

Ian Proud: Anti-Russian Sanctions Do Not Work - How the Ukraine War Ends

Ian Proud discusses why the anti-Russian sanctions will not work, and also how the war will likely end. As a former British diplomat, Proud performed a number of roles, including the Economic Counsellor at the UK's embassy in Moscow between 2014 and 2019. The Peacemonger: <https://www.youtube.com/@IanProud> Buy Diesen merchandise: <https://diesen-shop.fourthwall.com/en-nok> Follow Prof. Glenn Diesen: Substack: <https://glenndiesen.substack.com/> X/Twitter: https://x.com/Glenn_Diesen Patreon: <https://www.patreon.com/glenndiesen> Support the research by Prof. Glenn Diesen: PayPal: <https://www.paypal.com/paypalme/glenndiesen> Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: <https://gofund.me/09ea012f> Books by Prof. Glenn Diesen: <https://www.amazon.com/stores/author/B09FPQ4MDL>

#Glenn

Welcome back. We have the great privilege of being joined today by Ian Proud, a British diplomat between 1999 and 2023. Part of his roles included being the economic counsellor at the British Embassy in Moscow, where he served between 2014 and 2019. Part of his responsibility was overseeing the sanctions of Britain against Russia. So thank you for coming back on the program. Well, I thought a good place to start would be the sanctions. As we see now, the European Union is working very hard to push through the 21st sanctions package. It has some opposition within the EU. However, how do you assess the sanctions against Russia in terms of purpose and effectiveness?

#Ian Proud

So in terms of purpose, firstly, I mean, the UK and the European sanctions, which started from the same place in 2014, say they have the same purpose, and that is to get Russia to stop its activities in Ukraine. However you describe those, for the Europeans and the British that means to end the war, and one presumes to withdraw from Ukraine. But, you know, sanctions have been in place for 12 years, and if that is the purpose, you have to ask whether or not it's succeeded, and clearly it hasn't, 12 years down the track. Another way to perhaps address that purpose would actually be to talk to Russia itself.

And so what I've said often is that actually sanctions have become a replacement for dialogue. Because we don't want to have diplomatic negotiations with Russia, we don't want to talk to Russia, therefore we have sanctions. But unfortunately, you know, sanctions are not fulfilling their purpose because the war continues and we're still not talking to Russia. So they haven't been effective that

way in terms of the strategic purpose. But in terms of the actual economic effectiveness of sanctions, you'd have to say actually that economically, sanctions really since about 2017 have arguably been hurting Europe and the UK more than they've been hurting Russia.

#Glenn

Well, how do you explain the continuity here? I mean, again, this is the 21st package. One has to beg the question after a while, what is the point? If they really had something good to sanction, surely they would have done it the first 20 times. But is it the lack of other instruments? Is it the unwillingness to talk to the opponent? Or why just double down over and over again?

#Ian Proud

Well, Albert Einstein was misquoted as saying that the definition of insanity is doing the same thing over and over and expecting a different result. And I think the truth is that European and British policymakers don't have an idea of how to address this problem, and they don't want to talk to Russia, and they don't want to fight a war with Russia. And so, therefore, all that leaves them with is sanctions. And even though sanctions are not effective sanctions, at least that's better than talking to Russia. So, you know, the whole thing becomes very circular very quickly. Clearly, it isn't working, but nevertheless, the bureaucratic inertia within the system just insists on repeating the cycle over and over again, even though it's making no difference.

I know that seems completely illogical, and of course it is illogical, but it really boils down to a complete lack of ideas in the West about how to end the war. And of course, the longer the war goes on, the harder it is for them to end the war, because when the war ends, their efforts will have been seen to have failed. And you said the 21st package of sanctions. In fact, actually, that's only the 21st package of sanctions since the war started. In fact, there have been many, many more packages of sanctions dating right back to 2014. And at no point has it ever really looked likely that they would actually persuade Russia that it should back down from its defense of what it considers to be its core strategic interests in Ukraine.

#Glenn

So a key problem here then is the unwillingness to talk to Russia. And again, this is a complete breakdown in diplomacy because, you know, there's plenty of evidence suggesting that even if the two sides just have basic talks, it would improve the ability to pursue peace. That is, you would get a greater understanding of what your opponent wants, its security concerns, the possibility for where compromise could be found. It also has more realistic expectations. You humanize your opponent. How can it be that after four and a half years, the European leaders still boycott diplomacy?

I mean, at least under Trump, the Americans started to talk to Russia. Of course, it's not leading anywhere, but at least they were talking to the opponent. It looks like the minimum, especially when

you're in a war or a proxy war, direct war, wherever we may be now, against the world's largest nuclear power. Why is it not possible to talk? Essentially, the EU's position has always been that if there's a conflict, the first step is at least to open dialogue, and you know that will always be the first step, even if it doesn't lead anywhere. So how can you explain this—27 member states, none of their leaders want to talk to the opponent?

#Ian Proud

Well, to answer that question, the best answer would be to think about foreign policy itself. And foreign policy is not the same as diplomacy. You know, diplomacy is the tool that you use to advance your foreign policy.

#Glenn

Now, the Europeans, whenever you hear their leaders, their foreign policy is to defeat Russia.

#Ian Proud

And actually, even though there's no real evidence that Ukraine can win the war—quite the opposite—the European and British policy appears to be to maintain strategic patience and wait for Russia to crumble under the pressure of economic sanctions, which I've said before don't really work, of the military battlefield losses, and that sort of thing. Well, if that is the foreign policy, then implicitly diplomacy isn't required because diplomacy isn't part of that equation.

So it's only really when the foreign policy changes that you might see diplomacy. The foreign policy should be: how can we secure peace in Ukraine? I mean, that would be a rational foreign policy. What is the best, the quickest, and the least harmful route for Ukraine for us to bring this devastating war to an end? If that was the foreign policy, then European leaders would quickly decide, actually, therefore, we need diplomacy. But that isn't the foreign policy. Bringing peace to Ukraine is not the foreign policy, and therefore diplomacy is not required.

#Glenn

Yeah, the strategic patience, that term, I remember that was used by Boris Johnson back in 2022 after he had torpedoed the Istanbul peace agreement. He went out, I think it was in the Wall Street Journal. He wrote articles saying that, you know, we don't need a bad peace, we need strategic patience here. For me, this is a code word for a long war. And again, a lot of the narratives which Europe has embraced appear to be exactly aimed towards this end—a long war. But to what end? What does victory look like for the Europeans today? Do they want Russia destroyed? Do they want regime change in Moscow, or just a weakened Russia? Do they want a powerful Ukrainian proxy? What is the objective here?

#Ian Proud

Well, all of the above. I mean, Kaja Kallas has variously said that she wants to see the breakup of Russia, which is a completely fantastical kind of statement for apparently Europe's top diplomat to make. Several European leaders have said that, including Alexander Stubb, that they want to see Russia weakened. Several European leaders have said that this can't really end until Putin goes and his regime is overthrown. So, you know, look across the piece and you'll see these things. But, you know, the question then comes back to, well, is that likely? Is it realistic to expect that Russia is going to break into separate parts? As you said, you know, the world's largest nuclear superpower. And I've lived in Russia for four and a half years.

And it is an incredibly complex and diverse country in a way that actually most people who've never been to Russia don't really understand. But it's also very unified, and that sense of external threat is very strong. And therefore, much to the surprise of many in Europe, Putin remains remarkably popular compared to European leaders. That doesn't mean there isn't domestic political pressure in Russia. Of course there is. Of course the war is taking its toll. But regime change has never really looked likely. So that's that. The breakup of the country just appears completely absurd. And when it comes to weakening, well, economically, Russia has performed better despite thousands and thousands of sanctions.

You know, economically, Russia's found itself in a much more resilient place than the rest of Europe and Britain, just from essentially 12 years of having navigated the kind of complex geoeconomic challenges and movements that have taken place, not just because of sanctions, but because of oil price movements, because of COVID. You know, people don't understand that Russia has a very, very competent sort of macroeconomic policy team, a really, really powerful central bank governor, and a finance minister who's been in the job since 2014. People think that Russia is run by idiots who don't really know how to manage the economy. Actually, we've, in the UK and European countries, seen ministers come and go.

I did a calculation that really, since the Ukraine crisis started, Germany, France, and Britain have had 23 different finance ministers. Well, Russia has had one. So Russia has had a remarkable amount of policy clarity, and that has given it economic resilience, which you simply don't have in Europe or in the United Kingdom. And briefly on the strategic patience point, well, actually, every European state is governed by electoral and news cycles. So even if Boris Johnson, who actually fell from power less than four months after he made that statement—our leaders change so often that the idea of strategic patience is a fallacy anyway. You know, because voters want different things, ministers come and go. The idea that some core thread of strategy is going to survive the constant change is clearly a ridiculous idea.

#Glenn

Well, the common theme here in what you're saying is this hope for regime change in Moscow. And indeed, back in 2022, after the US and UK again sabotaged the Istanbul Agreement, you saw a lot of comments coming out not just from the United States but also from the UK, suggesting that the only acceptable outcome would be regime change in Moscow. And I'm wondering, why the obsession with having Putin go away? Is it the assumption that Russia would be weaker, more divided, more vulnerable without Putin? Or is it that Putin goes away and we get another pro-Western Yeltsin type, someone committed to unilateral concessions due to an undying desire to be part of the political West?

#Ian Proud

Well, I mean, the whole thing, at one level, has become very personalized, as it has through history, of course. You know, Putin is the Goliath and Zelensky is the David figure. And actually, we need to have a hero and we need to have our villain. And right now, Putin is our villain. I mean, it's absolutely not clear that if somebody replaced Putin, we'd like him any more. And in any case, we can't even control who might replace Putin should he go. The greater chance is that actually somebody the West liked even less would come to power. So the question is really, why do we insist on pushing this? Okay. You know, the CIA and MI6 have a history of regime change going back to the end of the Second World War.

And it didn't really work in small, underdeveloped Latin American states, essentially European states, and that sort of thing. In terms of a durable political settlement, how do they possibly expect it to work in Russia—a very complex, very large, economically prosperous, militarily powerful kind of nation like Russia? It's clearly a ridiculous concept, and people should give up on it. What people really should be thinking about is how we can see through our underlying problems, which have obviously grown over the past 12 years, and find a way to coexist—not necessarily to be friends, but to coexist peacefully in a way that our interests, and Russia's interests, and Ukraine's interests, for that matter, aren't harmed.

Nobody is really doing that thinking in the West, to go back to foreign policy. We're locked into this belief, a deluded belief in my view, that we can somehow defeat Russia. And if we just wait a bit longer, if we just give Zelensky a few more billion dollars, if we just send more Ukrainian men back from Europe to fight, if we just don't let all these constant scandals around Zelensky distract us from the real enemy, then eventually things will be okay. Well, I just don't think they will be okay. Ukraine can't win this war. Ukraine is being turned into a failed state, a depopulated failed state because of a war that we've encouraged them to keep fighting. And it really is disgraceful that we've done that.

#Glenn

So what is the peace plan then of the Europeans? Because the sanctions—typically, sanctions are assessed by their ability to create pain for the purpose of having a change in economic behavior. But

often one gets the impression that the sanctions are merely economic coercion. That is, the goal is simply to weaken Russia. They talk about weakening Putin's war machine because this is the language used. So again, how they measure effectiveness is essentially to weaken Russia. But what is the pathway to peace here?

#Ian Proud

There is no pathway to peace. European leaders have... well, they've spoken about possibly having dialogue with Russia over the past, I suppose, eight months, really, since the end of last year, when Belgium blocked the theft of the immobilized Russian assets held at Euroclear. There's been some talk, but that's never really got off the ground. The European leaders are fundamentally resistant to the idea of dialogue. And therefore, because of that, you know, peace is not in their plan. Defeat is in their plan, not peace. So there is no plan, Glenn. I mean, I wish there was, but there isn't. And nobody's talking about peace. Therefore, nobody needs to talk to Russia to deliver peace.

So there is no plan. And on the sanctions, I mean, I've looked at this a lot because I did a lot of work on sanctions, and they are having practically no impact at all on Russia, other than to harden Russia's position that sanctions are really intended to weaken Russia, and therefore any concession to sanctions on Russia's part would be a weakness that they can't tolerate. They need to keep prosecuting the war in Ukraine until such time as European leaders are ready to actually talk and have a peace plan. But right now, we still seem a very long way from the point where European leaders are ready to look up and actually recognize that reality.

#Glenn

Because whenever they send weapons or push more sanctions, the argument is always that it has to be framed as the effort of defeating Russia. It always has to be framed in peaceful language. So it's always to pressure Russia to the negotiation table. But again, it seems like a very fraudulent argument because Russia is at the negotiation table. They're willing to talk to the Europeans. They want to discuss the European security architecture, or the lack thereof, which triggered this war. But it's the Europeans that don't come to the negotiation table. So it's a strange argument to make. But I did want to ask, how do you see this war ending? Again, we have no crystal ball. I know there are a hundred different variables impacting this, but what direction are we taking?

#Ian Proud

The big variable is Putin's resilience to taking steps that would massively escalate on the NATO side in terms of striking NATO. I've never really personally thought that that is something he would like to do, because I think long term he does kind of hope there'll be some sort of, however that's described, you know, with Europe. But I do see considerable scope for escalation in the short term,

given these deeper and deeper strikes that not only Ukraine is undertaking, but that the West is encouraging Ukraine to undertake and giving them the capabilities to do so. So right now, there's an escalation risk.

And I think for now, escalation will happen within Ukraine itself because there are still several steps up the escalation ladder. So that assumes some sort of worsening conflict through the winter when, assuming that Zelensky wants to keep fighting, all the indications are that he does want to keep fighting because he won't have a job when the war ends. Kiev will be plunged into darkness. They'll have no heating. The same, but worse, conditions will apply where Russia will return to a strategic bombardment of Ukrainian cities, and everybody will say, oh, isn't Russia so terrible, and therefore we need to give Ukraine more money.

The war will carry on. So I think the war will go on until next year. I've said that actually for several months now. But I think ultimately Europe will run out of the economic means and political legitimacy to carry it on much further, as voters increasingly say, well, this is now manifestly hurting us and our interests more than it's hurting Russia. And we're going to kind of vote out people like Macron in France in 2029 and so on in Germany. So I think Europe will run out of the money and the political legitimacy to carry this on without some sort of pushback from European citizens.

So I think Europe will have to fold, will have to make a settlement, but that's going to be very, very painful because they've said all the time that they would win, and they haven't won. So it's going to be very messy politically in Europe because they will have failed, and everybody will see that they failed, and Ukrainians will feel hurt and let down by this process. And the Russians will reach out with an olive branch. It's not really clear that the Europeans will want to take that, but they should. So it's going to be very complex and very messy in Europe. But I think ultimately Europe will fold before Russia will fold, and that's really the position I've taken right from the start.

#Glenn

Who might fall, though, before the European states or Ukraine? Because Ukraine is also becoming quite exhausted. It has its economic problems. It has growing societal divisions. It is struggling militarily on the front lines with manpower and equipment. We have a political crisis now. I'm also wondering what you make of the Syrskyi-Fedorov split. You know, is someone going to topple Zelensky at some point? I mean, he's not very popular at the moment either.

#Ian Proud

No, he's not. But he's got that thing where he's more popular in European capitals than he is in his own. But unfortunately, as you know, Glenn, the Ukrainian state has become increasingly repressive of its own citizens.

#Glenn

And actually...

#Ian Proud

You know, it's become a very elderly population now. Many of the young people have already left. And actually, you know, the people that are left, they have some quite extremist elements. So the scope to repress the people that are left is still quite high. And I personally think there may be some sort of internal move to remove Zelensky at some point, some sort of palace coup or something like that. But he's going to fight tooth and nail to stay in power and, you know, become ever more repressive. Western media won't call him out on it.

I mean, even today on the BBC, there was a scandalous report about busification, which started off with a tale of woe about, you know, a recruitment officer who'd been beaten up by somebody he was trying to busify. And it's just like, the reporting of Ukrainian repression is so distorted in the West now that actually, you know, Western leaders are going to keep supporting Zelensky come what may. So, yeah, I mean, there could be a palace coup. I think if there's no Zelensky, there's no war, because anybody who replaced him would see common sense and say it's time to end this. But, you know, Zelensky's not going to go without a fight.

#Glenn

It's interesting. Well, they first deny, then they move on to justify, because the busification first was Russian propaganda, and then it shifted to, well, you know, that's what you have to do to win the war. It's a bit like the heavy presence of fascist elements. First it was all Russian propaganda, then we had the Polish pushback, and now it can't be denied, so then it's instead shifting a little bit into, yeah, well, you know, fascists or, you know... freedom fighters, you know, who's to say which is which? I mean, so now it's the whitewashing in place. But given that a key component of this war, what provoked it, has been the collapse of the pan-European security architecture—that is, the expansion of NATO, which we used to recognize for years and years—the Russians looked upon very unfavorably, even as an existential threat. How do you see the future now for NATO?

#Ian Proud

Well, I think NATO—I regard NATO like I regard the EU institutions—as fundamentally a bureaucratic entity that is taking sovereignty from its member states and that ultimately has an internal bureaucratic life force and a need to exist and a need to gain power, exactly like the European institutions. And the problem in Europe is that people don't think about NATO in the same way as they think about the EU. I think lots of people in Europe, including here in the UK, obviously in France, places like Switzerland, which is outside of the EU, you know, they see the EU institutions as fundamentally anti-democratic, which I believe they are, because they've gained too many powers.

But people don't see NATO in the same way, but I see it in exactly the same way. So, you know, NATO—I see no scenario in which NATO will cease to exist. You know, it has too much convening power. The Americans are too invested in it. They make too much money out of it, even if they're turning their gaze toward the Asia-Pacific. I think it will weaken in its powers over time, particularly if the whole Ukraine misadventure proves to be a catastrophic failure. That will weaken NATO. But I don't necessarily see it going away. I see both the EU institutions and NATO as going through some period of managed decline rather than ultimate collapse.

But what I do think will happen more is that actually you'll see more strategic military collaboration between the main military powers in Europe, and by that I mean Britain, Germany, France, and Russia. If there's to be some sort of understanding, military understanding, across the great military powers in Europe, then that sort of dialogue between the four main powers has to take place. And I don't include Ukraine in that, even though actually Ukraine objectively has a bigger army than the UK. But I mean, we're paying for that. I mean, it's not like a normal... it's almost like a battery chicken that's been given steroids and has grown to double its full size in the space of two days.

I mean, you wouldn't call Ukraine a great military power. It doesn't have the economic or industrial base, doesn't have the population density, you know, and actually its army is an army of conscripts. So I think really the four main military powers need to kind of coalesce and have some format of dialogue outside of the NATO umbrella to kind of really regulate security as the starting point. And maybe that can lead to some bigger understanding, some bigger agreement on pan-European and pan-Eurasian security in the future. I hope that it does.

#Glenn

Just as a last question, in a desperate effort to finish on a positive note, do you see any possibilities, if this war comes to an end or as a diplomatic effort to put the war to an end, that we might actually have these discussions and even the development of a new European security architecture? Keeping in mind that in the early 90s, this is what we were discussing — how to have an inclusive European security architecture based on indivisible security. We went with NATO expansion instead, for a hegemonic peace. Now we see the US reducing its interest in Europe.

NATO seemed to have outlived its glory days. The whole new purpose of “out of area, out of business” also appears to have lost some of its legitimacy. Do you see the possibility of, you know, instead of trying to create a Europe-only alliance, actually taking a few steps back — well, three decades back — and starting to look at how to overcome bloc politics, how to pursue indivisible security? Or, you know, from your experience with the British diplomats and Europeans, do you see an appetite of that sort?

#Ian Proud

You see, my view is that it's a bit of a myth that NATO actually ultimately delivered European security after World War II. Of course, it did during the Cold War. But I think the thing that really—I mean, Europe had been a continent that had had centuries of war between nation-states. I think the thing that really changed the dial was the opening up of borders between European nations. And I don't necessarily mean free movement, you know, and those sorts of things. I mean at a sort of social, cultural, economic level—people coming together.

And I think actually when you put that before the politics and the security, it's much easier to form some sort of common understanding, some common feeling of community with a small “c” with your neighboring states. And I think, you know, the same should be true of our relationship with Russia. You know, all the time that Europe was actually modernizing, growing economically, you know, actually there's a period of time when it's slightly offset timings, but Russia was doing the same. Russian citizens want the same things that European citizens want. I think actually what you really need to start with is the opening up of people-to-people links and connections.

You know, first, because, I mean, that is the best guarantee of peace. You know, this whole Lisbon to Vladivostok agenda is far more powerful in terms of bringing people together than saying this. I mean, of course, you know, in terms of the architecture, yeah, you know, a common security framework, okay, that's fine. But actually, if you don't have people trying to meet each other, understand each other, move between countries, have open relationships, including economic relationships, cultural relationships, and that sort of thing, all the other stuff, you know, is always going to be loaded with baggage that you can never really get past.

So I'm very much a proponent of opening up relationships between nations so that we can actually understand Russian people and have them understand us better through closer links. And I think that, you know, if you can start getting back to that when the war ends, you know, having normal, sort of open borders so that, you know, we're not demonizing Russian people if they come to the EU and that sort of thing, that would be a really, really good place to start. But of course, yeah, on the bigger picture, yeah, of course, a common security framework, of course, you know, would be good. But I think ultimately what's going to change the dial is people meeting people and realizing actually that we all want the same things.

#Glenn

Yeah, well, on that semi-positive note, thank you very much for taking the time, Ian. And yeah, have a great summer.

#Ian Proud

Cheers, and you, Glenn. All the best. Enjoy your holiday.