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On Threshold of New World System

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8/21/2014

Europe was really shocked by the sanctions Russia introduced in retaliation to the punitive actions imposed by the European Union, the United States and some other states. It's not only the psychological effect defined by Estonian Minister of Foreign Affairs Urmas Paet as, «Today only the United States and the European Union have a right to punish bad boys, and Russia does not have such a right». The real cause is gloomy outlook for many EU members as a result of Moscow's reaction.

At first Western media enthusiastically reported that the Russia's leadership is going to make its people die of hunger. But these assessments happened to be as far from the truth as the dubious professionalism of their authors from the real skills required for serious analytical work.

First, there are few products which have no analogues produced in other countries. Their absence is a problem for a narrow circle of people with unique tastes and needs, not general public. It's not a big thing if there is no original Parma ham in Buryatia, it won't spark hunger riots there. If Veuve Clicquot champagne is not seen on the shelves in Slavyansk-na-Kubani, it will hardly change drastically the life of local people.

Second, markets are never empty. Russia-produced poultry will substitute for "Bush legs" (a prevailing term in the post-Soviet states that denotes chicken leg quarters from the United States), license produced or similar cheese from Kazakhstan and Belarus will fill the shops and markets of

Russian provincial areas instead of the «public» cheese produced in the Netherlands and Italy. Kazakhstan and Belarus compete to increase dairy sales. Many people who like apples will know that Almaty, not Warsaw, is translated as «father of apples».

Third, those who have joined the new economic association built together with Moscow and its would-be members will be grateful to Washington and Brussels for imposing sanctions on Russia. The countries allied with Moscow will get more profits at the expense of European farmers.

The policy of sanctions implemented by the United States and the European Union is like cutting off the nose to spite the face. The European Union may lose up to 12 billion euro (\$16 billion) because of Russia's ban on food imports. It had been forecast even before Russia hit back with retaliatory measures that the Baltic States would lose 10% of GDP. Latvia exported 90% of its fish to Russia. Now many fish and sea food producers of the country face bankruptcy. Lithuania is in trouble having lost the market for two thirds of exported pork. Estonia is going through hard times as it exported from one fourth to one third of its agricultural products to Russia. Finish butter producers are in panic. They have exported their product to Russia since the start of the last century. Polish gardeners are in for trouble. Dutch, Hungarian, Bulgarian, German, French and Italian farmers and Norwegian fishermen will lose a profit measured in billions of euros.

Europe may suffer serious damage as a result of its dancing to the Washington's tune. According to estimations of Finish politicians, Finland faces a political crisis and snap elections under the slogan «Away from Brussels!» Hungary has been a traditional economic and trade partner of Russia. Its leadership openly expresses reluctance to comply with the decisions by European Commission. The discontent with the European Union is getting ripe in Bulgaria and Greece as Russia accounts for 20, 2% and 12, 4% of their exports accordingly.

Recklessly following the US-led policy of sanctions Germany, Italy and France are already facing grave implications as a result. These countries are the main sources of income for the EU budget. Paris has zero economic growth, the GDP is down by 0, 2% in Italy and Germany. There is nothing to compensate the losses with. Making concessions to Washington, Europe makes itself doomed to face another crisis. It may take as many as ten years to make GDP reach again the level of 2008; Finland knows what it's like to tackle the implications of economic slump.

Europeans have really hurt themselves. They have launched the process of restructuration to affect an entire segment of world economy and voluntarily ceded positions to Asian and South American competitors with vibrant economies.

China, Turkey and Israel have already said they are ready to substitute for European exports of vegetables and fruits. Brazil, Argentina and New Zealand are ready to increase exports of meat. New Zealand has refused to lose the Russian market by joining the US and EU sanctions. Switzerland sticks to its own policy and the Swiss milk and cheese are second to none in comparison with what Italy, France and the Netherlands have to offer. No matter Tokyo formally supports the United States, its fishermen will hardly lose the chance to take the place left vacant by their European competitors.

Of course the United States and the European Union are exerting pressure on these states trying to

make them join the anti-Russian sanctions. But it has been done: the agricultures of EU poorest nations have started to go through the process of decay. A new round of economic crisis has hit Europe. It may freeze the growth of Europeans' well-being or even destroy the European Union. BRICS, the Customs Union and other developing economies of «world periphery» will get a new impetus for economic growth instead of the European Union.

It's not the limit. Washington and Brussels are on the way to ultimately eliminate the European economy making Asian competitors happy. Now they are discussing the possibility of energy sanctions against Russia. One can only guess what kind of implications it may have for the European Union members who depend 10 to 100 percent on Russia's energy supplies. But one thing is sure, ladies and gentlemen, one can confidently say that even without energy sanctions Europe downgrades against the background of vibrant economic growth in Asia and Latin America!