

Russia-Ukraine War and the Rise of Contemporary Geoeconomics: The Transformation of Military and Economic Power

Giorgi Kvinikadze 

Department of Human Geography, Faculty of Social and Political Sciences, Ivane Javakhishvili Tbilisi State University (TSU), Tbilisi, Georgia

Email: giorgi.kvinikadze@tsu.ge

How to cite this paper: Kvinikadze, G. (2026). Russia-Ukraine War and the Rise of Contemporary Geoeconomics: The Transformation of Military and Economic Power. *Open Journal of Political Science*, 16, 655-674.

<https://doi.org/10.4236/ojps.2026.164031>

Received: September 14, 2026

Accepted: October 17, 2026

Published: October 20, 2026

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Abstract

This article examines the Russia-Ukraine war as a case of the growing integration of military and geoeconomic strategies in contemporary international relations. Drawing on a qualitative case-study approach, it analyzes four interconnected dimensions of geoeconomic confrontation: sanctions, financial restrictions, technology controls, and the geographical reorientation of Russia's external economic relations. The findings demonstrate that geoeconomic instruments have become increasingly important in shaping the conditions under which military power is sustained and exercised. However, the evidence does not support the replacement of military power by geoeconomic power. Instead, the study proposes the concept of the geoeconomic expansion of military strategy and argues that contemporary conflict is increasingly shaped by their interaction.

Keywords

Geoeconomics, Economic Statecraft, Military Strategy, Strategic Competition, Russia-Ukraine War

1. Introduction

The transformation of international power has increasingly blurred the boundaries between military strategy, economic policy, and geopolitical competition. Although military capabilities remain central to interstate conflict, states increasingly employ trade, finance, technology, investment, and energy relations to influence

adversaries, constrain strategic options, and strengthen their own resilience. Economic relations can therefore function not only as instruments of economic policy but also as sources of strategic power. The Russia-Ukraine war provides an important empirical setting in which this transformation can be examined because military operations have been accompanied by extensive sanctions, financial restrictions, export controls, energy competition, trade disruption, and the restructuring of international economic relations.

The theoretical foundations for understanding this development were established well before the current conflict. [Luttwak \(1990\)](#) introduced the concept of geoeconomics to describe the application of economic instruments within the logic of interstate competition, while [Baldwin \(1985\)](#) developed the broader concept of economic statecraft, emphasizing the use of economic resources to pursue political objectives. [Blackwill and Harris \(2016\)](#) subsequently systematized geoeconomic strategy as the use of economic instruments to advance geopolitical objectives. From the perspective of international interdependence, [Keohane and Nye \(2012\)](#) demonstrated that asymmetric economic relationships can generate political leverage, while [Farrell and Newman \(2019\)](#) further showed how the structure of global economic networks can create strategic chokepoints through which states can exercise coercive power. Together, these contributions established the conceptual basis for understanding economic relations as a source of geopolitical and strategic power.

A growing body of empirical and policy-oriented research has subsequently applied these ideas to the Russia-Ukraine war. Studies of sanctions have examined their effects on Russian trade, income, production, and economic adjustment ([Flach et al., 2024](#); [Hosoe, 2023](#)). Research on Russian economic statecraft has emphasized the country's adaptation to external pressure, import substitution, and the reorientation of its external economic relations ([Kashin et al., 2024](#)). Other empirical studies have documented the geographical reallocation of Russian trade and the emergence of alternative trade corridors following the invasion ([Steinbach, 2023](#); [Fortescue, 2024](#)). Energy research has likewise demonstrated the transformation of Russia-Europe energy relations and the redirection of Russian energy exports toward Asian markets ([International Energy Agency, 2022](#); [U.S. Energy Information Administration, 2025](#)). At the institutional level, the [OECD \(2024\)](#) has documented broader changes in global trade patterns and the growing importance of alternative trading relationships. These studies provide substantial evidence of economic pressure, adaptation, and reorientation, but they generally examine particular instruments, sectors, or outcomes rather than the interaction of these processes within a broader military strategy.

The distinction between these two bodies of literature is important. The theoretical literature on geoeconomics and economic statecraft explains why economic capabilities can become instruments of geopolitical power, while empirical research on the Russia-Ukraine war demonstrates how sanctions, trade restrictions, financial measures, technological controls, energy disruptions, and trade reorien-

tation have operated in practice. However, these literatures do not fully converge analytically. The theoretical literature has established the strategic significance of economic instruments, whereas much of the empirical literature focuses on individual instruments or specific consequences, such as sanctions effectiveness, trade diversion, energy dependence, or economic resilience. Consequently, less attention has been given to how these instruments operate simultaneously within an active interstate war and how their interaction contributes to the broader strategic environment in which military power is exercised and sustained.

The existing literature also has several analytical limitations. First, studies of sanctions and economic adaptation frequently assess individual instruments or sectoral effects, making it difficult to capture the interaction among financial, trade, technological, and energy measures (Flach et al., 2024; Hosoe, 2023). Second, empirical studies of Russia's economic reorientation have documented trade diversion, changing trade corridors, and economic adaptation, but these developments have not always been examined in relation to the broader strategic requirements of sustaining military power (Fortescue, 2024; Steinbach, 2023). Third, research on geoeconomics and economic statecraft has established the strategic importance of economic instruments, but their simultaneous operation within an active interstate war remains comparatively underexplored. The resulting gap is therefore not a lack of research on sanctions, trade, finance, technology, or energy individually, but a limited integration of these dimensions into an analytical account of how military and geoeconomic power interact during war.

A further limitation concerns the interpretation of economic adaptation. Existing research has demonstrated that sanctions have reduced Russia's access to Western markets, finance, and technology, while also documenting the expansion of trade and economic relations with China, India, Türkiye, and other non-Western partners (Fortescue, 2024; Kashin et al., 2024; OECD, 2024). However, such developments are often interpreted primarily as evidence of sanctions circumvention, economic resilience, or trade diversion. Less attention has been given to their broader strategic significance as a geographical and institutional reorganization of Russia's external economic relations. The redirection of markets, supply chains, financial relationships, energy flows, and transport corridors may represent not simply economic adjustment but a transformation of the economic environment within which military strategy is sustained.

This gap becomes particularly important when considering the relationship between military and geoeconomic power. Geoeconomic instruments are sometimes conceptualized as alternatives to military force or as forms of coercion employed when direct military action is undesirable. Such an interpretation, however, may be insufficient for understanding the Russia-Ukraine war. In this conflict, economic sanctions, financial restrictions, technological controls, energy competition, and trade reorientation have operated alongside military operations rather than independently of them. The relevant analytical question is therefore not whether military strategy has been replaced by geoeconomic strategy, but whether military strat-

egy itself has expanded to incorporate geoeconomic capabilities as increasingly important strategic components.

This study addresses this question through the concept of the geoeconomic expansion of military strategy. The concept refers to the incorporation of economic, financial, technological, trade, and energy capabilities into the broader strategic environment in which military power is exercised and sustained. From this perspective, geoeconomic power does not replace military power. Rather, it expands the means through which states constrain adversaries, mobilize resources, sustain industrial and technological capabilities, manage strategic dependencies, and reorganize external economic relationships during conflict.

The study asks the following research question:

RQ1: To what extent has the Russia-Ukraine war become an example of the combined use of military and geoeconomic strategies in contemporary international relations?

The study tests the following hypothesis:

Proposition 1. The Russia-Ukraine war demonstrates that geoeconomic capabilities increasingly shape the economic conditions under which military power is sustained, including access to financial, trade, technological, and energy resources.

The study makes three principal contributions. First, at the conceptual level, it develops the idea of the geoeconomic expansion of military strategy, distinguishing this interpretation from the view that geoeconomics simply represents an alternative to military force. Second, at the empirical level, it identifies the geographical reorientation of Russia's external economic relations as a distinct form of geoeconomic adaptation, linking changes in trade, energy, financial relations, and transport corridors to the broader strategic environment of the war. Third, at the analytical level, it brings together several dimensions that are frequently examined separately—sanctions and financial restrictions, technology controls, energy competition, and foreign-market reorientation—to assess their combined strategic significance.

The study adopts a qualitative case-study approach and examines the Russia-Ukraine war as a particularly revealing case of contemporary military-geoeconomic interaction. Rather than attempting to measure military success directly, the analysis focuses on the economic and strategic conditions that affect the capacity to sustain military operations, preserve industrial and technological capabilities, secure resources, and adapt to external economic pressure. This approach makes it possible to examine both the coercive effects of geoeconomic instruments and the adaptive responses through which states reorganize their external economic relations.

Methodologically, the study treats the Russia-Ukraine war as a qualitative, single-case study covering the period from February 2022 through 2024, with selected pre-war evidence used to establish the baseline of Russia-Europe economic interdependence. The case was selected because it represents one of the most compre-

hensive examples of simultaneous military and geoeconomic confrontation in contemporary international relations.

Evidence was selected according to three criteria: 1) direct relevance to one of the five analytical dimensions examined in the study—sanctions, finance, technology, energy, and trade; 2) traceability to identifiable peer-reviewed or institutional sources; and 3) comparability across the pre-war and wartime periods where quantitative evidence is available. The analysis triangulates peer-reviewed research with data and reports from international organizations and official statistical or energy institutions. Evidence is assessed comparatively across the five dimensions to identify recurring mechanisms of constraint, adaptation, and reorientation rather than to estimate a causal effect on battlefield outcomes.

The remainder of the article proceeds as follows. Section 2 establishes the theoretical foundations of geoeconomic strategy and clarifies the relationship between economic power, interdependence, and strategic competition. Section 3 examines the Russia-Ukraine war through the principal dimensions of geoeconomic confrontation, including sanctions, financial restrictions, technology controls, energy competition, foreign-market reorientation, and alternative economic networks. Section 4 discusses the theoretical implications of these findings for the relationship between military and geoeconomic power. Section 5 concludes by assessing the research question and hypothesis and outlining the broader significance of the geoeconomic expansion of military strategy.

2. Theoretical Foundations of Geoeconomic Strategy

The analysis of contemporary geoeconomic strategy requires a theoretical framework that connects economic capabilities with geopolitical and strategic objectives. Rather than treating geoeconomics as a separate sphere of international economic relations, this study approaches it as a form of strategic action through which states use economic resources, dependencies, networks, and market access to influence the behavior and capabilities of other states. This perspective provides the theoretical basis for examining how economic instruments can operate alongside military power during interstate conflict.

Luttwak (1990) provides an important starting point by conceptualizing geoeconomics as the application of the logic of conflict to international economic relations. From this perspective, economic competition can acquire strategic characteristics when states seek to weaken competitors, secure advantages, or constrain their strategic options through economic means. Geoeconomics therefore does not imply the disappearance of geopolitical competition; rather, it represents a transformation in the instruments through which such competition is conducted.

Baldwin's (1985) concept of economic statecraft provides a broader analytical foundation for understanding this process. Economic statecraft refers to the use of economic resources and instruments to pursue political objectives. Its significance for geoeconomic analysis lies in the connection between economic means

and political ends. Sanctions, trade restrictions, financial measures, investment policies, and other economic instruments can therefore be understood not simply according to their immediate economic effects but also according to the political and strategic objectives they are intended to achieve.

Blackwill and Harris (2016) further develop this logic by treating geoeconomics as the use of economic instruments to achieve geopolitical objectives. Their approach emphasizes the strategic use of trade, investment, finance, energy, and other economic capabilities in interstate competition. This perspective is particularly relevant to contemporary conflict because economic measures can be directed toward weakening an adversary's resource base, limiting access to critical goods and technologies, influencing third countries, or strengthening the economic position of the state applying them.

The strategic effects of economic relations can also be understood through the concept of interdependence. Keohane and Nye (2012) demonstrate that interdependence does not necessarily produce symmetrical relationships. Where economic relationships are asymmetric, dependence can become a source of political leverage. A state that controls a strategically important market, resource, financial channel, or supply relationship may therefore possess influence beyond what conventional measures of material power would suggest. The strategic significance of interdependence consequently depends not only on the existence of economic connections but also on their distribution and asymmetry.

Farrell and Newman (2019) extend this argument by emphasizing the network structure of the global economy. International economic relations are organized through interconnected financial, technological, trade, and communication networks in which some states and institutions occupy particularly important nodes. Control over such nodes can create strategic chokepoints through which economic flows can be monitored, restricted, or redirected. This mechanism transforms economic interdependence into a potential source of coercive power and helps explain why access to financial systems, technological networks, payment infrastructures, and global markets can acquire strategic significance during conflict.

The proposed concept is related to, but analytically distinct from, three adjacent concepts. Economic statecraft, following Baldwin (1985), refers broadly to the use of economic means to pursue political or security objectives and therefore encompasses a wide range of state actions. Weaponized interdependence, in Farrell and Newman's (2019) formulation, focuses more specifically on how states exploit central positions in global networks and associated chokepoints to exercise coercive power. Economic warfare is commonly used to describe wartime efforts to weaken an adversary's capacity by targeting the financial, industrial, commercial, and supply foundations of war. By contrast, the present concept—geoeconomic expansion of military strategy—concerns the broader integration of economic, financial, technological, trade, and energy capabilities into the strategic environment in which military power is exercised and sustained. It includes coercion, network leverage,

and adaptation, while not equating geoeconomic activity with economic warfare or with any single instrument of economic statecraft. Unlike these concepts, the geoeconomic expansion of military strategy focuses specifically on how economic instruments become integrated into the strategic environment that sustains military power during wartime.

Taken together, these approaches identify three analytically connected dimensions of geoeconomic power. The first is the instrumental dimension, in which economic resources are deliberately employed to achieve political or strategic objectives. The second is the relational dimension, in which asymmetric dependencies generate opportunities for influence or coercion. The third is the network dimension, in which the structure and position of actors within international economic networks determine their ability to control or redirect critical flows. These dimensions provide a common analytical basis for examining the geoeconomic instruments employed during the Russia-Ukraine war.

The principal instruments examined in this study and their strategic functions are summarized in **Table 1**.

Table 1. Geoeconomic instruments and their strategic functions.

Geoeconomic instrument	Strategic function
Economic sanctions	Restricting an adversary's resources and capabilities
Trade policy	Controlling access to markets and goods
Financial instruments	Influencing capital flows, liquidity, and payment systems
Technology controls	Restricting technological and innovation capabilities
Energy policy	Using energy resources and infrastructure as strategic leverage
Investment	Strengthening economic and political relationships

Note: The table summarizes the principal geoeconomic instruments and their main strategic functions. **Source:** Author's compilation based on Baldwin (1985), Blackwill and Harris (2016), Keohane and Nye (2012), and Farrell and Newman (2019).

These instruments are analytically distinct but may operate simultaneously in practice. Their effects can reinforce one another when financial, trade, technological, and energy networks are interconnected. For example, restrictions on access to financial networks may reduce an adversary's ability to conduct international trade, while trade and technology controls can affect industrial production and military-industrial capabilities. Energy measures can simultaneously influence state revenues, external dependencies, and the strategic position of both suppliers and consumers.

This interconnection is particularly important for understanding the relationship between geoeconomic and military power. Economic instruments may affect the availability of financial resources, industrial inputs, technologies, energy supplies, and international markets that contribute to a state's capacity to sustain mil-

itary operations. At the same time, military conflict can alter the economic relationships through which these resources are obtained and distributed. The relationship is therefore potentially reciprocal: geoeconomic capabilities can influence the conditions under which military power is exercised, while military conflict can reshape the economic networks and dependencies on which geoeconomic power operates.

Accordingly, this study does not conceptualize geoeconomic strategy as a substitute for military strategy. Nor does it assume that economic instruments automatically determine military outcomes. Instead, geoeconomic strategy is understood as a complementary dimension of strategic power that can constrain an adversary, increase the costs of conflict, affect access to critical resources and technologies, and facilitate adaptation to external pressure. Its strategic significance therefore depends on the interaction between economic capabilities, political objectives, network structures, and the broader conditions of interstate conflict.

On this basis, **geoeconomic strategy** is defined in this study as the deliberate use and organization of economic, financial, trade, technological, energy, and investment capabilities to pursue strategic and geopolitical objectives and to shape the economic conditions under which interstate power is exercised. This definition provides the conceptual basis for the empirical analysis that follows, which examines how these instruments operated collectively during the Russia-Ukraine war and how Russia responded by adapting and reorganizing its external economic relations.

The theoretical framework established above provides the analytical basis for examining how geoeconomic power operates in practice. The next section applies this framework to the Russia-Ukraine war by examining the principal economic instruments and processes that have shaped the conflict.

3. The Russia-Ukraine War as a Geoeconomic Confrontation

The analytical boundary of the case is the interaction among the principal actors rather than the strategy of any single actor in isolation. The empirical analysis focuses primarily on the interaction between the sanctions coalition led by Western states and Russia, because these actors generate the clearest observable geoeconomic measures and countermeasures. Ukraine is treated as the directly affected state and as part of the wider strategic setting, but the study does not attempt to provide a comprehensive assessment of Ukraine's own geoeconomic strategy. Accordingly, the unit of analysis is the military-geoeconomic interaction surrounding the war, with particular attention to measures imposed on Russia and Russia's economic adaptation.

The Russia-Ukraine war provides a particularly clear setting in which the interaction between military and geoeconomic power can be examined empirically. Following Russia's full-scale invasion of Ukraine in February 2022, Western states introduced extensive financial sanctions, trade restrictions, technology controls, and energy-related measures. Russia, in turn, responded through import substitution,

trade redirection, alternative financial arrangements, and the reorganization of its external economic relationships (Kashin et al., 2024). The resulting confrontation therefore extended beyond the battlefield and affected the economic networks through which states access finance, technology, energy, markets, and strategic resources.

The economic dimension of the conflict is especially significant because contemporary international economic relations are organized through interconnected financial, technological, trade, energy, and transport networks. As discussed in Chapter 2, restrictions on critical nodes within these networks can generate strategic effects extending beyond the immediate target. The empirical analysis therefore focuses not only on the individual instruments used against Russia but also on the ways in which these measures altered Russia's external economic relations and stimulated adaptive responses.

3.1. Economic Sanctions as a Geoeconomic Instrument

Economic sanctions constituted one of the principal instruments through which Western states sought to constrain Russia's capacity to sustain the war. The measures introduced after the February 2022 invasion targeted financial resources, trade, investment, technology, and key state-owned entities. Among the most significant measures were restrictions on the Central Bank of Russia's foreign reserves, limitations on access to international financial markets, exclusion or restriction of selected Russian financial institutions from international payment systems, and measures directed at strategically important enterprises.

The objectives of these measures extended beyond imposing immediate economic costs. Restrictions on financial resources were intended to constrain Russia's ability to finance military expenditure and international transactions, while trade and technology controls sought to reduce access to advanced technologies, specialized machinery, semiconductors, and dual-use goods relevant to industrial and military production. Sanctions thus operated simultaneously through financial, commercial, and technological channels.

Empirical research confirms that sanctions generated measurable economic effects. Flach et al. (2024) estimate that sanctions imposed between 2014 and 2019 reduced trade in affected sectors and generated an estimated real-income loss of approximately 0.3% for Russia, while a broader decoupling involving the European Union and its allies could have generated substantially larger effects. Hosoe (2023) similarly estimates that a hypothetical combination of comprehensive import tariffs and export taxes could reduce Russian GDP by approximately 3% - 7%, although the magnitude of the effect depends significantly on the participation of major trading partners such as China and India.

These findings demonstrate that the effectiveness of sanctions depends not only on their formal scope but also on the structure of international economic relations. Where alternative markets, suppliers, financial channels, and trading partners remain available, the ability of sanctions to produce complete economic isolation is

constrained. Sanctions can nevertheless increase transaction costs, restrict access to critical resources, and alter the geographical and institutional structure of external economic relations.

The Russia-Ukraine case therefore illustrates an important characteristic of geoeconomic coercion: its effects are not limited to direct economic losses. Sanctions can also reshape the networks through which an adversary obtains resources, conducts trade, accesses technology, and maintains international economic relationships.

3.2. Financial Power and International Economic Networks

Financial restrictions represented a second major dimension of the geoeconomic confrontation. Measures targeting Russian financial institutions, foreign reserves, capital-market access, and international payment channels sought to restrict the country's ability to conduct transactions through established global financial networks.

The strategic significance of these measures can be understood through the network structure of international finance. [Farrell and Newman \(2019\)](#) show that actors occupying central positions within global economic networks can exercise disproportionate influence because access to critical nodes and chokepoints can be monitored or restricted. In this context, restrictions on financial infrastructure can affect not only the immediate target but also firms and institutions in third countries whose transactions depend on access to dominant financial networks.

Russia responded by attempting to reduce its dependence on Western financial infrastructure and by expanding alternative payment and settlement arrangements. These efforts included greater use of national currencies in bilateral transactions, the development of alternative payment mechanisms, and stronger financial relationships with non-Western partners ([Kashin et al., 2024](#)).

The financial confrontation consequently became a two-sided process. Western measures attempted to exploit Russia's dependence on established financial networks, while Russia sought to modify the structure of that dependence. The strategic outcome was therefore not simply the restriction of Russian financial capacity but also an acceleration of efforts to diversify external financial relationships.

This dynamic demonstrates that geoeconomic power can operate through both coercion and adaptation. Control over critical financial networks provides leverage, but targeted states may respond by developing alternative channels, thereby reducing some forms of dependence while potentially creating new dependencies elsewhere.

3.3. Technology Controls and Military-Industrial Capabilities

The technological dimension of the conflict further demonstrates the close relationship between economic and military capabilities. Western export controls targeted advanced semiconductors, microelectronics, information technologies, spe-

cialized machinery, and dual-use goods that could contribute to Russian industrial and military capabilities. These measures sought to limit not only immediate imports but also Russia's longer-term access to technologies required for advanced production.

Technology controls are strategically significant because contemporary military capabilities depend on complex industrial and technological systems. Restrictions on access to critical components can therefore affect the production, maintenance, and modernization of military equipment as well as broader industrial capacity.

Russia responded through efforts to strengthen domestic production, promote import substitution, and develop alternative sources of technological inputs. [Kashin et al. \(2024\)](#) describe this broader adaptation as part of Russia's attempt to reduce vulnerability to external economic pressure and reorganize its economic relations. The response demonstrates that technology controls can generate both constraining and adaptive effects: they may reduce access to advanced Western technologies while simultaneously encouraging the development of alternative supply chains and domestic capabilities.

The technological dimension therefore reinforces the argument that economic and military power are increasingly interconnected. Economic restrictions can affect military-industrial capabilities indirectly by altering access to technologies, components, production equipment, and international supply chains. Conversely, the requirements of military production can influence the direction of economic adaptation.

3.4. Energy: From Interdependence to Geoeconomic Competition

Energy became one of the most visible areas in which economic interdependence was transformed into strategic competition. Before the full-scale invasion, Russia was a major supplier of energy to European markets. The [International Energy Agency \(2022\)](#) reports that Russian gas accounted for more than 40% of EU gas demand on average during 2018-2021. This interdependence created economic benefits for both sides but also generated strategic vulnerabilities.

Following Russia's full-scale invasion of Ukraine, Russian gas supplies to the European Union declined from approximately 152 billion cubic metres (bcm) in 2021 to 80 bcm in 2022, a reduction of about 47%. European states responded by seeking alternative suppliers and accelerating efforts to reduce dependence on Russian energy ([European Commission, 2023](#)).

Data from the [U.S. Energy Information Administration \(2025\)](#) illustrate this reorientation in the oil sector. The share of Russia's crude oil exports directed toward Asia and Oceania increased from approximately 34% in 2021 to 63% in 2024. India accounted for roughly 34% of Russian crude oil exports in 2024, while China accounted for approximately 26% ([U.S. Energy Information Administration, 2025](#)).

The energy dimension therefore illustrates the transformation of interdependence into geoeconomic competition. Russia sought to preserve export revenues by

redirecting energy flows toward alternative markets, while European states sought to reduce their strategic dependence on Russian supplies. The result was not the disappearance of energy interdependence but its geographical and institutional re-configuration.

3.5. Foreign-Market Reorientation and Russian Economic Adaptation

The most significant empirical dimension of Russia's economic adaptation was the transformation of its external trade geography. The contraction of trade with Western economies was accompanied by increasing economic relations with China, India, and other non-sanctioning or less restrictive partners. This process indicates that the effects of sanctions cannot be assessed solely through the volume of trade lost with sanctioning states; they must also be examined through the redirection of trade toward alternative markets and corridors.

Steinbach (2023) provides evidence of substantial trade reallocation following the invasion. For February-August 2022, Ukrainian imports were estimated to be 47.3% below their counterfactual level, while Russia experienced an estimated trade gain of approximately \$68.3 billion, including around \$41.1 billion in additional trade with Asian economies. These findings illustrate how disruption in one part of the international trading system can generate significant redistribution elsewhere.

OECD data provide a broader picture of this transformation. In 2023-2024, Russian trade with EU and other sanctioning countries declined substantially, while trade with China, India, and other non-sanctioning partners increased. The main changes are presented in **Table 2**.

Table 2. Geographical reorientation of Russia's external trade.

Trade direction	Change, 2023-2024 vs. 2020-2021
EU exports to Russia	-63%
Exports to Russia from other sanctioning countries	-71%
China's exports to Russia	+89%
India's exports to Russia	+58%
China's imports from Russia	+105%
India's imports from Russia	+972%
Other OECD countries' imports from Russia	+90%

Note: Changes compare average trade values in 2023-2024 with the corresponding average in 2020-2021. The figures represent changes in bilateral trade flows and should not be interpreted as changes in Russia's total external trade. **Source:** OECD (2024). OECD category as reported by the source; not equivalent to non-sanctioning economies.

The pattern indicates a substantial geographical redistribution of Russia's external trade rather than complete economic isolation. While trade with European and

other sanctioning economies contracted, China, India, and other non-sanctioning economies became increasingly important external partners. This reorientation was accompanied by the development of alternative trade corridors and logistics networks (Fortescue, 2024).

The OECD category “Other OECD countries” should not be treated as synonymous with “non-sanctioning economies”. OECD membership is a statistical classification, whereas participation in sanctions is a separate policy classification. The +90% series in **Table 2** is therefore reported as an OECD-defined category and is not used in this study as evidence that all OECD members were non-sanctioning partners. The surrounding discussion has been revised accordingly so that the table and the text do not conflate these two classifications.

Fortescue (2024) documents the increasing importance of alternative routes involving the Russian Far East, overland connections with China, the Northern Sea Route, and southern corridors through Türkiye and Iran. These changes demonstrate that trade reorientation involved more than the substitution of one market for another. It also required the restructuring of transportation routes, logistics systems, commercial relationships, and institutional connections through which international trade could be maintained.

Foreign-market reorientation can therefore be interpreted as a form of geoeconomic adaptation. Rather than eliminating the effects of external pressure, Russia sought to modify the geographical and institutional configuration of its external economic relations. The resulting system reduced some forms of dependence on Western markets while increasing the importance of alternative partners and routes.

3.6. Sanctions Evasion, Third Countries, and Alternative Networks

The role of third countries is central to understanding the limits and adaptive effects of sanctions. However, three processes should be distinguished analytically: lawful trade diversion, import substitution, and sanctions evasion. Trade diversion refers to the redirection of legitimate transactions toward alternative markets or suppliers after restrictions change market access. Import substitution refers to replacing restricted foreign inputs with domestically produced or otherwise legally sourced alternatives. Sanctions evasion is narrower and requires evidence that a transaction, intermediary, or routing arrangement was used deliberately to circumvent an applicable restriction. In this study, increased trade with a third country is therefore not treated as evidence of evasion by itself.

The growing importance of China, India, Türkiye, and other non-sanctioning economies illustrates trade reorientation and the emergence of alternative economic networks. These relationships provided Russia with opportunities to maintain trade, redirect energy exports, obtain selected goods and technologies, and develop new financial relationships (Kashin et al., 2024; OECD, 2024). Such changes should not, however, be automatically classified as sanctions evasion. For the purposes of this study, the evidence threshold for describing a third-country transac-

tion as evasion is documented evidence from competent authorities, sanctions-enforcement records, or reliable transaction-level investigations identifying circumvention of a specific restriction. Aggregate increases in bilateral trade are treated as evidence of reorientation or adaptation unless such additional evidence is available.

This distinction is important for assessing sanctions effectiveness. The persistence of alternative trade does not necessarily demonstrate that sanctions failed. Sanctions can reduce access to particular markets and technologies, increase transaction and transportation costs, and force an economy to rely on more limited or geographically distant networks. At the same time, adaptation can create new forms of dependence. The reduction of dependence on Western markets and financial systems may, for example, increase Russia's reliance on a smaller number of major economic partners (Kashin et al., 2024).

The emergence of alternative networks therefore represents a second-order effect of geoeconomic confrontation. Economic pressure changes the incentives and constraints faced by the target state, while adaptation changes the structure of international economic relations through which that state operates. The result is neither complete isolation nor unchanged interdependence, but a reorganization of economic connectivity.

3.7. Main Results of the Geoeconomic Confrontation

The empirical evidence reveals several interconnected outcomes of the geoeconomic confrontation surrounding the Russia-Ukraine war. First, financial sanctions and restrictions on international economic transactions increased the costs of maintaining external economic relations and reduced Russia's access to established Western financial networks. Second, technology controls strengthened the connection between economic policy and military-industrial capabilities by restricting access to technologies and components relevant to advanced production. Third, energy competition transformed the previous pattern of Russia-Europe interdependence and contributed to a substantial reorientation of Russian energy exports toward Asian markets. Fourth, the reorientation of foreign markets and trade corridors demonstrated that economic pressure can stimulate the reconstruction of external economic networks rather than produce complete isolation.

Taken together, these developments indicate that geoeconomic power involves more than the capacity to impose economic costs. It also concerns the ability to control or restrict access to markets, finance, technologies, energy resources, and international networks, as well as the ability of targeted states to reorganize those relationships in response to pressure. The Russia-Ukraine case therefore illustrates a broader restructuring of the economic environment in which interstate strategic competition takes place.

The empirical evidence also indicates that military and geoeconomic power should not be treated as mutually exclusive forms of state power. Economic measures affected the resources, technologies, energy relations, and external networks rele-

vant to the continuation of the conflict, while the requirements of war stimulated changes in trade, financial, technological, and energy relationships. The confrontation consequently involved an interaction between military objectives and geo-economic capabilities rather than a simple substitution of one for the other.

These findings provide the empirical basis for the discussion in the next section, which examines whether this interaction represents a broader transformation in the relationship between military force and geoeconomic power.

4. Discussion: Has the Nature of War Changed?

The empirical evidence presented in Chapter 3 demonstrates that the Russia-Ukraine war has involved a sustained interaction between military operations and geoeconomic measures. Sanctions, financial restrictions, technology controls, energy competition, and trade reorientation have affected the economic conditions under which the conflict is conducted. The central question is therefore whether these developments represent a transformation in the nature of war or, more specifically, an expansion of military strategy through geoeconomic capabilities.

4.1. From Military Force to Military-Geoeconomic Strategy

The evidence does not support the interpretation that military strategy has been replaced by geoeconomic strategy. Rather, it indicates a closer integration of military and geoeconomic capabilities. Economic instruments have been used to constrain resources, restrict technological access, increase the costs of war, and influence the external economic environment of the adversary. At the same time, Russia's responses demonstrate that military conflict can stimulate the restructuring of trade, financial, technological, and energy relationships.

This interaction suggests that geoeconomic capabilities increasingly form part of the broader strategic environment in which military power is exercised. Military effectiveness depends not only on battlefield capabilities but also on access to financial resources, industrial inputs, technologies, energy, and international markets. The Russia-Ukraine war therefore illustrates what can be termed the geoeconomic expansion of military strategy.

This interpretation extends rather than replaces conventional understandings of strategic power. Geoeconomic instruments can constrain an adversary's capacity to sustain military operations, but their effects depend on the availability of alternative resources and networks. Military and geoeconomic power should consequently be understood as interconnected rather than competing forms of state power.

4.2. Sanctions: An Alternative to War or Another Form of War?

The evidence also complicates the distinction between military force and economic coercion. Sanctions are frequently presented as an alternative to direct military intervention because they impose costs without the immediate use of armed force. In practice, however, their strategic function in the Russia-Ukraine conflict has been

closely connected to the military dimension of the war.

Financial restrictions, trade controls, and technology sanctions have sought to constrain Russia's resources and capabilities, while Russia's adaptation has attempted to preserve access to markets, finance, and critical imports (Flach et al., 2024; Hosoe, 2023; Kashin et al., 2024). Sanctions should therefore not be understood simply as a substitute for military action. They constitute an additional instrument through which states seek to influence the strategic capacity of an adversary.

Their effectiveness is also conditional. The availability of alternative markets, suppliers, financial arrangements, and trading partners limits the possibility of complete economic isolation. Sanctions can nevertheless alter the costs, geographical direction, and institutional structure of economic exchange. Their strategic effect therefore lies not only in the economic losses they impose but also in the dependencies and constraints they create.

4.3. The Limits of Geoeconomic Power

The Russian case demonstrates that geoeconomic power has important limitations. Economic pressure can restrict access to resources and technologies, but it does not automatically translate into political or military outcomes. Its effects depend on the structure of international economic networks and on the ability of targeted states to develop alternative relationships.

This finding is consistent with the logic of asymmetric interdependence and network power discussed by Keohane and Nye (2012) and Farrell and Newman (2019). States occupying central positions within international networks can exercise substantial leverage, but targeted states may attempt to reduce their vulnerability by diversifying markets, payment systems, suppliers, and transport routes.

The resulting process is therefore dynamic. Geoeconomic pressure can reduce some forms of dependence while simultaneously creating new ones. The strategic importance of geoeconomics lies not in an unlimited capacity to coerce, but in the ability to reshape the economic conditions under which an adversary operates.

4.4. Economic Reorientation as Geoeconomic Adaptation

One of the most significant findings concerns the geographical reorientation of Russia's external economic relations. The growing roles of China and India, the development of routes through Türkiye and Iran, stronger economic links with other non-Western partners, and the expansion of energy exports toward Asian markets indicate a substantial restructuring of Russia's external economic geography. The trade diversion identified by Steinbach (2023) and the transformation of trade corridors documented by Fortescue (2024) illustrate different dimensions of this process.

The process should not be interpreted simply as the search for replacement markets. It involves changes in transport routes, financial relationships, supply chains, institutional connections, and patterns of dependence. Economic adaptation there-

fore becomes a geoeconomic process in its own right: external pressure changes the structure of international economic connectivity, while the target state attempts to reorganize that connectivity on more favorable terms.

At the same time, adaptation does not eliminate vulnerability. Greater reliance on a smaller number of alternative partners may reduce dependence on Western markets while increasing dependence on other major economies (Kashin et al., 2024). Economic reorientation is therefore better understood as a redistribution of strategic dependence than as complete economic autonomy.

4.5. From Energy Interdependence to Energy Competition

The energy dimension further demonstrates how economic interdependence can acquire strategic significance during conflict. Before the invasion, Russia-Europe energy relations created substantial mutual dependence. The disruption of these relationships transformed energy from an important component of economic interdependence into a major field of geoeconomic competition.

Russia sought to preserve export revenues by redirecting energy flows toward Asian markets, while European states pursued diversification and reduced dependence on Russian supplies (International Energy Agency, 2022; U.S. Energy Information Administration, 2025). The result was not the disappearance of energy interdependence but its geographical reconfiguration.

This development reinforces the broader argument that geoeconomic competition concerns control over strategic dependencies rather than economic exchange alone. Energy infrastructure, supply routes, and access to alternative markets can influence the strategic resilience of both suppliers and consumers.

4.6. The Emerging Functions of Geoeconomics in Contemporary Conflict

The Russia-Ukraine case suggests several broader functions of geoeconomics in contemporary conflict. First, geoeconomic instruments can constrain resources available to an adversary. Second, they can restrict access to critical technologies and networks. Third, they can increase the economic costs of sustaining conflict. Fourth, they can reshape strategic dependencies by altering trade, financial, energy, and technological relationships. Finally, they can stimulate economic adaptation, through which states seek alternative markets, suppliers, financial channels, and transport corridors.

These functions indicate that geoeconomic power should not be reduced to sanctions. Sanctions are one instrument within a broader system involving market access, financial infrastructure, technology flows, energy relations, trade networks, and investment. The strategic importance of this system derives from the interaction among these components.

The findings therefore support a broader understanding of contemporary strategic competition in which economic connectivity itself becomes a field of power. States seek not only to control material resources but also to influence the networks through which those resources circulate.

4.7. Main Theoretical Conclusion

The findings provide partial support for Proposition 1.

The central theoretical implication is therefore not a transition from military strategy to geoeconomic strategy. Rather, the evidence indicates a geoeconomic expansion of military strategy, in which economic, financial, technological, trade, and energy capabilities become increasingly integrated into the broader strategic environment of interstate conflict.

This interpretation also clarifies the relationship between geoeconomic power and military power. They should not be treated as separate or mutually exclusive forms of state power. Military capabilities remain fundamental, but their effectiveness is increasingly conditioned by access to economic resources, technological systems, financial networks, energy supplies, and international markets. Conversely, military conflict can transform these economic relationships by stimulating sanctions, trade diversion, technological restrictions, energy restructuring, and the development of alternative networks.

The Russia-Ukraine war therefore illustrates a broader transformation in the strategic environment of contemporary interstate conflict: military power is increasingly exercised within a geoeconomic environment, while geoeconomic capabilities increasingly contribute to the conditions under which military power can be sustained.

The discussion therefore indicates that the Russia-Ukraine war does not represent a replacement of military power by geoeconomic power, but rather their increasing strategic interdependence. The final section summarizes these findings and assesses their implications for the research question and hypothesis.

4.8. Limitations of the Analysis

Several limitations should be acknowledged. First, the study relies substantially on secondary academic and institutional sources rather than confidential administrative or transaction-level data, which limits the ability to observe some mechanisms directly. Second, wartime trade statistics are subject to reporting lags, revisions, partner-country reporting differences, sanctions-related classification problems, and incomplete coverage; consequently, reported trade changes should be interpreted as evidence of reorientation rather than as perfectly complete measures of actual flows. Third, the qualitative case-study design does not permit precise attribution of military outcomes to individual geoeconomic measures. The study therefore evaluates changes in the economic conditions relevant to sustaining military power rather than claiming that sanctions, financial restrictions, technology controls, energy measures, or trade diversion independently caused battlefield outcomes.

5. Conclusion

The analysis demonstrates that the Russia-Ukraine war represents a significant example of the growing integration of military and geoeconomic strategies. The conflict has been shaped not only by military operations but also by sanctions, finan-

cial restrictions, technology controls, energy competition, and the reorganization of international trade and economic networks.

The findings provide a positive answer to the research question. The Russia-Ukraine war illustrates the combined use of military and geoeconomic strategies, in which economic instruments operate alongside military capabilities to constrain an adversary, influence strategic dependencies, and affect the conditions under which military operations can be sustained.

The findings provide partial support for Proposition 1.

The analysis also demonstrates that economic adaptation is an important component of contemporary geoeconomic competition. Russia's reorientation of trade, energy exports, financial relationships, and transport connections shows that economic pressure can produce not only immediate costs but also a restructuring of external economic networks and strategic dependencies.

The principal theoretical conclusion is therefore that contemporary conflict should not be understood as a **transition from military strategy to geoeconomic strategy**. Rather, it reflects the geoeconomic expansion of military strategy, in which economic, financial, technological, trade, and energy capabilities increasingly form part of the strategic environment in which military power is exercised and sustained.

More broadly, the Russia-Ukraine war demonstrates that military and geoeconomic power are increasingly interconnected dimensions of contemporary interstate competition. The strategic environment of war consequently extends beyond the battlefield to include the economic networks, resources, technologies, markets, and dependencies that shape the capacity of states to sustain and adapt their strategic power.

Acknowledgements

The author gratefully acknowledges the use of OpenAI's ChatGPT for language refinement, editorial support, and manuscript organization during the preparation of this article. The conceptual framework, analysis, interpretation of findings, and all final scholarly judgments remain entirely the responsibility of the author.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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