The Twilight of Military Keynesianism: Russia and Ukraine.

Russia invaded Ukraine on the 24th of February, 2022. Three-and-a-half years later, any possible peace in the region seems likely to be the result of prolonged negotiations, rather than any one side crumbling militarily or economically.

It is now rather in vogue for news outlets and the mainstream media at large to poke fun at the overly optimistic Western forecasts which followed the sanctions imposed at the beginning of the war and predicted that the Russian economy would contract by anywhere from 8-15%. In reality, it contracted by 2% at the onset of the war, while in the following two years it grew by around 4%.

A graph of growth and decline

AI-generated content may be incorrect.

*Source: International Monetary Fund. Own Illustration. Quarterly data seasonally adjusted using 4-quarter moving averages.*

The [Telegraph](https://www.telegraph.co.uk/business/2025/07/24/dont-bank-on-russian-economic-collapse-save-ukraine/),