

Reviewing the geopolitical impacts and priorities resulting from the multidimensional war between Russia and Ukraine

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SecDev

The Russian-Ukraine war has shattered the post-Cold War security order. It marks the end of one era and the beginning of a new one. Notwithstanding the exceptionally positive performance of the Ukrainian armed forces and strategic and tactical errors committed by the Russian military, it is unlikely to be a short war. Rather, the war is likely to be protracted even if punctuated with periodic pauses, ceasefires and truces. So long as both parties feel they can win, a negotiated peace deal and associated guarantees will remain a distant prospect. As of this writing, a more likely outcome is a [frozen conflict](#) with parallels to unresolved disputes in Abkhazia, South Ossetia, or even the Korean Peninsula and Kashmir.

Russia's invasion of Ukraine marks an emphatic return to an era of great power conflict - the norm of international relations. Indeed, the period between 1989 and 2014 - known colloquially as the "[short peace](#)" - was an historical anomaly. The decline in the intensity and frequency of international and internal conflicts coincided with US and NATO hegemony, unbridled globalization, low inflation and steadily rising stock-markets, albeit with major financial crises. In many ways, the short peace masked greater power competition including the spectacular rise of China. Given the many [systemic risks](#) on the horizon, the European Union (EU) will need to brace itself for tough years ahead as the world gets hotter, poorer and angrier. Preparing EU citizens for a long war is a priority.

There are at least four dimensions to the Russian-Ukraine war that are contributing to cascading global consequences. The most obvious is the military confrontation in eastern and southern Ukraine with over [40 western countries](#) providing equipment and material. Added to this is an energy war that escalated in September 2022 when Russia

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[severely curtailed](#) oil and gas exports to EU countries which in turn hastened a scramble for hydrocarbons and the transition to green alternatives. There is also an economic war that includes unprecedented [western sanctions](#) against Russia and rising inflation and food insecurity globally. And there is a raging political war, complete with online disinformation and misinformation operations to diminish resolve and bolster support. Added to this is a cyber conflict that is [targeting Ukraine](#) specifically, but also involves ransomware and denial of service attacks worldwide.

The impacts across Europe

The geopolitical and geoeconomic fallout of the Russian-Ukraine war is radiating out across the world from Europe to the Middle East and North Africa, Asia and the Americas. Starting with Ukraine, the war has already resulted in thousands of civilian and combatant casualties, though [precise figures](#) are not known. At least 12 million Ukrainians have been forcibly displaced, at least 6 million of them across an international border to countries across the EU and North America. The country's GDP has contracted by over 15 percent and the World Bank [conservatively estimates](#) that reparations will cost almost \$350 billion.

As for Russia, the war has severely degraded its military and industrial capacities, including the deaths of tens of thousands of soldiers. By cutting off Russian banks from international markets and reducing access to western technology, sanctions have contributed to a 5 percent contraction of the economy and forced a default on foreign debt. The west has also cut off access to about \$300 billion in foreign currency and gold reserves. The impact of these restrictions were not as severe as expected owing to energy revenue, but the [longer term prognosis](#) is dark. Should Russia experience further set-backs in its war effort and rising threats to regime integrity, it may also escalate its attacks on Ukraine. The risks of tactical nuclear weapons use or an intentional strike against a nuclear reactor, while low, are rising.

The EU and its neighbors face a perfect storm of rising costs of living, inflation and an energy security crisis. The EU's rapid recovery from COVID stalled and regional growth is expected to decline from 2.6 percent to 1.2 percent by 2023. The combination of massive military spending, disbursements to shield against the economic impacts of the



war, and increasing energy prices will likely lead to a recession in the near term. Notwithstanding talk of unity and solidarity in the bloc, cracks are also emerging as winter approaches and countries ranging from Italy to Sweden vote-in right-wing anti-immigrant populist leaders. As the economic burden of the war accumulates and refugees are unable to return to Ukraine, political division and polarization is likely to follow.

The aftershocks are even more severe in neighboring countries of the West Balkans and Central Asia. Significantly poorer than EU members, most of them are highly dependent on Russian and Ukrainian commodities and are facing simmering domestic challenges of their own. Accession talks to the EU have stalled on account of the pandemic and rising tensions with Russia, opening up political rifts and disagreements. There are fears that Moscow could try to exacerbate cleavages and destabilize countries from Albania, Bosnia and Herzegovina, Montenegro, North Macedonia and Serbia - what is often described as the “[soft underbelly](#)” of Europe. Indeed, it is already punishing countries that align western sanctions - from Albania and Georgia to North Macedonia and Montenegro. The EU must keep accession negotiations moving without delay.

Cascading global effects

The [global impacts](#) of the Ukraine-Russian war are far-reaching. Over 141 countries demanded an end to Russian actions in a [UN General Assembly resolution](#) in March 2022. Just four countries supported Russia, including Belarus, Eritrea, North Korea and Syria. Crucially, however, over 35 countries abstained from taking a side, including India and China. As the war drags on, most UN member states are focused on consequences, not causes. Owing to its [seismic impact](#) on global supply chains and impediments to the flow of goods, billions of people are facing a cost of living crisis, inflation and food security risks. Complicating matters, Russia is mobilizing disinformation campaigns around the world essentially blaming the EU for causing the global food crisis.

Among the most vulnerable regions are the [Middle East and North Africa](#) as well as [Sub-Saharan Africa](#). The secondary effects of the war are exceedingly serious for oil



and wheat dependent countries such as Egypt, Ethiopia, Lebanon, Somalia and Yemen. The FAO claims that the food price index reached a new high in March 2022, which can coincide with rising protests and regime change. Over half of the African continent - some 25 countries - are dependent on wheat imports from Russia and Ukraine to meet basic needs. The combined effects of a prolonged drought and disrupted food chains means that over 276 million people are severely food insecure. The war is driving up food, energy and finance shortages and could lead to catastrophic hunger, social unrest and mass migration.

The impacts are also spilling into [Asia](#) and the [Americas](#). Food-dependent countries such as Indonesia, Bangladesh, Mongolia, Myanmar, Pakistan, Thailand, Sri Lanka and Vietnam are facing food security crises due to shortages in everything from vegetable oils and wheat to fertilizer and fuel. Protests from Sri Lanka to Pakistan are already resulting in political unrest, aggravated by shocks and stresses generated by climate crises. Some countries are imposing embargoes and ramping-up food subsidies. Countries such as Brazil, Chile, Colombia, Central America, Mexico and Haiti are also affected by rising food prices, though some are [taking short-term advantage](#) of high commodity prices.

Eight priorities for the EU

The EU will have to step-up to manage complex internal and external challenges. SecDev has identified at least eight priorities. At the most general level, decision-makers need to recognize the multidimensional nature of the ongoing war. It is not isolated to Ukraine and Russia or even NATO member states. Rather, it is being waged across military, energy, economic, political and of course digital theaters spanning the globe. The dynamics of the war are also compounded by a host of systemic risks, not least accelerating climate change and massive digital transformation and cyber-related threats. These dynamics create a vastly more complex terrain for the EU, but also creates new opportunities.

First, the EU must ensure sustained dual-track support for Ukraine on both the military and economic fronts. The EU alongside countries such as Germany, the UK, Poland, France, Norway and Italy have collectively provided [roughly €20 billion](#) of



military, humanitarian and economic support between February and August 2022 (compared to over €45 billion over the same period from the US). This includes a European Commission [package of €9 billion](#) in loans and grants expected by September 2022. Despite EU assurances of a [long-term commitment](#), Ukraine needs the equivalent of €8-9 billion a month just to stay afloat. Given that a successful Ukraine campaign is essential for EU survival, the bloc needs to clearly communicate its commitment both externally and internally.

Second, the EU must step-up its counter messaging and cybersecurity strategies to detect, deter, disrupt and dismantle disinformation and digital harms. Russia has falsely blamed Ukraine and the EU for the global food crisis in what the latter [describes](#) as a battle of narratives. Russia has also massively stepped up its cyber attack operations across the EU and around the world, targeting government services, public utilities, critical infrastructure and private businesses. In addition to fielding a regional cyber security unit (ENISA), EU member states are home to more than 60,000 cyber security companies and 610 centers of cyber excellence. The bloc should scale-up measures to build cyber defense in depth, including through public-private partnerships.

Third, accession of key Southeast and Eastern European countries is more important than ever. Accession negotiations with Albania (since 2022), Montenegro (since 2012), North Macedonia (since 2020) and Serbia (since 2014) are ongoing. Other key countries such as Bosnia and Herzegovina, Georgia, Moldova and of course Ukraine have also submitted applications. While there reforms are required and issues related to corruption, human rights standards and democratic commitments must be addressed, accelerated membership is essential. Notwithstanding fears that candidate countries could serve as “trojan horses” for Russia, Europe must work toward achieving political unity and coherence and lock Russia out of the debate over the future of Europe.

Fourth, scaling-up food security and food resilience are critical to avoiding mass hunger and famine. More than 60 countries are struggling to pay for food imports with particularly severe challenges facing the Middle East and the Horn of Africa. The Russian-Ukraine-Turkey and UN agreement to restart food exports from Ukraine helped reduce wheat and grain prices, but food shortages and uncertainty in commodity prices



together with extreme weather events and supply chain disruptions will keep food costs high. The [WFP alone](#) has received just \$8 billion of requested \$22 billion. The EU has committed approximately €2 billion, including [€600 million](#) from the European Development Fund for African, Caribbean and Pacific countries. While food relief is critical, the emphasis must increasingly shift to sustainable production, resilient food systems and macro-economic support to manage future shocks and stresses.

Fifth, debt relief and restructuring are critical to support the most indebted countries. The Russian-Ukraine war is making it harder for many lower and middle income countries to meet their debt payments to foreign creditors. Many of these countries incurred massive debts during the past decade owing to low inflation and interest rates as well as the COVID-19 related pandemic. In order to avoid defaults and crises, the EU will need to work with the IMF, World Bank and G20 to ensure that issues of debt relief are fully addressed. The EU can also explore trade liberalization and preferential trade agreements, especially in its neighborhood, to avoid the resort to protectionism.

Sixth, energy security depends on a clean energy transition. Russia turned off the tap and is precipitating a dramatic scramble for oil and gas reserves as well as a determined focus to diversify supplies to LNG, hydrogen, wind, solar and other renewables. In the short-term Europe is expanding supplies with support from Algeria, Norway, Qatar, the US and Africa. In the medium- to longer-term, Europe is also strengthening its energy supply chain, including securing the production and processing of critical minerals and rare earths. Examples include the 2020 [critical raw materials action plan](#) and [raw materials alliance](#), a 2021 [strategic partnership with Canada](#), and a [minerals security partnership](#) with the US and others. Europe recognizes that market solutions alone are insufficient and will need to provide incentives as appropriate.

Seventh, the EU must maintain relations with China. Despite the fact that it is facing major risks, the Chinese economy remains critical to global stability. European relations with China are better than US relations and the EU has a key role to keep China from military adventurism. EU members will need to walk a delicate path given human rights concerns and political pressure from the US to disengage. Ultimately, Europe will need to carve out its independence when it comes to resources and industrial strategy and reduce its dependencies on China for rare earths. However, the EU will need to



[continue dealing with China](#) as both a partner for cooperation and negotiation, as an economic competitor and as a systemic rival.

Finally, the EU will need to find ways to constructively engage with Russia and Russians regardless of how the war ends. Russia is a member of the UN Security Council and holds half of the world's nuclear weapons arsenal. Even if significantly diminished and degraded, it will be a political and physical reality in the wake of a negotiated settlement, regime collapse or both. Powerful revanchist and reactionary forces will remain. While war crimes and reparations arrangements will be required, the EU must avoid an overly punitive response as this would repeat the mistakes of the First World War and fail to learn the lessons of the Second World War. Precisely because of its hydrocarbons, critical minerals, positioning in the Arctic and weapons systems, Russia will remain a player.

