

Interim conclusions on the consequences of the Russian war against Ukraine

Olena Khyiko, PhD, Programme Director on Ukraine at GLOBSEC

Seven weeks of Russian full-scale war against Ukraine proved not only the worst assumptions on the nature of Russian regime, but also on the vulnerabilities of the regional and global security architecture, inconsistency of the existing international legal mechanisms, and impotence of the UN and the OSCE.

Russian invasion has imminent backlashes not only for the regional players but for the whole world. Should they not be addressed immediately, they could jeopardize and reverse the progressive achievements of recent decades.

At the same time, the world has witnessed impressive examples of leadership and governance taken by the Ukrainian authorities under very trying circumstances that along with activity of the Ukrainian civil society and assistance of the international partners, are helping the Ukrainian state survive and resist a full-scale Russian invasion.

Ukraine's Resistance

A month and a half since the night of February 24, when Ukraine was attacked by Russian forces, the nation has been surprising both its adversary, as well as all democratic world, with its strong resistance and will to defend its independence and freedom.

This will has united the Ukrainian people from different regions as never before, strengthened motivation of the Armed Forces, national guard, police and territorial defence forces, empowered volunteer movement and has given impetus to the Western support. The Kremlin's blitzkrieg plan has failed as Ukraine's Armed Forces proved their capacity to resist Russian troops by often relying on [decentralised fighting tactics](#) and undermining the pre-war sceptical forecasts of both the Western and Russian intelligence agencies about Ukraine's ability to resist.

Despite the vulnerabilities of Ukraine's air and missile defences, they have proved to be more effective than many Western military experts have suggested before the war. Kyiv insists that providing it with additional aircrafts and air and missile defence systems needed to "close the skies" over Ukraine could emerge as a game changer in this war. Unfortunately, consensus is lacking where not all Western partners agree with Kyiv's request, expressing concerns about the risk of drawing NATO countries into war or even use of nuclear weapons by Russia.

Ukraine's central and local authorities proved their ability to quickly adjust to stressful transformations and quite effectively work in martial law conditions. A set of toolkits was implemented to guarantee state-sector employees with salaries and those who lost jobs with financial compensations, support for internally displaced people, and to support small and medium business, including tax reduction or suspension as well as liberalization of labour norms for a special period.

Leadership capacities demonstrated personally by Ukraine's President opened him new channels of communication with governments and parliaments of the world powers. Ukraine has succeeded in communication campaign and won the information war both inside the country – the President's actions are supported by [91% of Ukrainians](#) – and in the West.

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But despite the fact that Ukraine has managed to thwart Russia's initial plans to quickly seize the entire state and change regime in Kyiv, difficult challenges remain. The redeployment of Russian troops indicates Moscow's intention to intensify the offensive in eastern Ukraine with the probable goal of capturing all the territories of Donetsk and Luhansk regions, Kharkiv, and possibly other eastern and southern Ukrainian territories. It is possible that the Kremlin still hopes for at least partial fulfilment of its objective to create "Novorussia".

To successfully counter the Russian offensive, Ukraine needs not only the concentration of its own resources, but also more rapid and decisive support from Western partners.

Economic and Humanitarian Consequences

According to Ukraine's Prime-Minister, the state economy contracted by [35% in the first month of the war](#). Losses of Ukraine comprise \$564,9 bn according to the Vice-Minister of Economy of Ukraine, including \$119 bn losses in infrastructure, \$112 bn in GDP, \$90,5 bn in civilian sector, \$80 bn losses of companies and enterprises, \$54 bn in direct investments and [\\$48 bn in state budget](#). Ukraine lost about [30-40% of its metallurgical capacity](#), gas extraction fell by [15% and coal by 30%](#).

The most paralyzing ramifications for Ukraine's future resilience are connected to the rising number of more than [4,5 million refugees](#) who left Ukraine and more than [6,5 million internally displaced persons](#). One out of four people who have left their homes do not know what is the condition of their house now, and [about a half lost jobs](#) according to polls.

The largest number of Ukrainian refugees was accepted by weaker European countries in terms of economic resources /power, including [Poland \(2,594 thousand as of 9 Apr 2022\), Romania \(686 thousand\), Hungary \(419 thousand\), Moldova \(411 thousand\), and Slovakia \(314 thousand\)](#). Some of the refugees transit to other European countries, but millions remain in the states neighbouring Ukraine. Well-thought-out policies by the governments of these states as well as fair financial support from the European Union are needed to avoid possible related social and political negative consequences.

Some Ukrainian cities and towns, such as Mariupol, Volnovakha, and Irpin, as well as many villages, need almost complete reconstruction after being destroyed by Russian airpower. At least hundreds of thousands of Ukrainians have lost their homes and all their property, and are in need of financial support as well as medical and psychological treatment.

Identification and reburial of the dead will be required, including those discovered in mass graves. Ukraine will also need humanitarian support to demine areas where previous episodes of fighting took place and support to overcome severe environmental disasters.

Russia's Emergence as a Pariah State

With a full-scale invasion of Ukraine, Russia demonstrated complete disregard for international law and accepted legal foundations of international relations. You can trace this disregard, starting with repeated [public statements by the Kremlin](#) that Russia will not attack Ukraine, continued distortion and manipulation of the term "genocide", ignoring the International Court verdict from March 16 that demanded Russia to ["immediately suspend the military operations"](#), and prolonging with targeting civilian objects and people in Ukraine, in particular [using phosphorus bombs, war crimes against civilians](#) such as happened in Bucha near Kyiv and [missile strike on the railway station in Kramatorsk](#) at the time when 4,000 civilians awaiting evacuation had been at the station. When taken together the Russian regime has been pushing the country into the club of pariah states.

Russia's unjustified and self-destructive aggression against Ukraine also proved the erroneous calculations of those European and American politicians, and experts, who assessed Russia's behaviour as a rational player in the international arena. Now, having failed to conduct military operations along several fronts simultaneously, the Kremlin's regime resorts to blackmailing with weapons of mass

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destruction. Thus, Moscow proves that with current regime Russia cannot be a part of international community based on law of treaties as well as European security architecture to contribute into which it was [invited repeatedly](#).

By launching a full-scale military adventure against Ukraine, dismissively underestimating the latter's potential for resistance, the Kremlin's leaders by their own efforts destroyed the long-standing narrative of the Russian military as the world's second-strongest power. Moscow tries to hide the enormous manpower and military equipment losses in war against Ukraine naming the figure of [1,3 thousand of killed servicemen](#) by late March, compared to [10 thousand](#) according to the U.S. sources, [7-15 thousand](#) according to NATO and over [18 thousand](#) by April 3 according to Ukrainian sources.

The war also significantly worsened both the political and economic situation in Russia itself. The longer the war continues, the harsher Russian authoritarian regime becomes with rising influence of security sector over all spheres. Censorship in Russia has reached unprecedented level, rivalling the Soviet times with adoption of a law on criminal punishment for public spreading of the so-called "[false information about the use of the Russian armed forces](#)" that actually banned media from reporting truth about Russian war against Ukraine.

The brain drain from Russia has intensified where up to [170,000 IT specialists supposedly flee the country](#) by the end of April. At the same time, amid increasing censorship and propaganda, as well as arrests and intimidation of dissidents (only from February 24 to March 13, [almost 15 thousand people were detained](#) for participating in anti-war actions in Russia), support for the ruling regime is growing among those who remain in the country: 83% supported Putin's actions at the end of March compared to [71%](#) in February according to Levada-Center polls.

The existing imposed Western sanctions target Russian bank and financial sector, industrial capacities, coal exports as well as natural persons assets. [The exodus of 500 foreign companies](#) from Russia (among which are Ford, General Motors, Nissan, Toyota, Volkswagen, Boeing, Airbus, Amazon, Apple, Airbnb, IBM, Intel, Microsoft, Meta (partly), Netflix, Sony, Spotify, Youtube (blocked RU state media), Deloitte, EY, KPMG, PwC, BP, Equinor, Exxon, Shell, TotalEnergies, Visa, Mastercard, American Express, Goldman Sachs, JPMorgan Chase, Western Union, General Electric, retails and entertainment companies, transportation [companies](#)) will lead to increased unemployment and declining production.

In March, S&P cut Russian credit score to "[CC](#)" and predicted a [8,5% contraction of Russian economy](#) and [22% fall of GDP](#) during 2022 with gravest impact on commodity markets, supply chains, investments in the first and second quarters of 2022. In April, S&P moved Russia into the [default category on its foreign-debt credit](#) rating after the government attempted to make a payment on a dollar bond in rubles.

At the same time, Moscow can still count on significant revenues from energy exports. Bloomberg Economics expects Russia to earn nearly \$321 billion from energy exports this year, an increase of more than a third from 2021, if its biggest trade partners continue to buy Russian oil and gas. Thus, under the current level of sanctions, significant foreign exchange inflows into Russia will continue and, according to the Institute of International Finance, could reach a record current account [surplus of \\$240 billion](#).

Of special importance will be the position of China. While supporting Russian political initiatives in the UN and refraining from imposing sanctions, at the same time, China tries to avoid possible secondary sanctions and so far, refrains from supplying military equipment to Russia. It is obvious that Beijing will take into account the results of Russia's military adventure in Ukraine when deciding on its policy towards Taiwan. This feature is further credence why the West must ensure Ukraine wins.

Western Response

Though Western states were united and resolute in condemning the Russian invasion within first hours after the war broke out, but the real assistance in providing ammunition and arms was launched only after Ukrainian Armed Forces (UAF) proved their willingness and capacity to resist. Ukraine has already received shipments of [Javelins, Stingers](#), counter-artillery and counter-drone tracking radars, light anti-armour weapons, grenade launchers and ammunition, machine guns, shotguns, rifles, small arms ammunition, armoured vehicles, personal protective equipment, medical supplies and other support from [25 nations worldwide](#).

At the same time, the urgently needed anti-aircraft and air-defence missile systems to protect Ukraine from Russian rockets and bombs, persists as sensitive issue for discussions among NATO allies. So far, only Slovakia has donated its [S-300 air-defence system](#) to Ukraine. In response to Ukrainian requests for heavy weapons, the Czech Republic has sent [T-72 tanks and BVP-1 infantry fighting vehicles](#) to Ukraine, and Estonia has sent [122-mm howitzers](#) to Ukraine. This is important assistance, but Ukraine needs and expects to receive much heavier weapons from its Western partners.

Among the most contested issues is the scope and dynamics of imposing Western sanctions on Russia. Ukraine's request for quick, tough and overwhelming sanctions is based on the logic of maximum efficiency of sanctions [at the initial stage](#) of their introduction. Tough and fast sanctions in the financial and energy sectors could become a true game-changer together with targeting Russia's efforts to bypass sanctions employing the states of the Eurasian Customs Union, China and some other countries. But if the restrictive measures have the insufficient effect and are implemented on a limited scale, Russia may find ways to bypass them. They included but not limited to exploitation of the internal contradictions among EU member states to undermine sanctions policy, and consolidation support among the Russian population around anti-sanctions rhetoric.

Until Western governments are ready to impose an embargo on Russian oil and natural gas, Moscow will profit heavily from their exports, allowing it to fund military spending and keep the economy from plummeting. To date, the banning of several Russian banks from SWIFT do not specifically impact transactions in energy sector. If hardened, the sanctions may jeopardize dollar-denominated Russian export that can bring China and other actors to search for other payments channels and shrink global dollar-based system of payment.

Regional Security Architecture

Russia's war against Ukraine has revealed the inadequacy and naivety of the EU's previous ideas of "shared neighbourhood" with Russia, which actually meant the existence of "grey zones" on the EU's borders bringing a security deficit in the region. Russia's current regime will always be trying to absorb the "shared neighbourhood" and compromise EU's and NATO's unity by blackmailing with disruptions in gas supply and threatening with any development in the region contrary to the Kremlin's vision with military sabre rattling.

This war has confirmed that NATO should continue to be a powerful compliment of the European security architecture with the U.S. engagement and increased shares of European defence spendings. Germany has finally realized the need to rethink its security and defence policy, and Chancellor Olaf Scholz announced a plan to strengthen the German military, pledging €100 billion of the 2022 budget for the armed forces and promising to reach 2% of GDP [spending on defence](#) in line with NATO demands.

Under the current developments, Central European countries, whether they like it or not, have found themselves at the frontline of the confrontation between the forward-looking modern democratic world and President Putin's archaic authoritarianism. For his part, it is clear his world view is stuck in the past relying on the use of military force to pursue his domestic and foreign policy goals.

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Being immediate neighbours of Ukraine, the Central European countries are supremely preoccupied in peace and stability in Ukraine as well as in the absence of a military threat on its eastern borders. Against this backdrop, it is no surprise they are willing to generate ambitious initiatives like providing Ukraine with a special accelerated path to the EU membership, NATO peacekeeping mission or providing Ukraine with the fighter planes.

While some of these initiatives have sparked debate, the idea of Ukraine's rapid accession to the EU has met with entrenched support from Central European countries, which see it as a guarantee of economic development and stability and their eastern neighbour.

No wonder that it was a neighbouring Slovakia's Prime Minister Eduard Heger who argued that a "totally new track" of European integration should be adopted when it comes to Ukraine, whose people ["are protecting our system, our values and we have to be together with them."](#) Following his return from Ukraine, which he visited on 8 April 2022 along with European Commission President Ursula von der Leyen and High Representative for Foreign Affairs and Security Policy Josep Borrell, Eduard Heger said Slovakia would press hard for Ukraine to become a member of the European Union and gain a candidate status as soon as possible, arguing that ["it is crucial for us that Ukraine wins the war and becomes our stable and prosperous neighbour."](#)

On 8 April 2022, handing Volodymyr Zelenskyy a questionnaire as a starting point for the EU membership negotiations, [Ursula von der Leyen pledged to offer Ukraine a speedier start](#) to Ukraine's bid to become a member of the European Union: ["It will not as usual be a matter of years to form this opinion but I think a matter of weeks."](#)

Given the prospect of building the European Union's own defence and security capabilities, Ukraine's membership in the alliance would also help resolve the security dilemma in the region caused by the reluctance of some old European countries to agree on Ukraine's joining to NATO as well as Russian aggressive stance against the Alliance's enlargement to the East.

Food Security

Food security is one of the direct backlashes of the war that needs to be addressed immediately. Ukraine and Russia are crucial net exporters of grain, corn and sunflower oil with shares of [27% and 15% of the global wheat and corn trade, respectively, and 56% of sunflower oil trade](#). A large share of Ukrainian export usually goes to the least developed countries and rising prices for wheat and corn are already jeopardising their food security.

Sowing campaign and harvest in Ukraine are jeopardised – harvest losses are estimated as [30-50%](#) compared to 2021 according to Ukraine's PM, 30% of lands are now being turned into mined fields instead of agriculture production. The situation is being aggravated by fuel deficit as a result of Russia's destruction of Ukrainian fuel depots, security concerns for farmers, blockade of Ukrainian sea trade by Russia as well as naval mines in the Black Sea. Should global supply gaps take place, the food prices can be [by 8% to 22%](#) above their already elevated baseline levels according to FAO.

Russia and Belarus are among top exporters of [nitrogen, phosphorous and potassium fertilizers](#). Belarus outputs are under sanctions while Russia bans fertilizers export exactly in time of sowing campaign within its blackmailing policy.

The direst political and social ramifications are expected in Yemen and Somalia as well as countries of sub-Saharan Africa. If not addressed right now, the world will face further consequences like aggravated poverty, weakening social institutions, medical expenditures, lower living standards and productivity, rising social competitiveness resulting in political riots. According to the Head of the IMF food shortages caused by the war can shape [preconditions for civil unrests](#) that could actually become a new "Arab spring" with huge number of refugees fleeing in Europe.

Energy Security

War against Ukraine should become a turning point in the EU's path towards reducing its independence on Russian hydrocarbon export revenues from which fuel the aggressive authoritarian regime, military build-up, propaganda and human rights violations in Russia. Emergency and acceleration in cutting the supply of Russian gas, oil, coal lies within the European Green Deal goals, in particular corresponds with the package of legal changes "Fit for 55" with ambitious plans to cut greenhouse emissions by 55% by 2030.

Blackmailing by Moscow with gas prices and demands to pay for the gas supply in Russian roubles in breach of existing contracts should become an additional push for diversification of supply – from Norway, the U.S., Qatar and other countries – as well as more LNG installations. While Spain, Italy, France, the Netherlands and Belgium become the leading states with LNG capacities, Poland, Croatia and Baltic states could contribute to Europe's energy security developing their own capacities, including through activity within the Three Seas Initiative.

Being traditionally a country with energy-intensive industries, Ukraine faces a sharp demand for energy independence. From 2015, Ukraine ceased buying gas directly from Russia but actually remained dependent on its virtual reverse supplies. The main source of intense energy consumption in Ukraine are metallurgical enterprises that demand modernization of technologies with more relying on alternative energy.

More recently Ukraine has been integrated into a [European single electricity grid](#) that could make Ukraine an exporter of electricity to the EU in future. While Ukraine is heavily dependent on Russia in importing fuel for nuclear power stations ([62% came from Russian company TVEL and 38% from the U.S. Westinghouse](#)), the nuclear regulator Energoatom has declared its intention to suspend imports from Russia and [increase procurement from Westinghouse and produce fuel assemblies in Ukraine](#) aimed at nuclear energy production independence from Russia.

Recommendations

- ▶ No matter how the Russian-Ukrainian war ends, it should never be forgotten that Moscow will never stop trying to establish control over Ukraine while the latter is in the so-called "grey zone". In this regard, Ukraine's rapid accession to the European Union could become an effective safeguard against a new round of Russian aggression against Ukraine.
- ▶ The European integration perspective will accelerate the process of bringing Ukrainian refugees back to their homeland as they will see a clear vision of the own future there. This will ease the economic and social burden on the EU countries that have received the most refugees from Ukraine.
- ▶ The largest number of Ukrainian refugees was accepted by weaker countries in terms of economic, including Poland, Romania, Moldova, Hungary and Slovakia. Well-thought-out policies by the governments of these countries as well as fair financial support from the European Union are needed to avoid social and political complications caused by competition at the labour market, possible rise of anti-immigrant sentiments, speculations by populist parties and other related issues.
- ▶ Effective information work of the countries that have accepted Ukrainian refugees is needed, to promote tolerance among its own citizens and to avoid the growth of anti-immigrant sentiments and speculations on them by populist parties. There is also a need for effective outreach to Ukrainian refugees on the laws and traditions of their countries of temporary residence, to help them avoid unintentional violations.

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- ▶ It is important to consider those sanctions mechanisms and arms supplies that could become a true game-changer and quickly stop Russian aggression against Ukraine. The West should avoid a scenario of protracted war of attrition as such developments will deplete Ukraine's resources and harm EU's own economy, while Russia will profit from the opportunity to gradually undermine European unity including on the issue of sanctions.
- ▶ The West should pre-emptively elaborate alternative ways of supplying Ukraine in case Russia destroy or obstructs the existing roads and railway routes, while the marine routes are already blocked by Russian fleet and naval mines in the Black Sea.
- ▶ It is important that the West is ready to immediately help Ukraine overcome the economic and social consequences of the war. As long as Ukraine remains weakened by the devastation of war, the Kremlin will be tempted to resume attempts to conquer it.
- ▶ Due attention should be paid to the threats to food security in the world resulting from Russia's aggression against Ukraine. The world community must vigorously raise the issue of the inadmissibility of the deliberate destruction of Ukraine's economic capabilities, including those related to food security, such as warehouses, fuel depots, etc.
- ▶ A consolidated policy of the EU and the partner countries, including Ukraine, is needed to get wean dependency on Russian energy supplies. This policy should be based on pan-European solidarity, assistance to weaker countries, taking into account the interests of all the EU members and partner states, and be guiding by the European Green Deal.
- ▶ Experience of Ukraine's resistance to Russian full-scale invasion is important to European medium and small countries as an example of confronting a prevailing military and economic adversary through implementing nation-wide synergies. Ability of Ukraine's central and local authorities to quickly adjust to stressful transformations and effectively work under unfavourable conditions, including in economic, social and information spheres is also worth study.