

Opinion

The View by Tai-Heng Cheng

Ukraine war: whether Western sanctions on Russia are working is only part of the question

- Western sanctions must be judged against other possible alternatives, the costs they bring and what other action can be taken if they are not working
- Everyone is feeling the economic pain, but it is a price we must pay to restore global order



Tai-Heng Cheng

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People protest in front of the Russian embassy in Warsaw, Poland, on July 17, demanding tougher sanctions against Russia in response to its invasion of Ukraine. Photo: EPA-EFE

The war in Ukraine is geographically limited, but its economic effects are akin to World War III. The war and the sanctions that swiftly followed have caused inflation, supply chain disruptions and other economic burdens across the world. However, painful as it is on everyone, this is the price we must pay to restore global order.

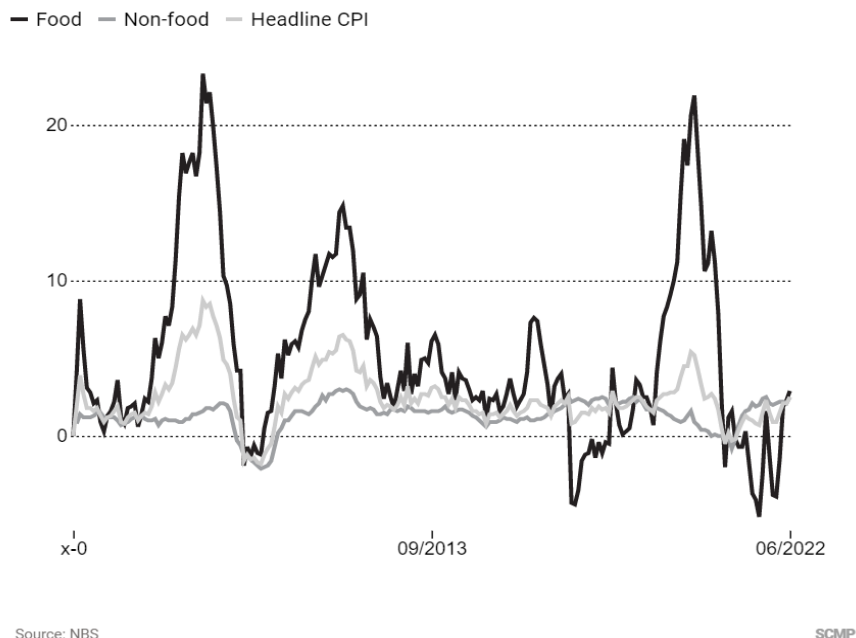
Russia's unilateral invasion of Ukraine upended the global legal order in place since World War II. From the ashes of that war, the world's powers rebuilt the legal struts for global peace.

A cornerstone of this legal order is the prohibition on states using force, except in self-defence. Russia's invasion of Ukraine fundamentally violated the peace compact that has kept the world relatively stable since the last war. There is nothing more urgent now than restoring the peace pact on which all nations rely.

Countries must be able to count on their neighbours not to invade them. Governments and citizens must be able to rely on the community of nations to act in concert to decisively punish and curtail the brazen use of force. Without these basic expectations maintained, wars – with all their incalculable human costs – will become more likely.

In addition, global commerce will be impaired. Long-term business plans cannot be made. Global trade systems could fracture into regional arrangements. International supply chains will be domesticated, leading to increased inflation.

China's consumer inflation rate



Smaller countries such as Singapore could face dire consequences as they lack the resources or markets to be self-sufficient and rely on global markets for their prosperity. Small nations also face greater threats of invasion as they are least able to defend themselves against states with massive navies and nuclear warheads.

Given the imperative to restore global order and end the war in Ukraine, it is fair to ask if the sanctions are working. The war has dragged on for five months with no end in sight. If the expectation is that sanctions should have ended the war by now, they have undoubtedly failed.

But that is the wrong metric by which to assess measures against Russia. Asking if sanctions are working is an incomplete question. Here are three ways to complete that thought.

First, against what is the sanctions' efficacy being compared? There is no realistic option of a military offensive by Nato or the United States against Russia.

Even if a doctrine of collective self-defence applied, or if the use of force could be legally justified on humanitarian grounds, there is no practical possibility of the use of force against Russia with all its nuclear warheads. The risk of a nuclear conflagration is too great and the consequences too catastrophic.

As it is, the US has done everything militarily short of direct war against Russia. It has armed Ukraine and provided key intelligence that has led to decisive victories. It has provided supplies all the way to the border of Ukraine and Poland. Other than the soldiers being Ukrainian, the US is fighting the war.

But directly going to war is a bridge too far. Given this, enacting sanctions in conjunction with every conceivable support for Ukraine is the only alternative, to force an armistice with Russia. This is the only way to restore the international legal order.

Second, at what cost are the sanctions working? While they are necessary, their cost to the world has been great. Curbing the sale of Russian energy to Europe has brought widespread disruption. Without exports of raw materials from Russia and Ukraine, basic components that go into a variety of products are in short supply.

Central banks have had to tighten the money supply to rein in inflation. This has consequently reduced economic activity and dragged down stock markets. Everyone is feeling the pinch.

But taking a stand against Russia was never going to be cost-free. It is necessary to restore peace, and the world must bear the cost. We should be prepared to live through lean years as if the whole world is at war. In a sense, we are.

A third question: if sanctions are not working, what then? Since the world must restore the global order by ending the war in Ukraine and sanctions – costly as they are – are the only viable alternative to all-out war against Russia, it is fair to ask whether more can be done.

Here is where delicate judgment calls are needed. It is clear that even though the current sanctions regime is unlike any seen before, it is still not completely watertight. A “sanctions economy” still remains, which allows Russia to trade with certain countries. Cryptocurrency remains free from sanctions, providing another alternative for Russia to escape restrictions.

But if the US, Europe and their Asian allies were to exert complete sanctions immediately, it is possible that Russia could retaliate in chaotic and destructive ways. In the high-stakes litigation I engage in, the threat of further damage is often more effective than actually trying to inflict a fatal injury itself.

While sanctions have not yet brought an end to the war, we cannot give up now. The worst thing for a fighter to do when he is slowly choking out his opponent is to give up. Then everything will be for naught.

We must keep up the sanctions pressure. It is the world’s responsibility to do so and our cost to bear. We must restore the international legal order, for our children.

Tai-Heng Cheng is global co-head of the international arbitration and trade practice and co-managing partner at Sidley Austin LLP in Singapore. He was formerly a tenured professor of international law in the United States. The views expressed here are exclusively those of the author.