

## Why Economic Weapons of Mass Destruction need Arms Control

### What is the issue?

In addition to supplying Ukraine with military weapons, governments around the world have deployed economic weapons against Russia.

### What about the economic sanctions against Russia?

- Strict measures on Russia's central bank have already contributed to the Rouble's collapse.
- Limitations on cross-border payments and financing have had a weakening confidence in Russian banks.
- Trade sanctions also include restricting exports of key inputs such as aeroplane parts to Russia as well as purchases from it.
- Equally worrisome is the growing public pressure on corporations to stop doing business in certain countries.

To know about the Cost of Russian Invasion, click [here](#)

### What will be the impact of economic sanctions?

- **Growth and employment-** Economic sanctions will reduce economic growth and increase unemployment over time.
- **Standard of living-** It will eventually translate into lower living standards, poorer health, and more deaths in Russia.
- **International order-** Equally problematic is the breakdown of the international order.
- The United Nations Security Council cannot legitimately act against any of its permanent veto-wielding members (China, France, Russia, the UK and US).
- Moreover, even if the UN could approve a military response, the will to confront a nuclear power militarily would probably be lacking.

### What are the concerns?

- **Global governance-** Economic weapons, enabled by global integration, offer a way to bypass a paralysed global governance system.
- **Globalisation-** If they are used too widely, they could reverse the process of globalization that has allowed the modern world to prosper.
- **Overuse of sanctions-** The seemingly bloodless nature of economic weapons, and the lack of norms governing them, could result in their overuse.
- It is not impossible to imagine a country being subjected to economic warfare because of its government's position on climate change, etc.
- **Freezing of assets-** Following the action taken against Russia's central bank, China, India and others may worry that their own foreign-exchange holdings may prove unusable if a few

countries decide to freeze their assets.

- **Global payment-** More countries might start exploring collective alternatives to the Swift bank messaging network, potentially leading to fragmentation of the global payments system.
- **Counter measures-** There could also be more zero-sum strategic behaviour, with countries developing new counter-measures to economic weapons.

## What is the way forward?

- There should be a gradation of weapon use.
- Moves against the assets of aggressor-country elites should have the highest priority and lowest consensus requirements.
- Advanced economies should recognize that a balkanized global economy would hurt everyone.
- Holding talks on economic 'arms control' could be a step towards fixing a broken global order.

## Reference

1. <https://www.livemint.com/opinion/online-views/why-economic-weapons-of-mass-destruction-needed-arms-control-11647883114166.html>

