**Impact of the Russia-Ukraine War on the Economy**

When countries indulge into war, it is not just the countries that are involved that suffer the consequences of war. In the recent war of Russia vs Ukraine, the economy of many countries has been affected. Russia’s invasion of Ukraine is an unmitigated catastrophe for global peace and particularly for peace in Europe. But the war also greatly compounds a number of preexisting adverse global economic trends, including: **rising inflation, extreme poverty, increasing food insecurity, deglobalization, and worsening environmental degradation.**

**Poverty and food insecurity**

Ukraine is now one of the most food-insecure countries in the world, despite being one of the world’s biggest exporters of crops, such as maize, barley and wheat, before the war. The United Nations (UN) World Food Programme estimates that one in three Ukrainian households is food-insecure, rising to one in two in some areas of the east and south. Poverty in the country soared from 5.5% of the population to 24.2% in 2022, according to the World Bank.

The conflict has hit food security around the world. Before the war, Ukraine and Russia were together the world’s largest exporter of wheat – responsible for over a third (36%) of wheat exports.

**Rising Inflation**

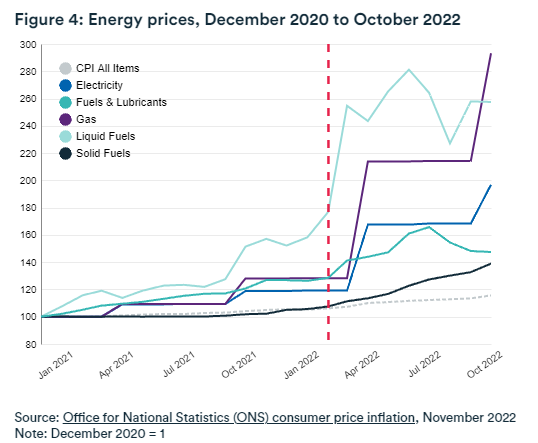
Supply chain disruptions have been a major contributing factor to inflation. Prior to the conflict, Russia and Ukraine combined accounted for a quarter of global wheat exports, and Russia is a major supplier of fossil fuels, especially to Europe. Disruptions to supplies of these commodities are driving up prices.

**Agriculture**

The decline in Ukraine’s agricultural sector has been especially harmful. Ukraine and Russia were the biggest producers in agriculture and food globally. Before the war, 55% of Ukraine’s land area was used for arable farming. In this highly fertile country, agriculture employed 14% of the population and accounted for 45% – or $22.2 billion – of its export revenue (International Trade Administration, ITA, 2022).

**Energy**

During the first two weeks of the war, the European oil benchmark – increased by more than 25%. By the end of March, European gas prices were around 580% higher than a year earlier, although they have fallen back since then.



**Markets**

*Russia is the world’s eighth-largest economy***.** The total dependence of a particular industry on Russia can be measured by the weight of exports to Russia and imports from Russia within that industry’s total output. As a leading exporter of oil and gas, as well as other minerals and metals, Russia’s economy is highly sensitive to swings in world commodity prices.

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**Culture**:  
The systematic destruction of Ukrainian cultural sites as a result of Russia's invasion. There have been 339 sites across Ukraine that have sustained substantial damage since the invasion, including theaters, museums, churches, libraries, and other cultural landmarks. The destruction ranges from structural damage requiring reconstruction to complete demolitions. The article explores whether the destruction was deliberate, with some sites intentionally targeted by Russian forces or pro-Russian separatists, while others were collateral damage. President Vladimir Putin's denial of Ukraine's cultural identity and the assertion that Ukraine has no distinct culture is highlighted as a potential motive for the destruction. The report focuses on four specific sites, including the Sviatohirsk Monastery, which suffered significant damage, and the Railway Workers' House of Science and Technology in Lyman, reduced to ruins. The destruction is portrayed as a cultural war, reflecting the historical and geopolitical complexities between Russia and Ukraine.  
  
The war in Ukraine has had a profound impact on the country's cultural landscape, extending beyond the physical destruction of cultural sites. The conflict has disrupted and altered various aspects of Ukrainian culture, influencing the way people express, preserve, and perceive their heritage. Some key effects include:

Loss of Cultural Heritage: The destruction of theaters, museums, churches, and other cultural sites represents a tangible loss of Ukraine's historical and artistic heritage. The obliteration of these sites erases physical connections to the past and disrupts the continuity of cultural traditions.

Displacement of Cultural Communities: The war has led to the displacement of communities, including artists, intellectuals, and cultural practitioners. Many individuals have been forced to flee their homes, leading to a dispersal of cultural communities and a disruption of local artistic scenes.

Impact on Language and Identity: The conflict has intensified debates over language and identity in Ukraine. The assertion of a distinct Ukrainian cultural identity has become a crucial element in the resistance against the Russian invasion. Efforts to preserve and promote the Ukrainian language and cultural symbols have gained significance in the face of external threats.

[How the Russia-Ukraine conflict became a cultural war](https://abcnews.go.com/International/russia-ukraine-conflict-cultural-war/story?id=97332345)

[A CULTURE IN THE CROSS HAIRS](https://www.nytimes.com/2012/12/03/opinion/global/cultural-sites-must-be-protected.html)

**THE IMPACT OF RUSSIA-UKRAINE WAR ON WORLD POLITICS**

**1.** **GEOPOLITICAL TENSIONS**

- Middle East countries have taken a relatively neutral position on the Russia-Ukraine conflict and have not joined US sanctions or the camp against Russian. Instead, they have made choices based on their national interests, reflecting their strategic autonomy. Meanwhile, due to the intensification of the strategic game between the US and Russia surrounding Ukraine, the strategic ability and willingness of both sides to influence the Middle East has been limited by the conflict. Major powers have thus taken a measured and balanced approach in attempting to influence the Middle East, and the strategic game of global powers in the Middle East is deepening.

- The conflict goes beyond political violence between Russia and Ukraine to encompass a complex struggle and game between Russia, the US, and Europe. Specifically, as the US strives to consolidate, adjust, and reorganize its global ally system through the Russia-Ukraine conflict, it is also turning the conflict into a special platform for repairing and maintaining American hegemony.

**2.** **NATO RELATIONS**

- A 21st century war in Europe – led by a nuclear power- is pushing the world toward realignment. It has rattled NATO , the European Union and the U.N. , forcing countries to take sides in ways that have led to escalating tensions and diplomatic shifts. For example, Turkey, despite being a NATO member, has increased trade with Russia since the start of the war and has thrown up objections to allowing Sweden and Finland into the alliance.

**Germany** - China’s Leader Xi Jinping and German Chancellor Olaf Scholz agree that any use of nuclear weapons by Russia would cross a red line.

**China -** Ties between China and Russia remain strong despite international outcry over war in Ukraine

- The U.S sanctions a Chinese company for allegedly providing satellite imagery to aid Russia’s Wagner Group mercenaries fighting in Ukraine.

**Sweden** - independent of NATO since its inception, announces it will seek membership in the alliance following the Ukraine invasion.

**Finland -** shares a long border with Russia, announces its desire to joining NATO.

- What is NATO and why does it exist?

NATO is a defensive alliance of 31 countries from Europe and North America. It exists to defend its member countries and their one billion citizens. It does this by bringing together the governments and the armed forces of the 31 Allies, and by providing a security guarantee that an attack on one of them is an attack on all of them.

- Is Ukraine a NATO member?

Ukraine is not a NATO member. Ukraine is a NATO partner country which means that it cooperates closely with NATO but it is not covered by the security guarantee in the Alliance’s founding treaty.

**3.** **REALIGNMENT - SHIFTING ALLIANCES**

The realization of a major war breaking out in Europe after almost eight years of a simmering conflict created a political constellation of three different groups of nations: those who sided with Putin’s Russia, those who pledged support to Ukraine, and a group of non-aligned nations resisting involvement and/or hedging their bets.

European Union (EU) states were quick to respond with major sanctions and action against Russia. Despite some fragmentation – for example, on the oil price cap, and Germany’s reluctance to send tanks and other weaponry, the bloc has mainly remained together, against Russian expectations and hopes. ‘The EU has shown resolve and, at times surprising, unity in its response to the war,’ says Pepijn Bergsen, research fellow in the Chatham House Europe programme.

The UK has been keen to stress its ‘special relationship’ with Kyiv with a desire especially by former prime minister Boris Johnson to lead the pack with strong rhetoric and military support. The opportunist move, says Chatham House UK in the World Initiative director John Kampfner, is an obvious promotion of its post-Brexit ‘Global Britain’ credentials.

Elsewhere, there was less solidarity with Ukraine. Putin predictably called in favours of old allies, such as Syria’s Bashar al-Assad and Belarus’s Aliaksandr Lukashenka and entered a closer strategic relationship with Iran.

A week after the invasion, the UN General Assembly resolution condemning Russia’s aggression was passed by an overwhelming majority. However, there were 35 abstentions, among them three Commonwealth states – South Africa, Pakistan, and India. In Asia, only a handful of governments stood strongly with Ukraine – Singapore, South Korea, and Japan. The region’s largest rising powers – China, India, and Indonesia – have all refused to take a side.

**4.** **ENERGY**

Russia is one of the world’s largest producers of oil and fuel. Russia’s conflict with Ukraine has caused disruption in supply for both developing and developed countries. The most fundamental change has been Europe’s shift away from reliance on Russian gas. Europe reacted to the supply disruption in two ways; looking for its gas elsewhere and accelerating the move to renewable energy. Pre-2022, the EU pledged to reduce emissions by 40 percent and attain 32 percent renewables. The war has seen those targets raised to 57 percent and 45 percent respectively.

**5.** **SECURITY - redrawing the lines**

Russia has more nuclear weapons than any other country. Its attack on Ukraine has notably reenergized NATO, with the US and other member states funneling tens of billions of dollars worth of military equipment into Ukraine. Early weapons deliveries included anti-tank rockets such as the U.S. made Javelin. In the latest moves, the US, Germany, and Britain have promised state-of-the-art tanks.

**South Korea -** NATO’s secretary-general has called on South Korea to supply military assistance to Ukraine, stressing Kyiv’s “urgent need” for more ammunition but Seoul refused.

**Turkey-**  Despite being a NATO member, Turkey has refused to join Western sanctions against Russia or to supply Ukraine with weapons, instead pushing the two to begin peace talks.

**Germany-** After months of resistance to the idea, Germany agrees to donate state-of-the-art Leopard 2 tanks to Ukraine to help in the fight against Russia

**South Africa-** Despite international criticism, South Africa goes ahead with joint militart exercises with both Russia and CHina

**North Korea-** Russia’s desperation for weapons to keep fighting Ukraine led the Kremlin to buy arms from North Korea, according to US intelligence.

**Iran -** acknowledges for the first time that it provided Russia with attack drones but maintains it has delivered only a few

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