

View from Westminster

February 2022 was already destined to be the most important month in Westminster politics since June 2016. The coronavirus pandemic that had tossed normality out the window and claimed 150,000 lives was effectively declared over by Boris Johnson. The Chancellor of the Exchequer introduced a Wonga-style, borrow-now-and-pay-later loan scheme to help mitigate the spiralling costs of energy prices. Labour has taken both a sustained and large lead in the opinion polls. Interest rates have been nudged up to 0.5% with the prospect of additional rises on the cards to try and tackle the 5%+ inflation figure the country is currently running.

And if that wasn't all, around £9bn of fraudulently claimed public money has been effectively written off by the Treasury, causing a Minister to dramatically resign at the House of Lords despatch box. Partygate saw the eventual publication of the initial Gray Report, leading to the Prime Minister and the Chancellor being required to answer questions under police caution. The Levelling Up White Paper finally materialised, setting what will be the domestic government agenda between now and the next General Election.

Almost any one of the above political developments would, in any other month, be headline news. They all have minimal impact, however, compared to the words Nick Robinson found himself uttering on the Today programme.

War has returned to Europe.

This, of course, was never supposed to happen. And yet it has somehow felt inevitable ever since Putin's previous Crimean land grab in 2014. From the Russian perspective, they find themselves marshalled by a President who seems fixated on righting what he sees as the Cold War wrongs of defeat and dismantling of the USSR empire. For two decades, Putin has taken significant money for Russian oil and gas, while simultaneously adopting a salami slice tactic of annexing and invading smaller parts of former satellite states. As with Iraq and Afghanistan before, the West has certainly played its part in financing the missiles that fall upon Kyiv. It was perhaps emboldened by previous western inaction that the pretext of assisting ethnically Russian people in two separatist leaning regions has morphed into a full-scale invasion of a sovereign state.

However this time the West has hit back, and hard. Led by the plucky Ukrainians and their outstanding war-footing president, Russia finds itself unexpectedly bogged down in an old-fashioned military dogfight. Internationally, Germany has remembered that enough time has passed since the Second World War for them to invest in some proper defences, Sweden and Ireland have abandoned longstanding neutrality positions, and NATO is more united than at any moment since the end of the Cold War. Perhaps the biggest actions so far are the banning of Russia from the international financial transaction system (SWIFT) and the decision of BP to write off £25bn of oil investment as their shares in Russian production companies will trade for peanuts. Hyperinflation and a run on Russian banks will surely follow.

The domestic consequences are, alas, all negative. Russian gas exports and regional instability will see already painful price hikes further fortified. Expect the investment in renewables to be turbo-charged, alongside nuclear, as we bid to become ever more self-sufficient. Expect also further food price increases given the importance of Russian wheat in the supply chain. The obvious geopolitical question facing western nations is what next? Clearly all hope that the harsh financial sanctions work. But if sanctions don't deter a man motivated by restoration of Russian imperialism, then where next? Georgia and Moldova already have history with Putin, Belarus exists only insofar as its loyalty is sworn, but it's Kazakhstan which poses the most interesting option given it's resource-rich nature, big ethnic Russian population and importance to the Chinese Silk Road project.

For now, the world waits as its leaders determine the fate not only of the Ukrainian people, but arguably the geopolitical direction of the next half century. History is now. Let's hope the children who read it are proud of how it unfolds.