Statement by Daleep Singh[1]

Hearing on Advancing National Security and Foreign Policy Through Sanctions, Export Controls, and Other Economic Tools

U.S. Senate Committee on Banking, Housing, and Urban Affairs

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Thank you, Chairman Brown, Ranking Member Scott, and Members of the Committee. It is an honor to testify before you alongside two distinguished colleagues. I'll focus my remarks today in four areas: (1) the goals and mechanisms of economic statecraft deployed against Russia after its invasion of Ukraine; (2) the impact delivered; (3) next steps; and (4) lessons learned.

Goals & Mechanisms

Economic sanctions[2] are designed and deployed in service of a higher geopolitical objective. Before February 24 of last year, the objective was simple: to deter Russia from invading Ukraine. By signaling our capacity and readiness to impose the most severe sanctions ever deployed, in lockstep with allies and partners, our aim was to shape Putin's expectations on the cost of war, to change his calculus, and to preserve the peace. Throughout this stage of signaling, we were mindful that sanctions are a blunt instrument; the best kind of deterrents are those that aren't ultimately needed.

The rest is history. Once the invasion began last February, the purpose of sanctions evolved along three dimensions: in the short term, maximize the costs on Putin for the continuation of the war, subject to an acceptable amount of spillovers to the US and global economy; over the medium term, degrade Putin's ability to exert influence and project power on the world stage (i.e., ensure his "strategic failure"); and, long term, generate a negative demonstration effect for any autocrat that might consider redrawing borders by force to create his own backyard.

In our pursuit of these objectives, we unleashed within hours and days the full arsenal of sanctions we warned Putin about in the months prior to the invasion – itself the product of intense collaboration with counterparts from the EU, the G7, and beyond.[3] Our mindset from the start was to identify and attack pressure points where we could impose economic force by acting at once, and together; where our collective strengths intersect with Russia's vulnerabilities; and where we and our allies produce something that Russia needs and can't easily replace.

Five channels stood out.

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[1] Mr. Singh is former Deputy National Security Advisor for International Economics and Deputy Director of the National Economic Council.

[2] In this testimony I will use "sanctions" as shorthand for any economic measure that is designed to advance a national security objective.

[3] Nearly forty countries have joined the United States in implementing the sanctions and export control regime against Russia, representing more than half the global economy.

Channel one was the delivery of a capital account shock unlike any seen in modern economic history. Together with the issuers of the dominant reserve currencies in the world, we denied foreign capital to and blocked any transactions with the Kremlin's largest state-owned banks, representing about 80 percent of Russia's total banking assets. Almost concurrently - and apparently to Putin's surprise - we then immobilized about $300 billion held by Russia's central bank, disarming the financial fortress that Russia had built to record size as a buffer for a crisis just like this one.[4] The ripple effects were clear to see (see next section for further details): a wave of capital outflows, an initial nosedive in the value of the ruble, and spiking inflation – all of which Putin could only counter with self-defeating capital controls and emergency interest rate hikes that pushed Russia into recession and isolation.

Channel two was the denial of cutting-edge technology Putin needs to sustain the invasion of Ukraine and the sophistication of his military-industrial base. Semiconductors, artificial intelligence, quantum computing, robotics, biotech, and hypersonics are the foundational technologies that define the productive frontier of every modern economy and military; by denying these critical inputs, our aim was to degrade Putin's war machine in Ukraine, and anywhere else, for generations to come.

Channel three was the methodical removal of the benefits that Russia once enjoyed as a full participant in the international economic order: its ability to receive a bailout from the International Monetary Fund or the World Bank as its economy fell into crisis; its most-favored nation trading status; its status as an investment-grade borrower and market economy; its reputation within the G20 and other multilateral fora of leading nations; and its ability to receive services (e.g., accounting, consulting, corporate formation) and investment provided by Western firms. In our judgment, these are privileges that must be reserved for countries that respect the most basic principles that underpin peace and security around the world and lie at the heart of the UN Charter - including the right of sovereign nations to set their own course, to choose their own destiny, and to be free from having its borders redrawn at the barrel of a gun.

Channel four was the downgrading of Russia's status as a dominant energy supplier over time. To be clear – in the short term, energy was not an area of asymmetric advantage, but rather one of interdependence. Before the invasion, Russia was among the top three producers of oil and natural gas in the world - but oil and gas receipts were also Russia's largest source of export and budget revenues.[5] The implication was that Putin needed the G7 and our partners as energy consumers at least as much as the world needed Russian energy.[6] Against this backdrop, the US and our allies pursued a multistage strategy: first, degrade Russia's long term energy production capacity by shutting down Putin's prized Nordstream 2 pipeline[7] and denying next generation energy technologies to Russia[8]; second, ban any imports of Russian energy[9];

[4] https://home.treasury.gov/system/files/126/20221014_russia_alert.pdf
[5] https://www.iea.org/articles/energy-fact-sheet-why-does-russian-oil-and-gas-matter
[6] http://iea.org/topics/russia-s-war-on-ukraine
[7] https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/23/statement-by-president-biden-on-nord-stream-2/
[8] https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/02/fact-sheet-the-united-states-continues-to-impose-costs-on-russia-and-belarus-for-putins-war-of-choice/
[9] https://www.whitehouse.gov/briefing-room/press-briefings/2022/03/08/background-press-call-on-announcement-of-u-s-ban-on-imports-of-russian-oil-liquefied-natural-gas-and-coal/

third, offset the loss of Russian energy supply by releasing an unprecedented amount of oil from our collective strategic reserves,[10] by encouraging a ramp up of private domestic energy production, and by ramping up our LNG exports to Europe[11]; fourth, build an oil 'price cap coalition' to ensure Putin doesn't profit from the war and to protect our consumers, especially the most vulnerable, from his weaponization of energy supply; and finally, make generational investments in our own renewable energy production capacity to secure more reliable energy supply into the future.[12]

Channel five was our launch of a global campaign to expose and hold to account the Russia kleptocracy by seizing their ill-gotten gains – superyachts, fancy cars, luxury apartments, and private jets – mostly as a demonstration to the Russian people that they've been getting ripped off by Putin and his cronies for a long time.

Taken as a whole, these five channels were designed to reinforce each other and generate intensifying impact over time. With less capital, less technology, and less talent, the endgame for Putin's Russia would be a descent into isolation as a smaller, weakened, pariah economy.

Impact of Sanctions

One year on, sanctions are doing their job. Let me review the impact through each of the channels described above:

Finance & Macroeconomy: The initial wave of sanctions landed a direct hit on Russia's financial system, triggering a freefall of the ruble by fifty percent of its pre-invasion value[13] and a spike of import prices and annual inflation to a multi-decade high of nearly 18 percent (from 8.7 percent at the start of the year).[14] Nosebleed inflation forced the Russian central bank into emergency interest rate hikes all the way up to 20 percent, the highest since the 1998 debt default.[15] Adjusted for inflation, household income shrank and retail sales fell by double digits in 2022.[16] Industrial production, which had been growing at an annual rate of 8 percent before the invasion, fell each month since last April. Taken together, Russia's economy has fallen into recession – contracting by 2.5 percent in 2022, according to its central bank[17] - after growing by 4.7 percent in 2021 and an average of 2.3 percent in the three years preceding the pandemic.

Admittedly, the hit to Russia's GDP last year is smaller than what I expected, but don't mistake this for resilience – it's yet another Potemkin façade. To limit the depth of the current

[10] https://www.cnbc.com/2022/03/31/us-to-release-1-million-barrels-of-oil-per-day-from-reserves-to-help-cut-gas-prices.html

[11] https://www.whitehouse.gov/briefing-room/statements-releases/2022/11/07/joint-readout-of-u-s-eu-task-force-meeting-on-energy-security/

[12] https://www.cfr.org/blog/how-inflation-reduction-act-will-help-united-states-lead-clean-energy-economy

[13] The immediate decline of the ruble's value on February 28, 2022 is surpassed in Russia's modern history only by the 1998 debt default.

[14] https://www.bloomberg.com/news/articles/2022-05-13/russian-inflation-spikes-to-20-year-record-on-war-and-sanctions

[15] https://www.reuters.com/business/finance/russia-hikes-key-rate-20-tells-companies-sell-fx-2022-02-28

[16] https://www.cnbc.com/2023/02/15/ukraine-economists-say-moscow-and-putin-wont-drain-war-chest-any-time-soon.html

[17] https://www.cbr.ru/eng/press/keypr/#:~:text=Economic%20activity.,Bank%20of%20Russia%20in%20October

recession, Putin has sacrificed Russia's long-term growth potential. Capital controls arrested the freefall of the ruble but at the cost of Russia's isolation from the global economy.[18] Weaponizing Russia's energy supply led to a spike of oil and gas prices - driving record trade surpluses last year for Russia[19]– but at the cost of permanently losing well over half its energy customers, evidenced by the 46 percent year-over-year decline in oil and gas revenues as of this January.[20] Ramping up government spending over the past year by almost 60 percent[21] cushioned the 2022 economic contraction, but at the cost of depleting Russia's national savings and charting a course for chronic budget deficits, high inflation, and high interest rates.[22]

Indeed, by nearly all accounts, Russia's long term economic prospects are bleak. The lagged effects of nosebleed interest rates and inflation will leave a lasting dent on Russia's growth prospects. So will the exit from Russia of more than a thousand multinational companies.[23] So will the flight of up to a million of Russia's best and brightest talent.[24] So will its loss of access to global capital markets and leading-edge technology. And so will the halving of Russia's global share of global fossil fuel exports by the next decade.[25] According to its own analysis,[26] the Russian government expects its GDP will bottom out 8.3 – 11.9 percent lower than its 2021 level.[27]

Military-Industrial Complex: Turning from the macroeconomy to the military-industrial complex, the crippling effects of the coalition's export controls are both profound and underappreciated. Here we must piece together the facts since the Kremlin stopped publishing trade statistics last April.[28] Based on the data of its top forty trading partners, we know that Russia's imports have fallen by well over half in the aggregate since the invasion, and by an even higher proportion in high tech goods restricted by our export control regime.[29]

You've no doubt read reports that Russia's stock of weapons that rely on western microchips, such as precision-guided missiles, is being depleted – forcing the Kremlin to rely on less advanced and less reliable equipment from Iran and North Korea.[30] It's also been reported that the Russian military is struggling to find parts that the west used to supply for satellites, rocket

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[18] https://www.economist.com/finance-and-economics/2022/02/28/the-roubles-collapse-compounds-russias-isolation

[19] https://www.reuters.com/world/europe/russias-current-account-surplus-almost-doubled-2022-central-bank-2023-01-17/#:~:text=Jan%2017%20(Reuters)%20%2D%20Russia's,to%20isolate%20the%20Russian%20economy.

[20] https://www.reuters.com/markets/russias-jan-budget-deficit-widens-energy-revenues-slump-2023-02-06/

[21] According to the Russia's Finance Ministry, government spending rose 58.7 percent year-over year as of January 2023. https://www.reuters.com/markets/russias-jan-budget-deficit-widens-energy-revenues-slump-2023-02-06/

[22] https://www.reuters.com/markets/europe/russian-economy-holding-up-road-back-prosperity-may-be-long-2023-02-23/

[23] https://som.yale.edu/story/2022/over-1000-companies-have-curtailed-operations-russia-some-remain

[24] https://www.washingtonpost.com/world/2023/02/13/russia-diaspora-war-ukraine/

[25] https://www.iea.org/reports/world-energy-outlook-2022

[26] https://www.bloomberg.com/news/articles/2022-09-05/russia-risks-bigger-longer-sanctions-hit-internal-report-warns

[27] https://www.yahoo.com/now/putin-war-lop-190-billion-050000269.html

[28] https://www.wsj.com/articles/russia-blocks-economic-data-hiding-effect-of-western-sanctions-11650677765

[29] https://www.nytimes.com/2022/06/02/business/economy/russia-weapons-american-technology.html

[30] https://www.wsj.com/articles/why-russia-lacks-smart-weapons-11664461225

launching systems, night vision goggles, and avionics.[31] Production of its next-generation fighter aircraft has reportedly stalled due to lack of foreign components, including semiconductors.[32] Russia's major tank manufacturer halted operations last March due to the lack of high-tech Western components.[33] As of January, new car sales in Russia had fallen by over 60 percent compared to last year, suggesting to some analysts that advanced microchips for civilian vehicles are being redirected for military use.[34] Foreign vehicle production has largely stopped within Russia, and so has heavy equipment production by the likes of Caterpillar and John Deere in oil and gas extraction, mining, and power generation.

Energy: Speaking of energy, the bottom line is Russia's leading role in global energy markets will never be the same. Its long-term prospects of selling energy to Europe and the West were already compromised by the transition to renewables, but the speed of the shift has accelerated to a pace that was once unimaginable. The International Energy Agency (IEA) estimates that by 2025, Russia's oil production will be two million barrels a day lower than in 2021, and its gas production will fall by 200 billion cubic meters.[35] Putin's revenues from these reduced sales will be crimped by the oil price cap implemented by the U.S. and its coalition partners – which gives non-G7 countries every opportunity to ride the coattails of the cap and insist on paying Russia no more than $60 a barrel, especially since the Kremlin has nowhere else to go with its oil exports. Even if oil importing countries agree to pay Russia more than the price of the cap – going against their own economic interest – Putin would have to construct and finance from scratch a global network of intermediaries for oil shipping, insurance, trade finance to substitute for G7 service providers, which currently dominate the market with a 90 percent share.[36] Taking all of this together, the IEA projects that Russia's fossil fuel revenues will never return to their pre-invasion baseline, with its global market share falling in half by 2030.

Russia's Place in the Global Economy: In terms of Russia's standing and stature in the global economy, Putin has sentenced his country to pariah status. It was downgraded from investment grade to "junk" status by major credit agencies in March[37] and defaulted on its foreign debts in June, cementing its exit from global capital markets. It lost access to borrowing privileges and resources at the International Monetary Fund, World Bank, and EBRD.[38] Its "most favored nation" trading privileges – including preferential tariffs – were revoked by the

[31] https://www.nytimes.com/2022/06/02/business/economy/russia-weapons-american-technology.html
[32] https://breakingdefense.com/2023/01/putins-comments-underline-growing-russian-concern-over-jet-tank-production/
[33] https://www.forbes.com/sites/davidaxe/2022/05/25/the-russian-army-is-running-out-of-tanks-for-the-war-in-ukraine-these-60-year-old-t-62s-are-proof/?sh=9c7a2d152ece
[34] https://www.reuters.com/markets/europe/russias-october-auto-sales-down-628-year-on-year-aeb-says-2022-11-07/
[35] https://www.iea.org/reports/world-energy-outlook-2022
[36] https://home.treasury.gov/news/press-releases/jy1141
[37] https://www.wsj.com/livecoverage/russia-ukraine-latest-news-2022-03-03/card/russia-s-credit-ratings-cut-to-junk-by-moody-s-and-fitch-hwWNrJAvI1L3VvO36Uym
[38] https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/11/fact-sheet-united-states-european-union-and-g7-to-announce-further-economic-costs-on-russia/; https://www.ebrd.com/russia.html

G7.[39] Most members of the G20, the leading economies of the world, 'strongly condemned' the war in the leaders' communique from last November.

Putin's Cronies: Russia's kleptocrats have been exposed and brought to account, with Treasury designating for sanctions over 2400 individuals and entities, 115 vessels, and 19 aircraft.[40] Working through the multilateral REPO task force, international authorities have frozen or blocked $58 billion worth of financial and physical assets – including superyachts, fancy cars, private jets, and luxury apartments.[41]

To be clear, none of this effort lessens the tragic and incalculable costs of Putin's war. Thousands of innocent civilians have lost their lives; hundreds of thousands have been killed or wounded on the battlefield; millions have been displaced from their homes. Putin's actions put global food and energy supply chains under severe strain, causing a cost-of-living crisis in the developed world and putting millions at risk of starvation in the developing world.

But after struggling with the economic spillovers of Putin's war for much of last year, we are now seeing steady progress amid bold domestic and multilateral action to surge supplies, share resources, and ease blockages in supply chains. Benchmark oil prices are now $20 a barrel cheaper than they were a day before the invasion.[42] Prices at the U.S. gas pump are 15 cents a gallon cheaper.[43] European natural gas and electricity prices have returned to pre-invasion levels, and so have global prices for wheat. Both the U.S. and European economies have avoided recession.

As a concluding point on the impact of sanctions, let me underline that sanctions are a tool - not a strategy. We don't impose sanctions as an end to themselves. Sanctions work when they're embedded in a broader strategy – alongside doing all we can to support Ukraine's fight for freedom, doing all we can to help the rest of the world deal with the food and energy spillovers of Putin's war, coming together to welcome the millions of refugees fleeing Ukraine, helping Europe to end its reliance on Russian energy as fast as possible, and working with partners to finance Ukraine's future as a successful and stable alternative to Russian-style kleptocracy. Executing on all those fronts gives us our best chance of shaping Putin's calculus, and staying the course is how we'll create leverage for Ukraine if and when it chooses to negotiate a diplomatic settlement.

Will this collective leverage be enough? Getting into the mind of Putin is well outside my area of expertise, but I'd submit that even an autocrat like Putin has a social contract with the Russian people. Long ago, he took away their freedom in exchange for promising stability, so the bet we're making is that the instability and insecurity he's imposing on his own people will at some point matter, if only because Putin cares about staying in power. The real question is this: if tens

[39] https://www.whitehouse.gov/briefing-room/statements-releases/2022/03/11/joint-statement-by-the-g7-announcing-further-economic-costs-on-russia/
[40] https://home.treasury.gov/news/press-releases/jy1298
[41] https://www.canada.ca/en/department-finance/news/2023/02/statement-on-russian-elites-proxies-and-oligarchs-task-force-results.html
[42] https://www.reuters.com/business/energy/war-ukraine-shows-commodity-markets-are-robust-adaptable-russell-2023-02-23/
[43] https://www.cnn.com/2023/02/25/energy/us-gas-prices-one-year-after-invasion/index.html

of thousands of bodybags are being sent back to Russia, if hundreds of thousands of your best and brightest are fleeing the country, if over a thousand private companies have already exited, if Russia is shunned as a global pariah in bankruptcy and default - is this really the endgame Putin is playing for, and how does he weigh that endgame against the costs of pulling back from the brink? That's the unenviable choice we've put to Putin.

Next Steps

As I think about potential next steps for sanctions, the most important message is we'll never run out of options. Even if we wanted to do so, there is no plausible way to disconnect a $1.7 trillion economy from the world within a matter of weeks or months.[44] So over time, if this reckless and barbaric invasion continues, we can continue to break the linkages between Russia and the global economy through trade, finance, energy, and technology. We can continue to broaden the coalition of countries imposing these sanctions as a force multiplier. We can continue to tighten enforcement by working with allies and partners to identify and shut down channels of evasion or backfilling.

And to my mind, we must continue to do so. When sanctioning a market-based economy, signals about future actions shape expectations. Expectations shape prices and the evolution of financial conditions, both of which transmit costs to the target's economy. All of this means if you're standing still with sanctions, you're moving backwards. We must keep going until the job is done.

Lessons Learned

Stepping back to reflect, I'm enormously proud of the unity forged with the EU, G7, and beyond, within hours and days of the invasion, to apply sanctions at unprecedented scope and scale. The EU stiffened its resolve unlike anything we'd seen in decades. Switzerland broke centuries of neutrality. Japan, Korea, Australia, and Taiwan were unflinching in their support and ensured that our coalition went well beyond the transatlantic alliance.

But I can also understand why the actions we took are a scary prospect for other parts of the world. As a self-critique, we have yet to win the narrative about sanctions and economic statecraft in much of the developing world, and even within a sizeable share of the G20 there has been real hesitation to join the coalition.

So in my judgment we need to take four actions, and I'll close there.

First, I believe we should write down and articulate a doctrine of economic statecraft, at the highest levels of economic and national security policymaking. We've spent hundreds of years on military doctrine. By comparison, we've spent comparatively little time on setting out guiding principles for the growing list of incredibly potent measures of economic statecraft – sanctions, export controls, tariffs, entity listings, investment restrictions, CFIUS, price caps, and the like. Doing so would serve two purposes: first, taken seriously, it would constrain ourselves in the conduct of economic statecraft; and second, it would give comfort to the world that we're not firing economic weapons in an arbitrary or capricious manner.

[44] https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=RU

What would this doctrine look like? It would begin by laying down first principles. For example: the tools of economic statecraft should be used sparingly, and only when core international principles are at stake. They should be responsible to avoid unnecessary spillovers to the civilian population of the target and other countries. They should be calibrated to maximize the chance of coordination with like-minded partners, both to multiply the direct impact and strengthen the signal of our collective purpose. They should be designed flexibly so the impact can get ratcheted higher or lower, depending on the target's response and the impact delivered. And they should be sustainable, knowing that the impact compounds and takes effect mostly over time.

Second, we should continue building an analytical infrastructure that takes economic statecraft seriously. We could start by taking full inventory of the tools at our disposal and then assess their efficacy - when used alone or in tandem, unilaterally or multilaterally. It could include an assessment of the historical and future range of spillovers from sanctions, both intended and unintended, as well as their limitations. Central banks such as the Federal Reserve maintain and update an operating framework just like the one I'm describing for the range of tools at their disposal, and so should the U.S. government – our tools are no less potent. Importantly, upgrading our analytical infrastructure requires continued focus on attracting a collection of civil servants with interdisciplinary expertise across economics, financial markets, geopolitics, international and domestic law. Treasury's recent posting for a "chief sanctions economist" is a good step in the right direction, but more action is needed.

Third, we should stress test the existing toolkit of economic statecraft – and our defense mechanisms - against simulated conflict scenarios. This analysis should begin with an assessment of where our relative strengths intersect with the target's vulnerabilities, and vice versa. We can be sure that every world power has studied closely how and why the U.S. derives strategic leverage from our competitive advantages: the primacy of the dollar; the dynamism of our capital markets; our entrepreneurial spirit and the capacity to innovate at the leading edge of technology; the unmatched buying power of the American consumer; our net exporter status in energy and food; our commanding market share in global services; our unrivaled network of alliances and institutions; our ability to attract ideas, talent, and goodwill; the power of our story and trust in our leadership. But the ripple effects of the pandemic and Putin's war also exposed our vulnerabilities, including in critical supply chains (e.g., pharmaceuticals, semiconductors, batteries, solar panels, manufactured goods, machine tools), and so have repeated bouts of instability in our financial markets, growing fiscal imbalances, social cleavages, and the deepening political divide.

Taken seriously, economic wargaming can reveal the feasibility and desirability of "running the Russia playbook" elsewhere and highlight how our rivals might adapt and exploit our weaknesses – for example, by using central bank digital currencies to erode or blunt the reach of financial sanctions through the current global payment architecture, or taking advantage of U.S. venture capital financing to develop indigenous technological capabilities.

Lastly, to win the global narrative, we need balance in how we deploy economic statecraft. Sanctions receive enormous attention as a negative coercive device with a clear message to the target: if you don't change behavior, we will cause you economic pain. As much as our cause is just and necessary in countering Putin, the truth is that sanctions rarely win hearts and minds in the developing world. That means we must balance the increased use of sanctions and their kin – which are designed to cause economic pain - with an even greater increase in measures that offer mutual economic gain. Think of bilateral financing and multilateral lending that catalyzes the private sector – our key competitive advantage - to invest in the developing world and help fill the enormous gap in physical, digital, health, and climate infrastructure. Debt relief, loan guarantees, supply chain partnerships, technical assistance, and economic alliances can all serve a similar purpose.

In this spirit, we should get to work on enhancing our economic tools and institutions, or inventing new ones, that demonstrate our unmatched capacity to drive economic growth around the world. Among the ideas worthy of consideration: reimagine the strategic petroleum reserve as a "strategic resilience fund" that stockpiles and invests in critical minerals for clean energy and scarce inputs to foundational technologies; reboot the World Bank as a force multiplier in producing and catalyzing global public goods that address climate and health risks, better manage debt distress and migration flows, and shore up energy and food security; augment our sovereign loan guarantee instrument and other financing tools (including equity, insurance, guarantees, and subordinated debt) to reshape global supply chains with transparent, high-standard, transformative partnerships; and accelerate plans for a digital dollar to reinforce the primacy of the dollar and democratic values in cross-border finance.

My concluding point is this: let's see the world as it is rather than pretend we're in the world as it once was or should be. Great power competition isn't going away and will likely intensify in the years ahead. Set against the alternatives of military conflict between nuclear powers, or standing aside when core principles that underpin peace and security are under threat, sanctions and economic statecraft will remain a fixture of foreign policy. So let's get on with the work of institutionalizing how, when, and why statecraft is used - with principles, analytical infrastructure, and an upgraded toolkit that balances economic harm with economic good.