia, likely exacerbating supply issues. Some concerning numbers, highlighting the reliance of the US chipmaking industry on Russia/Ukraine-based materials, are shared by the source. For example, market research group Techcet says that 90% of US semiconductor-grade neon supplies come from Ukraine, while 35% of US palladium is sourced from Russia. In addition, other vital materials like C4F6, Helium, and Scandium also come from the flashpoint region… For the potential scale of resource material price increases facing chipmakers, we only need to turn our clocks back to 2014, when Russia annexed the Crimean peninsula from Ukraine. At that time, neon prices rose nearly 600%. Neon is used in semiconductor fabricating machine lasers (Mark Tyson, and also Semiconductors and Changing face of war).

Russia knows, according to French historian Emmanuel Todd, that World War III has already begun. As the military analyst Jacques Baud rightly points out, there has been a sophisticated philosophy of war in Russia since Soviet times, which also includes economic and political considerations. That is why the sanctions against Russia since 2014 have had a double effect. First, the Kremlin realized that this would not be a short-term problem, but a long-term opportunity. They encouraged Russia to increasingly produce previously imported goods itself. Second, it became clear to Moscow that the West would increasingly use economic weapons to set the country under pressure. So Russia had to strengthen its economic self-sufficiency:

> This is why the sanctions applied to Russia in 2014 had a double positive effect. The first was the realization that they were not only a short-term problem, but above all a medium- and long-term opportunity. They encouraged Russia to produce goods it had previously preferred to buy ubroad. The second was the signal that the West would increasingly use economic weapons as a means of pressure in the future. It therefore became imperative, for reasons of national independence and sovereignty, to prepare for more far-reaching sanctions affecting the county's economy (Jacques Baud).

Russia is far from emerging from this war weakened. On the contrary, it appears to be strengthened militarily and economically. General Christopher Cavoli, the US Supreme Commander in Europe (SACEUR), told a US Congressional committee: “Russia’s air, naval, space, digital and strategic capabilities have not suffered significant degradation during this war” (General Christopher Cavoli).

Russia is strategically turning away from Europe. This means that a city like St. Petersburg loses its historical function. An intellectual opposition to this is forming in the metropolitan areas. The country lacks foreign investment and a broader digital economy, meaning future economic development is severely slowed. Ukraine expert Nikolai N. Petro from Staten Island University summarizes:

> So, for the West, we can see clearly, that they under-estimated, they really didn’t understand what Russia had achieved at all… The Russian leadership, they were surprised when their efforts to support the Ruble and to engage in import substitution succeeded so quickly. They thought it would work, they had done some preliminary testings, but they didn’t expect that there may be so much speed and flexibility in the Russian economy to switch from old producers to new producers, first of all. And secondly, particularly the willingness of so many non-state actors, in some cases state actors like Iran and China, and North Korea, and Venezuela, but also non-state actors to skirt the impact of sanctions. And so as a result, the West got into, what is essentially a "losing game" (Nikolai N. Petro).

Russia was not “destroyed by sanctions,” as US Treasury Secretary Janet Yellen promised. Instead, the country's economy has grown. The Commander-in-Chief of the Ukrainian Armed Forces, General Valery Zalushny, even stated that the capabilities of the Russian military industry are increasing, despite the introduction of unprecedented sanctions. There is no uprising against the war in Russia, Putin's popularity is not declining, and Russia is far from diplomatically isolated, as shown by the weak response to boycott calls and the growing interest in Russian-favored organizations such as BRICS.

5. The Impact on the German Economy

In the end, the West will have to pay the price of the war it provoked. But there is an important limitation. In April and May 2022, the US Senate and House of Representatives passed the so-called “Ukraine Democracy Defense Lend-Lease Act of 2022”. This new version of the 1941 Lend-Lease Agreement authorizes the President to expeditiously comply with all requests for all existing U.S. equipment from Ukraine and Ukraine's NATO states. Returns or payments due will not be an issue for another five years. But then most of the weapons will be destroyed. In doing so, Washington has driven Ukraine into a long-term debt trap worth double-digit billions, from which it can hardly escape on its own. The European Union will foot the bill. Ukraine, which is already effectively bankrupt, has been kept afloat financially by the EU and the International Monetary Fund since the 2014 Maidan coup.

For the United States, this arms aid is a bomb deal in the long term. Already after the Maidan, the United States did not transfer its own money, but instead issued bank guarantees. These secured loans amounted to 113 billion euros in 2022 and 2023. This means that the USA does not have to pay a cent as long as Ukraine can service the loans it received from banks, especially from the IMF, on the basis of US guarantees. This money, in turn, came from the EU, either in the form of loans or in the form of economic aid, which Ukraine does not have to pay back. The IMF loans were subject to strict conditions. It was also about the privatization of state property—i.e., the selling off of silverware, e.g. mining rights or black earth soil. US companies have benefited from this. The principle, according to Thomas Röper: "The USA gives guarantees, the US companies earn money and the EU pays the bill."

The EU and its member states have pledged a total of around 135 billion euros in short and medium-term aid for Ukraine from the start of the war to the end of July 2023, and the USA has pledged almost 70 billion euros. This shows that Washington has increasingly succeeded in holding the EU accountable. When it comes to bilateral aid, Germany is now the second largest supporter of Ukraine after the United States: from the start of the war until the end of October 2023, the United States provided 71.4 billion euros, followed by Germany with a total of 38.3 billion euros including investments on EU aid.

In addition, the EU states also deliver weapons to Ukraine, which they have to replace. A large portion of these orders go to the US defense industry. Orders from US defense companies doubled in 2022 compared to the previous year. In 2021, the US government approved a total of 14 major arms sales to NATO countries worth a total of $15.5 billion. By the end of 2022, there were 24 approved exports worth $28 billion. In short, one could say: the losses are socialized and Germanized, the profits are privatized and Americanized.

With the adoption of the 2 percent target, all NATO states must increase their defense spending to two percent of GDP by 2024. For Germany, this means defense spending of around 80 billion euros, almost 30 billion euros more than in 2023. In addition, the federal government has taken out a "special fund" of loans worth 100 billion euros, which is to be spent on armaments purposes. A large part of this money goes to the US defense industry, e.g., for the overpriced F-35 breakdown jet.

In the medium term, the USA will shift the burden of the war and reconstruction onto the EU. The costs of the Ukraine war are gigantic. Jens Berger from the online-magazine *Nachdenkseiten* puts the total costs of German war policy in May 2023 at 577.4 billion euros. By the middle of the year, every German household was burdened with the war to the tune of 14,000 euros. Further social cuts are pending. At the cabinet meeting in December 2023, savings of 200 million euros in the education sector and 800 million euros in civil international engagement as well as tax increases were decided to cover the "unexpectedly" budget gap of 30 billion euros. At the same time, the military aid for Ukraine amounting to 8 billion euros should remain untouched and be increased, if necessary.

In 2023, the Federal Republic of Germany was the worst-performing industrialized country in the world. Both the IMF and the EU expect its economy to continue to shrink. Economists see Germany in a downward spiral: "Germany will not go down with a big bang. Rather, we will experience a state of infirmity, as has been the case in Italy for around 20 years." A decisive factor in this is that the energy trap has been closed for Germany with the blowing up of the Nord Stream pipelines.

According to researcher Seymour Hersh, the destruction of Nord Stream is attributable to the USA. This is supported by the regular announcements of such a measure from American politicians. Here are some examples:

> Then-US Secretary of State Mike Pompeo in 2020: "To stop the energy cooperation between Europe and Russia) A first step would involve stopping Nord Stream-2."

> US Senator Tom Cotton in 2021: "There is still time to stop it… Kill Nord Stream 2 now, and let it rust beneath the waves of the Baltic."

> Jake Sullivan, US National Security Advisor in 2022: "We have made clear to the Russians that pipeline is at risk if they move further into Ukraine."

> Senator Ted Cruz in 2022: "The pipeline must be stopped and the only way to prevent its completion is to use all the tools available to do that."

> US President Joe Biden, standing next to Federal Chancellor Olaf Scholz in 2022: "There will be no longer a Nord Stream 2. We will bring an end to it."

> Victoria Nuland, Undersecretary of State for Policy: "I want to be very clear: If Russia invades Ukraine one way or another, Nord Stream 2 will not move forward."

After the Nord Stream 2 was sabotaged, former Polish Foreign Minister Radek Sikorsky tweeted: "Thank you, USA." The very next day, leading politicians from Poland, Norway and Denmark were present to open the new Norwegian-Polish Baltic Sea pipeline as an alternative to Nord Stream.

Nuland expressed her enthusiasm. "I am, and I think the government is too, very pleased to know that Nord Stream 2 is now, as they say, a pile of metal at the bottom of the sea."

The *Washington Post's* White House correspondent and confidante of Secretary of State Anthony Blinken, David Ignatius, described in May 2022 that US President Biden and then-Chancellor Angela Merkel had decided in early summer 2021 to seize Nord Stream 1 and 2 in the event of a Russian attack to cancel:

> Germany has been a reluctant but indispensable ally, and the Biden administration made a controversial decision last summer to win Germany's support. Biden waived a first round of sanctions against a company that built the Nord Stream 2 pipeline, in return for a commitment from Chancellor Angela Merkel that Nord Stream 2 would be canceled in the event of a Russian invasion. When the invasion came, Merkel was no longer there, but her successor Olaf Scholz kept the promise.

Germany is by far the biggest loser from the sanctions against Russia. Economically, they have a boomerang effect. The Federal Republic can neither replace Russian gas and oil at similarly competitive prices nor the huge Russian market. The impact of the sanctions has not been evaluated. The federal government misjudged the impact of the economic war. Cheap Russian natural gas must be replaced by expensive and ecologically problematic American fracking gas. Exploding energy prices are deteriorating the competitiveness of the German economy. The hasty decoupling from the Russian market and its resources plunged the economy into recession. BRICS observers speak of a "reversal of the German economic miracle":

> Germany is by far the biggest loser in this case, as its industrial might has experienced an unprecedented unraveling, almost a sort of reverse of what was once called the "German economic miracle" in the aftermath of the Second World War. Berlin wrongfully assessed Moscow's resilience as it anticipated that launching the unparalleled sanctions war against Russia will actually work.

The sanctions act like a boomerang and destroy not the Russian, but the German economy. All business associations have warned against de-industrialization. ZF Saarbrücken has announced that it will cut up to 7,000 jobs from 10,000. BASF is cutting 2,600 jobs, including 700 at the main plant in Ludwigshafen. These are just two examples, but they represent a comprehensive process of de-industrialization. The former economic engine Germany is also dragging its partner countries into recession. The entire EU is on the path to de-industrialization and permanent impoverishment.

In particular, medium-sized businesses are the ones who suffer from this development. The Leibnitz Institute for Economic Research in Halle confirms that the number of bankruptcies continued to rise in October. Researchers tallied more than 1,000 bankruptcies, 2% more than in September and 44% more than in October of the previous year.

According to the current poverty report from the *Paritätischer Wohlfahrtsverband*, the poverty rate in Germany was already 16.9% in 2021. This means that 14.1 million people were living in poverty even before the war. The trend is also increasing as a result of the war. The transformation from a welfare state to an arms state is progressing. The focus of political argumentation is no longer social balance, but rather the creation of war capability.

Immigration pressure from Ukraine also continues. In October 2023, 1.16 million Ukrainian refugees were counted. However, they partly do not come from their mother country, but from the Netherlands and other neighboring countries and immigrate into the social systems. In Ukraine the minimum wage is 1.41 euros. There is no incentive to return to a poor, war-ravaged country. There is considerable social explosiveness lurking in all of these points. The growing dissatisfaction with the federal government's policies and their social consequences is grist for the AfD's mill.

Russian Security Council's Scientific board member Sergei Karaganov said in an interview with *Rossiyskaya Gazeta*:

> Russia has completed its European journey… The European and especially the German elites are in a state of historical failure. The foundation of their 500-year dominance—the military superiority on which the West's economic, political and cultural dominance was built—has been stripped away from them. Current Western elites cannot cope with the plethora of problems growing in their societies . These include a shrinking middle class and increasing inequality. Almost all of their initiatives have failed. The European Union is moving… slowly but surely towards disintegration. For this reason, European elites have shown a hostile attitude towards Russia for about 15 years. They need an external enemy.

Sergei Karaganov follows the official Russian line, which he helps shape in a responsible position. Nevertheless, his description of the shrinking middle class, a growing inequality and massive centrifugal forces within the EU is correct. The fact that Moscow is turning away from Europe is likely to have consequences that will hit Europe much harder than Russia. All of these trends represent social explosives that could easily push Europe and Germany to the brink of ungovernability.

Washington will shift the burden of war and reconstruction onto the EU. The result is a three-digit billion sum. The USA has concluded "land and lease" agreements with Ukraine based on the model of the Second World War for arms deliveries. Ukraine still has to pay for the borrowed weapons. These are billions. US Senator James Vance recently asked pointedly why one should believe that the $61 billion planned in Joe Biden's budget will help Ukraine win when the $111 billion paid so far has not brought a breakthrough. These are the previous dimensions, and the costs of reconstruction are not included.

Overall, the war in Ukraine brings about a redistribution of the capital earned for Germany from bottom to top and from Europe to America.

6. Economic and Geostrategic Reasons for War

The Soviet Union tried to create a European peace order as early as the 1950s. This was rejected by the West. Irish historian Geoffrey Roberts has discovered documents showing that Soviet Foreign Minister Molotov proposed the USSR join NATO. The reason was the Soviet campaign for a European security order as an alternative to the European Defense Community. The proposal also included the idea of a reunified, neutral Germany. The West rejected this for two reasons: Firstly, the proposal only granted the USA and China observer status. Secondly, the West suspected that the proposal was only intended to weaken NATO's cohesion and prevent the establishment of the EDC.

However, this rejection is an early part of the United States' strategy to implement regime change in the Soviet Union and currently in Russia. DIA Director General Vincent R. Stewart quoted a document before the US Congress in 2017, showing that Washington was well aware of how much Moscow perceived regime change efforts as a threat:

> The Kremlin is convinced the United States is laying the groundwork for regime change in Russia, a conviction further reinforced by the events in Ukraine. Moscow views the United States as the critical driver behind the crisis in Ukraine and the Arab Spring and believes that the overthrow of former Ukrainian President Yanukovych is the latest move in a long-established pattern of U.S.-orchestrated regime change efforts, including the Kosovo campaign, Iraq, Libya, and the 2003–05 "color revolutions" in Georgia, Ukraine, and Kyrgyzstan (Vincent R. Stewart, pp. 15ff).

The West is acting side by side in Ukraine, but not as one. With the aim of weakening and dividing Russia, as long-time US security advisor Zbigniew Brzezinski suggested in the 1990s, the current generation of European politicians is following the US-Neocons. The federal government is also actively helping to drive a wedge between Germany and Russia. The German government is trying to save its leadership role within the EU by remaining loyal to the United States. In doing so, Berlin has further damaged German-French cooperation and destroyed its effectiveness, which was still working when they jointly rejected the Second Iraq War in 2003. Washington, on the other hand, is increasingly dividing the European Union along the Vilnius-Warsaw-Kiev axis, thereby forcing an eastward shift of political and military weight towards new anti-Russian front lines.

The EU wants to get access to the Ukrainian mineral resources (lithium), the black earth soil, the sea routes, the sales markets, the cheap labor. If the West breaks away from Russia and China equally, then the EU will need Ukrainian rare earths, for example, for its decarbonization strategy. Conversely, large US agricultural companies are concerned with controlling the food chain. Monsanto, Elly Lilly, John Deere etc. have bought into the Ukrainian black earth soil. They own an area larger than the entire agricultural area of Italy. These are the most fertile soil in the world. The EU and USA have enforced the use of genetically modified seeds. This guarantees maximum productivity in the short term at minimum wages. Not only the Americans, but also the Europeans are dependent on Ukraine's mineral resources.

The member of the Bundestag of the Christian Democratic Party and his parliamentary group's military expert, Roderich Kiesewetter, revealed what it was really about. In the program "Report from Berlin Extra" he explained that the war in Ukraine is a proxy war not only for NATO, but also for Germany, which is essentially about natural resources:

> If Europe wants to complete the energy transition, it needs its own lithium deposits. The largest lithium deposits in Europe are in the Donetsk-Lugansk region… So we also have completely different goals in the background here. And that's why we need one. The combined efforts of citizens to ensure that our politicians have the backing to do more for Ukraine (Alexej Danckwardt).

Kiesewetter was also surprisingly open on another point: "It (Ukraine) is waging a proxy war."

This is also proven by relevant studies. Ulrich Blum, Gregor Borg, Nico Krapp, Hanna Liventseva and Iewvgeniia Rozhkova have highlighted the geostrategic importance of raw materials in Ukraine:

> Ukraine is rich in raw materials, especially in the Donbas region. These include raw materials such as iron ore and coal, which were important for the first industrial revolution. But the wealth also includes non-ferrous metals and battery-related minerals, especially lithium, which is of outstanding importance for the modern and especially a green economy (Blum, *et al*.)

This points to the deeper reasons for the war. For the European Union, it is not just about permanently weakening Russia alongside the USA. It is also about wresting important raw material deposits from the Russian orbit. Specifically: On Ukraine's soil, the EU is fighting for its future raw material base. The study cited states:

> An independent Ukraine could become a major competitor to Russia in the raw materials and minerals market. A Ukraine that belongs to the EU would be able to develop into a strategic network partner within Western economies. Magnesium plays an important role here: China currently produces over 80 percent of the world's reserves of magnesium, an important alloying element for aluminum. If magnesium were no longer supplied due to a conflict, a large part of the aluminum industry—and thus also the vehicle industry—would

> come to a standstill within a short period of time (Blum, et al.).

In the territories occupied by Russia and incorporated into the Russian Federation, deposits can be found that could give Russia a market monopoly:

> Under the conditions of the global energy transition, especially decarbonization, from Russia's perspective the value of its fossil resources must inevitably erode. It can therefore be assumed that his attack on Ukraine was not only motivated by power politics, but was aimed at gaining access to Ukrainian raw materials and materials that could ensure Russia's dominant position as a raw material supplier again in the age of a decarbonized economy. Such an approach has a tradition, because from a Russian perspective, the east of Ukraine—the Donbass—has long been considered central to the development and survival of the Russian economy (Blum, et al.).

Lithium deposits in particular play an important role in the EU's decarbonization strategy for electromobility, renewable energies and energy storage. The low level of exploration makes it difficult to evaluate the resources. Deposits of pegmatite and spodumene are documented in the districts of Zaporizhzhia (Kruta Balka), Kirovohrad (Dobra Block) and Donetsk (Shevchenkivske): The grade and tonnage of the deposits are lower than world-class deposits, but they are still little explored and could have "considerable potential."

This roughly outlines the geostrategic and economic reasons for war. But it is becoming apparent that a divided Europe will be unable to achieve either its political or economic goals and will instead be stuck with the costs over the long term.

7. Winners and Losers

Sustainable tectonic shifts are taking place in geopolitics and thus also in the global economy. The weight of the West is decreasing, the political and economic force is moving to the global south. The United States is fighting for its supremacy, for "full spectrum dominance". Even if Washington is the beneficiary of the war in Ukraine—the USA is a phoenix in nosedive. While states like Russia, China, Brazil, South Africa and India are distancing themselves, Washington is preparing to drag its European satraps into the depths with it. As early as 2003, Jonathan Schell identified the USA's pursuit of "full spectrum dominance" as the central cause of wars and crises worldwide.

The Ukraine war accelerates China's rise to become the second superpower. China supports Russia because it does not want a weak state dependent on Washington in its north. In doing so, it also secures Russian raw material reserves. However, the threats of a nuclear strike are a thorn in Beijing's side.

The war in Ukraine is also accelerating the independence of the BRICS and BRICS Plus states. But this is a long and contradictory process. The de-dollarization of international trade, especially oil and gas, has begun but will take a long time. Washington will defend itself against this with all its means. Because without linking energy transactions to the dollar, the United States can no longer go into endless debt and print money. But the trend towards a multipolar world continues. In the end, a new bipolar world will emerge, with Beijing and Washington as the antagonistic poles.

The EU has degenerated into a collection of satrap states of Washington, a subdivision of NATO. The EU once started out as a peace project; now this peace project is dead. As early as 2016, Richard Sakwa spoke of a "European suicide" with a view to the looming war in Ukraine:

> We can talk of a 'new suicide' as the idealism associated with a whole era of European integration has been revealed as nugatory and an illusion. At the heart of the EU is a peace project, and it delivered on this promise in Western Europe before 1989. However, when faced with a no less demanding challenge in the post-Communist era – to heal the Cold War divisions and to build the foundations for a united continent – the EU has spectacularly failed. Instead of a vision embracing the whole continent, it has become little more than the civilian wing of the Atlantic security alliance… Atlanticism is becoming increasingly ramified, while Russia is left out in the cold (Richard Sakwa, p. 227).

The European Union has thus lost its central function. Historically, it has failed as a peace project. Overzealous transatlanticists in the federal government do not represent the interests of the German population, but rather those of the USA. The German-French axis no longer sets the tone. The tandem is not functional anymore. The reason is that Germany is increasingly trying to maintain its own leadership role within the EU. But the Washington-Vilnius-Warsaw-Kiev axis now sets the tone. US Deputy Secretary of State James O'Brien emphasized in December 2023:

> Without referring to the past, I would like to emphasize that security cooperation between Poland and the United States has always been very close, regardless of what the American government and the Polish government were. Today we really want Poland to take a leading role in the European Union. And that is the declared goal of the new government.

By upgrading the EU's eastern flank, the United States has succeeded in dividing the European Union. The eastern neighbors are now being integrated and supported as a bulwark against Russia—militarily, politically and financially. This puts Germany and Europe in the slipstream of geo-economic developments. We are becoming not only the backyard of the United States, but also the backyard of Russia. The energy flows and container traffic, the economic centers are moving eastwards, forming along the Budapest-Moscow-Astana-Beijing axis. The Silk and Road Summit in the Hungarian capital ten days ago clearly demonstrated this.

8. Conclusions and Policy Measures

Congress in Washington is currently blocking further aid to Ukraine. This leaves the Biden administration in a bind. The US government cannot keep its promises to Kiev. This shows that Biden has failed to convince skeptics in Congress that it is in the US interest to defeat Moscow in Ukraine. This also shows that Russia is NATO's main target in the Ukraine war. The purpose of Ukraine support is not to defend Ukraine, but to exhaust Russia. The Ukrainians are just cannon fodder in the eyes of NATO. This shows the full cynicism of this war:

> Ultimately, the game between the US and Europe in aiding Ukraine is that the purpose of the aid is not to defend Ukraine but to consume Russia. Ukraine is seen as a "consumable product" in the eyes of the West, and no country will pay a higher price for Ukraine's security. This once again demonstrates the sad reality: Ukraine is the biggest loser in the entire conflict.

The United States is the biggest winner in this armed conflict. Through the Ukraine war, they have consolidated their control over their European and Asia-Pacific allies, achieving a level of hegemony that even exceeds that of the Cold War. The European Union has been reduced to a ward. Their governments behave like governors of Washington.

Ukraine is suffering the greatest damage from this policy. It can only survive thanks to the help of the USA and the EU. The country is effectively bankrupt. On the one hand, the US government is trying to fuel the war between Russia and Ukraine by increasing arms aid, but on the other hand, due to a lack of majorities in Congress, it cannot ensure follow-up funding. The war in Gaza is consuming the attention of the US government elite, and it is becoming increasingly difficult for lawmakers to win the support of war-weary US voters. This means that US politics is in a dilemma.

Despite these setbacks, the US government will not stop aiding Ukraine, because it has a demonstration effect: if Washington stops its support, European countries would follow suit. Therefore, a dirty game has begun: If the USA reduces its aid, then the EU countries will be forced to provide more support to Ukraine. But in the European Union the first governments are backing out. Six countries have not joined the declaration on security guarantees for Kiev.

These cracks in the front of the "values" West are deepening the longer the battle of attrition lasts in Ukraine. The West is unable to weaken Russia militarily, propagandistically and economically. For the Biden administration, the Ukraine war is becoming a burden in the election campaign. Nevertheless, the war will continue: The president wants to sell a Ukrainian victory as a diplomatic success. That is why there is no scope for peace talks.

The second loser is the European Union, especially Germany. There is nothing left of the "European values": ammunition with depleted uranium; area bombings; cluster munitions; bombing of civilian targets by Ukrainians; an alliance with Nazis in militias and the Ukrainian army; ignoring Ukrainian atrocities—the West has lost all credibility, all moral integrity in the rest of the world. Not Russia, the West is isolated worldwide. People in Asia, Africa and South America look at Germany and Europe with contempt. Most of the world is united in rejecting this war provoked by NATO and in which the Ukrainian people are being burned. No one in the rest of the world is surprised that Russia does not want to see NATO missiles under its nose. People in the global South find the West's phrases of an "unprovoked war of aggression" disgusting. Their governments don't join in with the sanctions and laugh at Germany's economic suicide.

This situation is a great chance for the global south: It can take advantage of unimagined opportunities: China has replaced European car manufacturers as a supplier to the Russian market. India and Saudi Arabia buy Russian oil and resell it to the stupid Europeans at a premium. A dozen large countries have demonstratively joined the BRICS alliance since the start of the war. In the Shanghai Cooperation

Organization, China and India are also in a military alliance with Russia. The sanctions have resulted in Europe completely destroying its reputation as a safe haven for investors. The seizure of Russian assets was legally, morally and economically insane. The exclusion of Russian athletes, artists and scientists cannot be justified and is a declaration of bankruptcy.

A change of course in German politics is therefore urgent. The federal government should end its political allegiance to Washington and focus more on an independent course. In terms of foreign policy, it would be advisable to advocate for an immediate ceasefire and the start of peace negotiations. This is the only way to stop further bloodshed and the complete destruction of Ukraine. Berlin should withdraw from military aid for Kiev and link further economic aid to Ukraine to the fact that the attack on the Nordstream pipeline is investigated and the perpetrator is punished and forced to make amends. The necessary political weight can be achieved by reactivating the German-French axis. Together with Paris and Rome, a peace policy alternative to the course of the US neocons can be formulated. In terms of economic policy, I suggest unilaterally withdrawing from the self-destructive sanctions against Russia, negotiating with Moscow about repairing Nord Stream 1 and putting the pipeline back into operation. Domestically, an active industrial, structural and educational policy would be required, which could put the 100 billion Euro package earmarked for armaments to sensible use. In my opinion, in the long term, leaving NATO, which is led by Washington, is a necessary step.

The war in Ukraine is the West's greatest military, geopolitical and economic defeat since World War II. But that is not the worst of it. The West, especially the Federal Republic of Germany, betrayed all of its moral values in this war. We are stained with the blood of hundreds of thousands of Ukrainians and Russians, for whose deaths we, the German politicians, military officers, arms managers and journalists, are also responsible. Again, we sit defiled among the nations.

Patrik Baab is a political scientist and journalist. His reports and research on secret services and wars do not fit in with the propaganda of states and corporate media. He has reported from Russia, Great Britain, the Balkans, Poland, the Baltic states and Afghanistan. His most recent book is *Auf beiden Seiten der Front—Meine Reisen in die Ukraine* (*On Both Sides of the Front—My Travels in Ukraine*). More about him is found on his website.