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Q&A-Slow pace of sanctions gives West more leverage against Russia; China won't move on Taiwan anytime soon: John C. Hulsman, political risk consultant



The conflict between Russia and Ukraine will be protracted and even though Western sanctions on Russia have been underwhelming until now, by going slowly, these nations maintain leverage to deepen measures if the crisis heightens, **John C. Hulsman, political risk consultant and foreign policy commentator**, told the Reuters Global Markets Forum on Thursday, February 25.

"If a guerrilla war starts in the west, funded by the U.S. and Europe, and the sanctions are significant ... as the years go on, Putin could find himself in real trouble," said Hulsman, founder and managing partner of John C. Hulsman Enterprise.

Hulsman expected China to be "vaguely supportive" of Russia, but he said the country won't make a direct move on Taiwan yet due to domestic considerations.

"While there will be bullying, more overflights of Taiwan, China's timeframe to act is more in the medium-term, say three-to-six years. Ukraine pulls Russia closer to China, but China has its own expansionist timetable."

Following are edited excerpts from the conversation:

Q: What are your thoughts on the Russia-Ukraine conflict? Do you see this invasion going on in a protracted way?

A: Yes, I think this will be protracted. The Russians are out to decapitate the Ukrainian government leadership. (Russian President Vladimir) Putin has assembled 190,000 troops attacking from the north through Belarus, the south from Crimea, and from the east from the separatist republics. The NATO expansion argument is largely a ruse. What Putin is trying to do, much like his hero Peter the great, is restore a strategic depth to Russia. He is trying to have satellites in front of him -- Belarus, Ukraine, and caucous states. This is the old Russian strategic playbook going back three centuries. Trading land for time saved Russia from Charles XII, Napoleon, the Kaiser and Hitler. Russia has been saved four times by this strategy. To maintain Russia as a great power, Putin needs strategic depth and Ukraine is the key to this strategy.

Q: Has this conflict made the U.S. and NATO (North Atlantic Treaty Organisation) lose its power?

A: No. In fact, this proves the usefulness of NATO. No one is talking about any NATO member being conquered. It is only when you don't have NATO membership; that's when you are in danger. For 20 years, elites in NATO have foolishly and existentially wasted my time at conferences looking for a purpose. NATO's purpose, as is now glaringly clear, has not changed. It is to protect the transatlantic relationship from Russian aggression. Then, now, and in the future.

Q: Do you think the sanctions will be effective, given that if this is a strategically thought-out invasion, then the sanctions would have already been accounted for?

A: First, it depends on the nexus of how the invasion actually goes and the severity of the sanctions. As Bismarck said, 'When you draw the sword, you roll the dice'. The problem for Putin is that Ukraine is an immense country, with a tradition of partisan warfare. I can see Putin easily taking Kyiv and the east of the country. How he manages to hold the pro-European west of the country is another matter.

If a guerrilla war starts in the west, funded by the U.S. and Europe, and the sanctions are significant -- (to target) SWIFT (global interbank payments system), targeting the elites, Nord Stream 2 is off the table forever, and Europe gets a real energy policy -- as the years go on, Putin could find himself in real trouble.

Q: Do you think the response on sanctions has been underwhelming till now, with the West steering clear of both SWIFT and measures to target the energy sector? Do you see more sanctions coming in phases? And how deep can they go?

A: Yes, up until now the sanctions have been underwhelming. However, the logic for this is two-fold. 1) By going slowly, we keep the alliance together. 2) This maintains leverage for the West, as sanctions can be added as the crisis deepens. Part of the problem of running an alliance, is that you often have to go only as fast as the slowest ship. As Ukraine becomes an obvious and ongoing crisis, it will become apparent to even the densest member of the alliance – Germany -- that this is a genuine threat. Then, more significant sanctions can be applied.

Q: Would NATO explore military action to retaliate?

A: No. The problem here is people are thinking strictly in military rather than strategic terms. You cannot divorce a partisan warfare sanctions strategy from the simple idea of NATO getting involved directly. While direct NATO intervention is absolutely off the table, as I said before, that doesn't mean a guerrilla war sanction strategy cannot be successful.

Q: Is the world going to get more polarised now? What major implications do you see once this crisis is averted?

A: Yes, the war in Ukraine will polarise the global alliance structure. Russia will move closer to China, Europe will move closer to the U.S. again, and the Asian alliance of Japan, India, the anglosphere countries, and the U.S., will also be tighter. So, two competing blocs to dominate the world are more clearly and quickly coming together because of the Ukraine crisis. This was already happening, but Ukraine has sped it up.

Q: Can the U.S. be trusted to support Asian alliances such as the AUKUS defence alliance with Australia and Britain, and the Quad grouping of four major democracies including the United States, Japan, India and Australia, given they are contending with a more divided Republican and Democrat thought process at home?

A: Well, as my grandmother would say 'we can walk and chew gum at the same time'. A vast majority of Democrats and Republicans believe both China and Russia are great power threats to the U.S. While the emphasis may shift, a majority see China as the peer superpower threat -- Batman -- with Russia as secondary threat -- Robin. It's not about trusting the U.S.; Alliances are founded on shared interests. And in terms of interest, the Quad, the anglosphere countries, and the U.S. have interests that line-up perfectly.

Q: China's response to Russia has been muted so far. Do you see them more openly either supporting or criticising Russia's actions? And where does this put them on Taiwan?

A: Rhetorically, China will be vaguely, if broadly, supportive of Russia. Already, incredibly, in defiance of the facts, China has somehow blamed NATO for the Ukrainian mess. However, no one alive believes this. China has a very difficult year ahead. Xi Jinping will spend it trying to cement his dictatorship, seeing him rule for the rest of his days. As such, he does not want to rock the boat. Because of these internal Chinese considerations, I do not look for China to make a direct move on Taiwan. While there will be bullying, more overflights of Taiwan, China's timeframe to act is more in the medium-term, say three-to-six years. Ukraine pulls Russia closer to China, but China has its own expansionist timetable.

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