

Swiss Institute for Global Affairs

## Europe Already Lost the War

The **Fog of War** - the sheer impossibility of accurately interpreting the current military situation, but also the omnipresent information war - is creating facts. It is becoming apparent that from a strategic and geopolitical standpoint, Russia's war of aggression is likely to lead to a **Western defeat**. An assessment by the Swiss Institute for Global Affairs (SIGA):

1. **Map Visualizations:** [Two recent SIGA maps](#) show Russia's potential strategic goals in Ukraine and which geopolitical spillover effects could occur. For Europe, this may result in far-reaching instabilities.
2. **Resilience of the Russian economy:** The European sanctions only affect the Russian economy to a limited extent. Early on, the Russian central bank Rossii withdrew its foreign money reserves from the West. Moreover, Russia has other international payment systems than SWIFT with its own *System for Transfer of Financial Messages* (SPFS) or with the Chinese *Cross-Border InterBank Payments System* (CIPS). Currently, those are still expensive and not internationally accessible, but could develop into a SWIFT alternative in the medium term. There are signs that Moscow - in order to guarantee local jobs - wants to nationalise Western companies. Chinese companies are showing interest in buying them. Other countries are likely to seize these opportunities as well. This possible development could weaken Europe and threaten its current unity. Outrage and emotionalism in Western societies may soon subside and then be replaced by other political and societal lines of conflict.
3. **Energy issue:** In the short term, Europe has no alternatives to Russian oil and gas. Refineries from Europe are technically geared to enable the import of Russian oil. In the medium term, Venezuela, Saudi Arabia and Iran are possible alternatives. Nevertheless, the leadership of these countries has a lot in common with Putin's agenda. Those can all be considered authoritarian and anti-democratic regimes who hold a certain ideological and cultural grudge towards the West. Moreover, OPEC+ is currently not interested in increasing oil extraction. Prices will remain high and depict a potential geo-economic bargaining chip for the exporting nations. This will make Europe the plaything of new interests and actors (cf. energy geopolitics). The 500 million euros in arms for Ukraine upon which the EU decided in Versailles stand in stark contrast to the 250 million euros which Europe pays Russia for crude oil, petrol and diesel every single day. This comes with further potential for conflict.
4. **New geopolitical alliances:** With Russia's increasing toughness, new alliances are emerging. Corresponding [spillover effects](#) are the result. It is striking that South Asia (Bangladesh, India and Pakistan), among others, does not clearly reject Russia's

position diplomatically. The Russia-India-China (RIC) alliance could be supplemented with Pakistan and become an unholy strategic alliance representing over 1/3 of the world's population. The Shanghai Cooperation Organisation (SCO) as well as the BRICS states (Brazil, Russia, India, China and South Africa) are also working strategically to devalue the US dollar lead currency. This offers countries in the "Global South" new options with corresponding dependencies. Latin America will also reposition itself in this power-political transformation and is thereby being courted by Russia and China. In addition, new alliances are being formed in the Middle East. Turkey is simultaneously creating new alliances with Egypt and Israel. Saudi Arabia and the United Arab Emirates (UAE) seem to be coming to terms with Putin, mainly because the USA wants to quickly de-dramatise relations with its archenemy Iran. However, potential future developments regarding Iran depend heavily on the outcome of the current nuclear talks in Vienna.

These geostrategic shifts point to the fact that the war in Ukraine brings to light the subtle fermentation of a new [world order](#). The Pax Americana and the Western system of norms are being challenged. In these examples, Europe plays neither a political nor an economically and militarily important role. For now, Europe can only watch how events unfold. It lacks the strategic visions and innovative concepts as well as some alternative partners to have a say on the world stage. On one hand, Europe's governments have missed the opportunity to build independent narratives. On the other hand, they did not create geopolitical facts which would now allow for a flexible and decentralised strategy. What Europe needs in these times are holistic security concepts as well as an integrated foreign policy.

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