



The Russia– Ukrain war: A geopolitical analysis of its implications on the global economy

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Abstract

The Russian invasion of Ukraine represents the first major war in Europe after World War II. The war is still going on and the world is witnessing the unfolding of a horrible geopolitical drama. The root cause of this crisis is the conflict between the geopolitical ambitions of NATO and Russia. Therefore, there has been an intensification of geopolitical rivalries between the West and Russia. Sooner or later the war will be over but not the rivalry. Consequently, there is fear of the return of the New Cold War. The impact of the war would mainly depend on whether Russia wins or lose the war in Ukraine. As it is now neither Ukraine nor Russia has lost or won the war. The geopolitical consequences of war would also depend on, how decisive is the victory or loss. But one thing is clear; this war would have serious repercussions not only for Ukraine and Russia but also for the world. Even if there is a ceasefire and peace settlement, the political map of Europe, for example, will never be the same again. There is also the potential of conflict escalation with NATO and the EU, including the threat of nuclear warfare. This paper presents a geopolitical analysis of the recent Russian invasion of Ukraine and evaluates the causes of conflict with the prediction of future consequences.

Keywords: Russia, Ukraine, NATO, EU, geopolitic

Introduction

The Russian invasion of Ukraine represents the first major violent clash between two countries of Europe after World War II. The war is still going on and the world is witnessing the unfolding of a horrible geopolitical drama. What various scholars mostly missed is the prediction of the war and the possible impacts of this war. There is a minimum possibility of a diplomatic resolution of this crisis. Therefore, there are only apprehensions and fear. The impact of the war would mainly depend on whether Russia wins or lose the war in Ukraine and if Russia wins the war, how decisive this victory will be. As if now neither Ukraine has lost nor Russia has won the war.

Unfortunately, the war is not yet over. Currently, it is not clear how long the conflict will last (Sim Tack, 2022)^[1]. If the war ends up with a decisive win for Russia, it will mean that Russia would succeed in occupying Ukraine. It would effectively captivate it. Then it may be possible that Russia would integrate all or a part of the territory of Ukraine into Russia.

There can be even a more modest, less definite Russian victory. There can be even a case of some kind of compromise. Russia may even compromise with retaining the earlier annexed Crimea and the territories in Donbas. In any case, it might entail the loss of the territorial integrity and sovereignty of Ukraine. In every situation, Russia may succeed in either imposing a neutral status on Ukraine or creating a buffer space between Russia and the leftover territories of Ukraine. Anything less than that, however, will appear as a defeat for Russia. In every situation, the war in Ukraine will certainly have an impact on the geopolitical relations between countries of Europe and the world at large.

Furthermore, the complete Russian victory will enable Russia to impose its dominance. Some political pundits even predict that the Russian victory would mean the end of Western dominance in the world. The political pundits even believe that it will reinstate a reshaped version of the Old Russian Empire, although, the situation is different today. It is even different from the war in Transnistria or the war in Abkhazia and South Ossetia or the annexation of Crimea. Essentially, there may be changes in the political map of Moldova, Georgia and Ukraine. There may also be some kind of change in Eastern Europe (at least in the political orientation of Sweden and Finland).

Immediately after the Russian invasion of Ukraine, sanctions were imposed on Russia by the Western countries. Many scholars predict that it would ultimately cause the doom of Russia, in general. But it is equally true that the world at large will also be affected by its political and economic implications. The human implication of the war in Ukraine is enormous. The spillover effect of this crisis is being felt by the neighbouring countries in Europe. It may cause significant disruption to the global economy as well. The current research presents a geopolitical analysis of the war in Ukraine. It also presents the possible consequences of the Russian invasion of Ukraine.

Geography and Political History of Ukraine

Ukraine is an important geopolitical entity in Europe. In its present geography, it has borders with Russia in the east and northeast, Belarus in the northwest, Poland, Slovakia and Hungary in the west, Romania and Moldova in the southwest and the Black Sea and the Sea of Azov in the south and southeast, respectively (Dimitrios Dalaklis, 2015).

In its spatial dimension, Ukraine is the second-largest country in Europe after Russia. It has long been termed as the breadbasket of the world because of its extensive, fertile agricultural lands. The country still remains one of the largest grain exporters of the world. It also has a large base of heavy industries, particularly the aerospace industry and industry of industrial equipment. Besides the territory of Ukraine plays a very important role in the transport of energy resources. A vast majority of these valuable resources are transported through Ukraine (it also includes the supply of Russian gas) (Dimitrios Dalaklis, 2015). Since the disintegration of the Soviet Union, Ukraine continues to maintain the second-largest military in Europe which is second only to Russia (Dimitrios Dalaklis, 2015). In terms of geopolitics also, it is an important country in Europe. Thus, it dominates Eastern Europe, economically and strategically. Throughout history, Ukraine has remained at the edge or the border of the Russian Empire.

Through the centuries, foreign armies have invaded this region. Even before the emergence of Mongols and the Tatars (in the 10th century) the land of Eastern Slavs has remained the centre of the Kievan Rus. It was spread over the western side of Russia, Belorussia and the central territory of Ukraine. During the 13-14th century, the northern and western parts of the region came under Polish and Lithuanian rule, whereas the southern part came under the Mongols. During these intervening years, Crimea remained under the rule of the Crimean Khanate (Balint Stork, 2015).

In 1654 the land of the Kievan Rus came under the control of the Tsar and Ukraine was united with Russia. In 1667 (Treaty of Andrusovo), Russia and Poland partitioned Ukrainian territory along the river Dnieper. Its Left Bank region remained under Russian control while the Right bank region came under Polish control. In the 18th century, the Austro-Hungarian Empire occupied Western Ukraine (East-Galicia) and Russia expanded its territory over eastern Ukraine. It also integrated the newly acquired Crimea (Balint Stork, 2015).

After the end of the First World War, a movement for Ukrainian independence emerged, but it remained only a movement. When the Bolsheviks gained power, Ukraine was absorbed into the Soviet Union. Ukraine was repartitioned in 1921 by the Treaty of Riga. Afterward, Eastern Ukraine was incorporated into the USSR while Western and Eastern Galicia was returned to Poland (Balint Stork, 2015). In December 1991, after the disintegration of the Soviet Union, Ukraine became an independent country.

Geopolitical and Geostrategic Significance of Ukraine

Ukraine is located in a significant geopolitical situation. It has long played an important role in global security. Even today, the country is on the front lines of a renewed rivalry between big countries (great powers) and many analysts say that the conflict between these countries will dominate international relations in the decades to come (Jonathan Masters, 2022).

About half a century ago, Ukraine was a cornerstone of the Soviet Union. As part of the Soviet Union, during the Cold War, it was the arch-rival of the United States. It was the second-most-populous region of the Soviet Union behind only to Russia. It was equally powerful as the Soviet republics. In its military capacity also, it had great relevance to the Soviet Union. Ukraine had some of the nuclear arsenals of the country. It was also home to the Black Sea Fleet.

The historical events related to the disintegration of the Soviet Union have changed the map of Eurasia and the geopolitics of the world. Ukraine was so significant to the Soviet Union that its decision to sever its relations with the country was a severe blow to Soviet dominance. It is called a 'Civilized Divorce'. According to President Putin, the disintegration of Russia proved to be the 'greatest geopolitical catastrophe of the twentieth century' (Emmanuel D.M. Jacq, 2015) ^[4].

It seems true as in several respects, Ukraine was important to Russia. Russia and Ukraine share a long geographical border and Slavic culture. Ukraine was central to Russian identity and vision for itself in the world. Therefore, Russia never fully accepted the existence of Ukraine as a sovereign nation. In 2008 Putin himself reportedly told President George W. Bush that Ukraine 'is not even a country' (Peter Rutland, 2015).

After its existence away from the USSR, Ukraine sought to align with the West, including NATO and the EU. This new geopolitical configuration of Ukraine became a new challenge for Russia. In fact, losing a permanent hold on Ukraine and letting it fall into the Western orbit, is seen by many (Russians) as a major blow to Russian dominance and its international prestige. Russia always wanted to protect its historical and cultural ties with its neighbour. Besides, till very recently both the countries had close interdependent economies as well (Andrei Tsygankov, 2015). Russia even wanted to defend its security interests in Ukraine by keeping the country out of the influence of NATO (Andrei Tsygankov, 2015). This is the origin of the Ukraine crisis.

Existential Geopolitics

For its existence and survival, every geopolitical entity must defend what it perceives as its legitimate security interests. Any encroachment, modification, manipulation or change (exploitation) in the sphere of countries' security (sovereignty and territorial integrity) imposes a challenge to its existence. Survival demands protection against such challenges.

It was the western encroachment in the sphere of influence of Russia, which antagonized it the most. Furthermore, it was the western exploitation of the prevailing geopolitical situation of Eastern Europe that was disliked by Russia, more, in particular, the war against the Bosnia (1994-1995), the expansion of NATO and the war against Serbia (1999).

In a deliberate attempt to change the political geography of Eastern Europe, NATO used forces against the Serbs in Bosnia in 1994 and later on against Serbia itself which led to the autonomy of Kosovo and its independence later on. Because of the historical ties between Serbia and Russia, it was denigrating for Russia. This led to major friction between NATO and Russia. Russia explicitly expressed its displeasure on double standards in international relations that is followed by some Western countries, especially the United States (Emmanuel D.M. Jacq, 2015).

The move by the west that impacted the relationship between NATO and Russia, even more, was inviting some eastern European countries to become members of NATO and the EU. Russia regarded the extension of NATO as an expansion of the sphere of influence of the US. In 1999 Poland, Hungary and the Czech Republic were formally invited to join NATO.

Furthermore, Russia also felt challenged by the US by the second, even larger, expansion of NATO in 2004. This time Bulgaria, Romania, Slovakia, Slovenia and the three Baltic states (Estonia, Latvia and Lithuania) joined both NATO and the EU. Thus, NATO has reached to the borders of Russia (NATO in the Baltic countries is much closer to Moscow and St. Petersburg).

The inclusion of the Baltic States, in particular, was sensitive to the Russian concerns as they had been part of the USSR. The west and especially the US wanted to take NATO expansion even further. This time Georgia and Ukraine were on the list of countries to be included in NATO. For geopolitical and geo-economic reasons, Georgia and especially Ukraine were the limit of tolerance for Russia. These two countries clearly belonged to the Russian sphere of influence. In its summit in 2008, NATO decided to invite Croatia and Albania to become its members and opened its door for membership for Georgia and Ukraine. Eventually, the Russian reaction came in the form of conflict in Georgia in 2008. It culminated in the crisis in Crimea in 2014.

Some Western analysts see the Russian invasion of Ukraine as the culmination of the growing resentment of the Kremlin toward the Post-Cold War expansion of NATO into the former Soviet sphere of influence. Professor John Mearsheimer, while discussing the route of events that led to all these tragic developments in Ukraine has very correctly pointed out that according to the prevailing wisdom in the West, the Ukraine crisis can be blamed almost entirely on Russian aggression. Russia, the argument goes, annexed Crimea out of a long-standing desire to revive the Soviet Empire and it may eventually go after the rest of Ukraine, as well as other countries in eastern Europe. Without any doubt, it is obvious that the annexation of Crimea and the Russian support towards the insurgents in eastern Ukraine contain a strong element of aggression. But it is also true that the US and its European allies also share the responsibility for the crisis (Dimitrios Dalaklis, 2015).

The continuous enlargement of NATO and the significant eastwards expansion of the EU can also be interpreted as an aggressive action. In the domain of international relations, when limits are crossed it should be expected that a decisive reaction is followed (Dimitrios Dalaklis, 2015).

The confrontation between Russia and Ukraine is as much geopolitical as geostrategic. Given that Ukraine belonged to the Russian sphere of influence, at least in the eyes of Moscow, the West should have behaved rationally vis-a-vis Ukraine and Russia. That, at least, one could expect from a realist perspective. It, however, did not happen. The Russian conflict with Ukraine was possible, even inevitable, due to the lack of recognition for Russian interests in Eurasia, by the West (Tsygankov, 2022). The present crisis is a corollary to the existing crisis.

Russian Geopolitics and the Ukraine Crisis

Moscow has had difficult relations with Ukraine ever since the two countries split off from the Soviet Union in 1991 (Rutland, 2020). In the past three decades, Ukraine has intensified its closeness with NATO and the EU. However, Ukraine has struggled to balance its foreign relations and bridge deep internal divisions.

The Ukrainian population living in western parts of the country generally supported greater integration of Ukraine with Europe, while mostly Russian and Russian-speaking communities in the east favoured closer ties with Russia.

Way back in 2009, the great geopolitical thinker of Russia, Alexander Dugin, had prophesied the division of Ukraine into two separate geopolitical entities; eastern Ukraine and western Ukraine. He had his own arguments for this. According to Dugin, the eastern portion of Ukraine would be allied with Russia and the western portion of Ukraine would be forever looking toward Europe... Dugin has also had prophesied the rise of Russia and its eventual dominance over the West. He spent years waiting for Russia to claim its place as the leader of the world (Scott, 2020)^[7]. Ukraine is paramount for the Russian security domain. Its unique geographical position makes it particularly sensitive to invasions from the west. Napoleon and Hitler have tried to conquer Russia twice in the past (Tom Sauer, 2017) through its western borders. Ukraine is the largest country on the western borders of Russia. There is no way for Russia to tolerate Ukraine joining NATO; the need for a buffer (or comfort zone) is, therefore, necessary to deal with this high-stake security need (Dimitrios Dalaklis, 2015).

A neutral Ukraine would have been the best possible geopolitical option for the existence and survival of Russia and also Ukraine. Also due to geostrategic reasons, Russia prefers to have friendly neighbours. Russia always wanted a neutral Ukraine. Thus, Russia would have been able to carve out a vast buffer in Eastern Europe that

would protect the Russian Empire against future Napoleons and Hitlers. It is a worth considering option for both Ukraine and Russia.

Though enforcing neutrality upon Ukraine was not possible for long, therefore, the deliberate creation of an artificial buffer was the only way out for the existential geopolitics of Russia. This has happened in 2014. However, Putin has exercised more restraint than Dugin would care for, by annexing Crimea and providing assistance to the separatism in Donetsk and Luhansk.

Mistrust creates more mistrust, tensions and conflicts and it yields aggressive reactions in the form of war. Encroachment in the spheres of influence of Russia on its western borders is a potential danger to the existence of Russia and it is regarded as a matter of the highest concern. The present geopolitical manoeuvring is regarded as necessary to feel secure against the western antagonism.

It is also regarded as compensatory geopolitical manoeuvring to protect its spheres of influence, in the west, taking into consideration that even the presence of military forces of NATO in the region can be interpreted by the Russians as another aggressive move, that required appropriate reprisals (Dimitrios Dalaklis, 2015).

Russian seizure of Crimea was the first such action since World War II that a European country annexed the territory of another country. It was intended to act as a deterrent to the potential enemies from attacking in the first place and therefore, help to protect their country from being attacked (Sauer, 2017). It was aimed to enhance security and thus yield stability in the region.

Despite remaining a non-member, Ukraine grew its ties with NATO in recent years. Ukraine held annual military exercises with the alliance and, in 2020, became one of the enhanced opportunity partners, a special status for the closest non-member allies of NATO. Moreover, Ukraine affirmed its goal to eventually gain full NATO membership (Jonathan, 2022).

In the weeks leading up to its invasion, Russia made several security demands to the US and NATO, including that they cease expanding the alliance. Russia wanted consent to remove US nuclear weapons from Europe and assurance for deployments of NATO. But the US responded that it is unwilling to shut the doors of NATO to new members.

In February 2022, Russia invaded Ukraine for geostrategic reasons - having Ukraine as a buffer state. It safeguards Moscow from invasion from the west. After all, the West had been moving into the Russian backyard and threatening its core strategic interests (Dalaklis, 2015). It also aims to change the geopolitical configuration of the region.

Geopolitical Future of Ukraine

Although the intentions of Russia to invade Ukraine are not clear, Putin publicly says this is about preventing the expansion of NATO close to the borders of Russia. If Russia is engaged in this war, it is to accomplish some strategic interest.

It seems that Russia is primarily focused on enlarging the buffer territory around separatist republics of the Donbas region in eastern Ukraine. At the same time, it is also focused on curtailing the military capacity of Ukraine so that Ukraine gives up the hopes of joining NATO and the European Union.

Besides, Moscow aims and tries to carve out portions of southern Ukraine, such as the Kherson region as it did in the Donbas in 2014. Russia could try to use these newly occupied territories as bargaining chips in peace negotiations with Ukraine, which might include stipulations about Ukrainian prospects for membership in the EU and NATO. Russia can also achieve these goals through regime change in Ukraine.

Thus, it will have a significant and lasting influence in Ukraine. In any case, the war in Ukraine might entail the loss of its territorial integrity and sovereignty. It may create a change in the political map of Europe. Here are many geostrategic possibilities for Russia. The very basic assumption of these possibilities is based on Russian victory.

In case of a decisive win, Russia will try to change the political geography of Ukraine. It will lead to completely breaking apart Ukraine into smaller entities.

Russia would try to occupy the whole of Ukraine, effectively subdue it and directly integrate all or part of the territory into Russia. Otherwise, Russia will try to seize a large territory of Ukraine. In that situation, it will try to seize the area as far west as the Dnieper River (Philip G. Wasielewski, 2022). Then incorporate this new territory fully into the Russian territory.

Thus, Russia would have control over a substantial area of Ukrainian territory. But it will still leave Ukraine as a significant geopolitical entity. A cursory examination of the geographical map of Ukraine reveals that the river Dnieper divides the country into two halves (Enis H. Rexhepi. 2017). Historically the Dnieper served as a divider between opposing parts of Ukraine. This scenario may happen again. Way back in 2014, the then President of Ukraine, Petro Poroshenko had also informed the public that he had received intelligence information about attempts to divide the country.

Maybe the Ukrainian rivers will act as a new 'Berlin Wall' - dividing East and West (Enis H. Rexhepi. 2017). If this becomes possible, it seems most likely that Russia will try to split the country into two halves, along the Dnieper River which runs through the middle of the country. Consequently, the new geopolitical border of Russia would extend up to the Dnieper. Russia will try to install a puppet government over the non-incorporated portions of Ukraine. It would be a significant geostrategic achievement for Russia.

The other possibility is that Russia may try to seize Ukrainian territory up to the Dnieper River and also seize an additional area of land in the southwest (including Odessa). Odessa will connect Russian territory with the

breakaway region of Transdnistria. Thus, Russia will be able to separate Ukraine from any access to the Black Sea (Wasielewski, 2022). This option leaves Ukraine with only a part of its western region. Mosco would incorporate all other areas into Russia thus to ensure that Ukraine remains unsustainable and unviable.

Another possibility is that Russia may try to seize a belt of land between Russia and Transdnistria. It will cover a rather extended area with Mariupol, Kherson and Odessa (Philip G. Wasielewski, 2022). Consequently, Russia will attempt to block the access of Ukraine to the sea. This option will leave much of Ukraine free but still insulate it from the sea. It will also reduce the vulnerability of Crimea. With current borders, Crimea is incredibly vulnerable, barely connected to Russian territory by a single bridge.

Yet another possibility is that Russia may try to seize all of Ukraine. In that condition, it may announce the formation of a new Slavic Union including Russia, Ukraine and Belarus (Philip G. Wasielewski, 2022). Then the New Russian Union will have new borders with NATO countries. This option also means occupying the entire country. But the assimilation of the Ukrainian population will be difficult for Russia. They may resist occupation actively or passively. In that situation, the occupied territory will face insurgency. This situation with frozen conflict may continue for years.

In any condition, if Ukraine will lose this war, there will still be a resistance movement. In that situation, the West would try to support a Ukrainian insurgency and Ukraine will have a permanent state of war with Russia. It may prove to be an unaffordable occupation. But Russia will achieve what it actually wanted to achieve.

Implications of the War in Ukraine

The war in Ukraine 2022 is considered the worst crisis in Europe since the end of the Cold War. The war has devastated Ukraine. Many of its cities have been raised to rubbles. More than a quarter of its citizens have been displaced or are now in a state of refugee. The spillover effect of the war will cross the borders of Ukraine and the impact will extend far beyond the security and sovereignty of Ukraine itself (Tack, 2022).

The war in Ukraine would also make a paradigm shift in global geopolitics.

Russian victory would mean the end of Western domination in the world. It will also have implications for international peace and security.

At present moment, the strategic goals of Russia appear to be limited to Ukraine, but there is all possibility of its escalation into a wider conflict. There is also a possibility of a widening of the conflict to other nearby countries. Obviously, Russia is not going to attack the countries in alliance with NATO, in the present circumstances. Although, some western scholars are afraid that there is also the potential for conflict escalation with NATO. It also includes the threat of nuclear warfare.

Implication on the Global Economy

The war in Ukraine represents a challenge for the global economy harming growth and putting upward pressure on inflation when inflation is already at high levels. Ukraine is not a significant trading partner for any major economy, but countries such as China, US, Germany, France, and Italy represent some of the major import partners for Russia. There are several channels through which the conflict impacts on the world economy (Chotiner, 2022).

The Ukrainian and Russian economies are key suppliers of commodities, including titanium, palladium, wheat, and corn. Disruptions to the supply chain of these commodities would keep prices high, intensifying for users of such commodities (including car, smartphone, and aircraft makers). Secondly, significant escalation on energy prices due to Russia being one of the world's largest oil producers and energy exporters, will lead into higher inflation (Chotiner, 2022).

Another channel is the large-scale emigration from Ukraine; the UNHCR says there could be 4 million refugees as the crisis unfolds, and it will depend on border controls, length of the conflict, and how the economy settles down after the war. We have assumed a net outflow of two million a year in 2022 and 2023 (Tack, 2022).

Furthermore, political risk and uncertainty may drive up savings ratios and make firms more reluctant to invest. In our simulation, we estimate that the conflict in Ukraine implies that the level of global GDP declines by 0.5 per cent in 2022, and close to 1 per cent by 2023 (which is about \$1 trillion off global GDP). It adds up to 3 per cent to global inflation in 2022 and about 2 percentage points in 2023, which would also increase the cost of living and could further put pressure on household consumption. We see the issue of Ukrainian refugees mostly as a European issue; this will present substantial demographic challenges, mainly for western Europe and we expect higher public spending to solve them. In addition, the conflict is expected to increase military spending in NATO (Wasielewski, 2022).

Both defence and refugees' assistance expenditures are likely to add pressure on resources and therefore inflation. Using our Global Econometric Model (NiGEM), we estimate Eurozone GDP growth to fall by 0.9 percentage points in 2022 and by 1.5 percentage points in 2023, compared to our February forecast. We also expect inflation rising to 5.5 per cent in 2022 and 2.1 per cent in 2023, as against the forecasts we had of 3.1 per cent in 2022 and 1.3 per cent in 2023 in the February forecast. Russia has a great exposure to the UK, and as the result of the conflict, we expect the impact on the UK could be to reduce GDP growth by around 0.8 per cent to 4.0 per cent in 2022 and to 0.5 per cent in 2023 (Wasielewski, 2022).

Russia is a vitally important supplier of oil, natural gas and metals, and higher prices for those commodities are sure to inflict economic damage around the World. Europe relies on Russia for nearly 40 per cent of its natural gas and 25 per cent of its oil. For the European continent, Russia's war has significantly heightened the

likelihood of runaway inflation, another economic setback or both. Infuriated by Putin's aggression, the United States and other Western nations have targeted Russia with sanctions of unprecedented breadth and severity for a major economy. They have thrown major Russian banks off the SWIFT international payment system, limited high tech exports to Russia and severely restricted Moscow's use of its foreign currency reserves. The rapid and unified international retaliation against Russia appeared to catch Putin's regime by surprise (Tsygankov, 2022).

Natural gas prices shot up 20 per cent after the war started, on top of earlier increases, and now are roughly six times what they were at the start of 2021. The gas price shock is feeding higher inflation and swelling utility bills. The result is that households have less money to spend, and hopes for a surge in consumer spending resulting from fewer pandemic restrictions and COVID-19 cases have diminished (Rutland, 2020).

Escalating gas prices have caused what economists call demand destruction among industrial enterprises, like fertilizer makers, that use a lot of gas and have now slashed production. Farmers are paying more to run machinery and buy fertilizer. Germany's economy, which sagged by 0.7 per cent in the fourth quarter of 2021, would face a technical recession if it shrank again in the first three months of 2022. The economic downdraft could be offset by an increase in German defense spending. In response to the Russian invasion, Chancellor Olaf Scholz has said the government would commit 100 billion euros (USD 111 billion) to a special fund for its armed forces and raise defense spending above 2 per cent of GDP (Rutland, 2022).

The drag from higher prices and the negative confidence affect may lower real GDP growth in the eurozone from 4.3 per cent to 3.7 per cent for 2022, said Holger Schmieding, chief economist at Berenberg bank. The world's unexpectedly robust recovery from the pandemic recession left companies scrambling to find enough raw materials and components to produce goods to meet surging customer demand. Overwhelmed factories, ports and freight yards have meant shortages, shipping delays and higher prices. Disruptions to Russian and Ukrainian industries could delay any return to normal conditions (Tsygankov, 2022).

Mark Zandi, chief economist at Moody's Analytics, noted that Russia and Ukraine together produce 70 per cent of the world's neon, critical in the making of semiconductors. That is especially worrisome because the world, and automakers in particular, are already enduring a shortage of computer chips. When Russia seized Crimea from Ukraine eight years ago, neon prices shot up 600 per cent, though Zandi notes that chipmakers have since stockpiled neon and sought alternatives to Russian supplies (Tsygankov, 2022).

Russia and Ukraine together supply 13 per cent of the world's titanium, which is used to make passenger jets and 30 per cent of the palladium, which goes into cars, cellphones and dental fillings, Zandi said. Russia also is a major producer of nickel, used to produce electric car batteries and steel. It's impossible for supply chains to catch up," said Vanessa Miller, a partner at Foley & Lardner LLP who specializes in supply chains. The conflict and sanctions will also do damage to Russia's neighbours in Central Asia. As its own workforce has aged, Russia has turned to younger migrant workers from such countries such as Uzbekistan and Tajikistan. Those workers' families have come to rely on the money they send home remittances (Rutland, 2022).

Even at the height of COVID-19 in 2020, remittances from Russia to Uzbekistan topped USD 3.9 billion and to Kyrgyzstan USD 2 billion, according to the Russian central bank. The pressure on the ruble, banking restrictions on foreigners and in the long run the collapse of the labor market in Russia will have an immediate and profound economic impact on Central Asia," Gavin Helf, an expert on Central Asia for the US Institute of Peace, wrote that Ukraine and Russia account for 30 per cent of the world's exports of wheat, 19 per cent of corn and 80 per cent of sunflower oil, which is used in food processing. Much of the Russian and Ukrainian bounty goes to poor, unstable countries like Yemen and Libya. The threat to farms in eastern Ukraine and a cut-off of exports through Black Sea ports could reduce food supplies just when prices are at their highest levels since 2011 and some countries are suffering from food shortages. Anna Nagumey, a management professor at the University of Massachusetts Amherst, described the consequences as extremely troubling (Tsygankov, 2022)."

Conclusion

The war in Ukraine is in fact an escalation of an old conflict. It started with the Crimean crisis in 2014. 'It was always the goal of Putin to restore Russia to its previous status of a great nation (dominant nation) at least in Eurasia,' writes Gerard Toal, a professor of international affairs at Virginia Tech, in his book *Near Abroad*. 'The end goal was not to re-create the Soviet Union but to make Russia great again' (Jonathan Masters, 2022).

Ostensibly, the demand for an exclusive sphere of influence for it, in Eastern Europe and the South Caucasus, is to meet Russian security interests of Russia. But, for Russia, the main objective of the Ukraine war is to reassert Russian dominance and influence.

Although many scholars of international relations and particularly the critics of Putin have argued that he would pursue an aggressive foreign policy in former Soviet Republics regardless of Western involvement, Mearsheimer maintains that the US is at fault for provoking him. In fact, in 2014, when Russia annexed Crimea, Mearsheimer wrote that 'the United States and its European allies share most of the responsibility for this crisis' (Chotiner, 2022).

Russia invaded Ukraine for geostrategic reasons - having Ukraine as a buffer state to safeguard Moscow from invasion from the west (George Friedman, 2022). For Kremlin, the NATO expansion to the east is the original sin of post-Soviet international relations that now must be rectified. The geopolitical inference of this is an end to the expansion of NATO, a rollback of the previous expansion, removal of American nuclear weapons from Europe and from the Russian sphere of influence. In between the lines, the other inference is to get a guarantee

that Georgia and Ukraine will never belong to a military or economic alliance other than the one controlled by Moscow.

In essence, this conflict is about whether the countries in the neighbourhood of Russia will be a threat to the existence and survival of Russia or they will acknowledge the presence of Moscow in their neighbourhood and shape their foreign policies in accordance with the geopolitical interests of the region. Pragmatism is the answer to present and future conflicts.

Recommendations

In view of the present reality on ground, and the level of damages the Russia/Ukraine war has caused both warring parties, and the global society, the study herein recommended the following:

1. The United States and Europe must call the warring parties to a negotiation table and also try to restore their differences with a declaration of “No Victor, No Vanquish” truce.
2. The United States must discontinue its push for Ukraine to be registered as a member of NATO since Russia perceives Ukraine’s membership of the body as a national security threat to its country.
3. Both parties must declare a cease fire as there is already a rising daily casualties and deaths toll from both sides.
4. Russia must discontinue its real or perceive intent to annex any part of Ukraine as part of its country’s recognition of the United Nations Charter prohibiting interference in the territorial boundaries of a sovereign nation.
5. Some of the economic sanctions placed in Russia must be lifted to demonstrate real intent of reconciliation and peace between the two warring countries.
6. The continual sustenance of the war between Russia and Ukraine will further affect the already battered economy of the global system and the economic interest of the warring parties and the rest of the world as to put an end to this war at this point in time.

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