

# War by Other Means: Geoeconomics and Statecraft

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By Robert D. Blackwill and  
Jennifer M. Harris

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In October 2019, the US President Donald Trump announced sanctions aimed at restraining the Turks' military operation in northern Syria, an assault particularly directed against Kurdish fighters. In his sanctions announcement, Trump said he was halting negotiations on a \$100 billion trade deal with Turkey and raising steel tariffs. "I am fully prepared to swiftly destroy Turkey's economy if Turkish leaders continue down this dangerous and destructive path," he said. Two months earlier, in August 2019, escalating further a trade war with China, he declared he was ordering U.S. companies to "immediately start looking for an alternative to China, including bringing your companies HOME and making your products in the USA." These statements of the US President show how much the situation has changed since 2017 when *War by Other Means: Geoeconomics and Statecraft* was published.

The authors Robert D. Blackwill and Jennifer M. Harris from the Council on Foreign Relations wrote the book in very different times of conducting the US foreign policy. Just a few years ago, they observed that "[w]hile many states are repurposing economic tools for geopolitical use, the United States is moving the reverse direction" (p. 47). The situation changed dramatically as we have seen but it is necessary to take a step back to understand authors' motivation to write this book. Frustrated by the US self-imposed constraint on using geopolitical tools, they argue for the most part of the book for employing American economic instruments again in a grand strategic toolbox.

Nevertheless, it does not mean in any sense that the book under review is obsolete under current circumstances. On the contrary. Today, there are states that are entirely comfortable

employing most of the tools of economics to advance state power. The Trump Administration is not shy to use economic coercive pressure neither. Even the new European Commission President Ursula von der Leyen speaks of “geopolitical Commission” and mentions trade agreements as examples to exert the EU’s influence (Radosavljevic 2020). Considering the developments, the book provides an important contribution to a rapidly growing policymakers as well as academics’ interest in geoeconomic matters.<sup>1</sup> First, it defines “geoeconomics” as “the use of economic instruments to promote and defend national interests and to produce beneficial geopolitical results.” (p. 9) The authors further introduce a broad understanding of geoeconomics at the beginning as they identify seven of today’s leading geoeconomics instruments: trade policy, investment policy, economic and financial sanctions, cyber, financial and monetary policy, and energy and commodities.

Secondly, Blackwill and Harris examine the China’s approach to geoeconomics, as the opposite and the strategic rival to the United States while “the rise of China is arguably America’s most important foreign policy challenge.” (p. 179) Alongside its accession to the World Trade Organization in 2005 China has also solidified its position in international investment system since the embrace of “open door” policy in 1978. Today’s China is an active investment policy-maker pursuing different interests while its state-owned enterprises investing abroad are increasingly under spotlight (Svoboda 2020: 1-12). Moreover, it seems that an attention devoted to China and geoeconomics in the age of the Belt and Road Initiative and the global debate on 5G networks will only further rise.

The third part of the book focuses on the United States. It takes a critical view of the US foreign policy and, speaking of 30 years of neglect, describes in detail how policymakers in Washington lack geopolitical thinking in their responses to current geopolitical challenges. For the authors, the US is

1 See e.g. Farrell, H., Newman, A. L., 2019. Weaponized Interdependence: How Global Economic Networks Shape State Coercion. *International Security*, 44(1). The authors argue that economic globalization has generated powerful economic networks, which the central actor can potentially exploit for coercive gain. O’Dea, C. R., 2019. Asia Rising: Ships of State?, *Naval War College Review*, 72(1). The author examines the recent rapid increase in Chinese port and shipping investments and the related emerging risks. O’Dea, C. R., 2019. How China Weaponized the Global Supply Chain. *National Review*, LXXI(12). The author describes how China is projecting power via global supply chains based on the physical network of ports, ships, and terminals in combination with the introduction of cyber-capabilities, including the installation of digital networks at Chinese-controlled sites, typically by Huawei.

underperforming compared to its present geoeconomical potential while the separation of economics from US foreign policy and security policy reflects a shift from earlier American experience (p. 176). To redress the situation, they propose twenty steps covering various policy issues, for instance promoting US national interests through geoeconomic instruments, building economic partnership with India as an emerging Pacific power, addressing the climate change, preparing for the threat of state-sponsored cyberattacks, refocusing development aid, adopting new rules of engagement with the Congress and improving university teaching about geoeconomics.

Still, there are a few points that are not absolutely convincing. For instance, this reviewer does not share the authors' optimism concerning the "North America's energy revolution" (p. 204). As there is still no clear prospect of the US becoming a global powerful energy actor, the OPEC countries still play a key role in global energy markets. Furthermore, high expectations regarding free trade agreements such as the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) have been fulfilled neither (p. 180-183). It is right that it was Hillary Clinton, then a Secretary of State, who once referred to TTIP as a possible "economic NATO" and TPP represented a core element of Barrack Obama's strategic "pivot to Asia". Moreover, free trade agreements could be perceived as key tools of imposing transnational standards and directing national trade policies. In this way, they are undoubtedly a part of geopolitics and foreign policy instruments. Those claims notwithstanding, trade and investment agreements currently face various challenges in terms of rising protectionism and populist backlash. It is thus even more difficult to conclude them than before.

As the international economic order is transitioning away from the post-Cold War Neoliberal Order towards a new Geoeconomic Order (Roberts, Moraes, Ferguson 2019: 1), the developments challenge traditional ways of thinking about complex global economic networks. This paradigm shift also informs foreign and security policy debates about how to approach everything from energy pipelines to foreign acquisitions of start-ups. In this context, the *War By Other Means* by Blackwill and Harris provide a valuable theoretical framework as well as an exposé on the current practice of US "strategic competitors" – China and Russia (Department of

Defence 2018: 1), full of compelling insights. As a well written study of economic statecraft it is especially pertinent to our days.

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