

A Review on the Impact of Russian-Ukraine War on the Global Economy

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Abstract: *The widespread assumption across the world is that the universal cash penalties imposed on Russia, as well as the confiscation of property and other assets owned by oligarch cronies of President Putin, will seriously harm the Russian economy and prevent any more attacks on Ukraine. This is rational thinking, but the problem has far-reaching consequences for the global economy. Thus, the goal of this research is to examine the economic impact of the 2022 Russia-Ukraine conflict on key global economies. This study employs the social contract and interest group theories to understand the origins of the crisis. According to the studied literary works, while the ramifications of this crisis have proved catastrophic to Russia's economy, the global economy is beginning to suffer the effects. Rising Prices, which has already wreaked havoc on many nations, is slowly rising as a result of huge increases in oil, natural gas, and food prices within the first few days into the crisis. Experts forecast a decline in consumption by households, higher volatility, erratic stock fluctuations, problems with supply chains, soaring power prices, reduced investment owing to risks associated with politics, and economic expansion barriers. The study used the social contract theory and interest group theory as the primary lenses for analysing its effect on the global economy. It revealed some consequences, such as food scarcity, a diminishing stock market, company liquidation, and rising commodities costs and amongst all the study recommended that it is high time for the war to come to an end with mutual assurance from both parties.*

Key words: Russia, Ukraine, Crisis, Economy,

INTRODUCTION

Even after the December 1991 secession vote, the issue of the autonomy of Ukraine remained debatable owing to Russia's extended and obvious hesitation (Jones, 2022). Following the collapse of the socialist system, the Soviet Union's erstwhile eastern European allies have gradually merged into westerners organisations such as the EU and NATO. Russia, on the other hand, refused to recognise the first groundbreaking ousting of the legitimately elected Yanukovich administration and the deepening of Ukraine's western inclination (Pabriks & Kudors, 2015, p.78).

The international community has repeatedly highlighted Russia's animosity against Ukraine (Charap & Darden, 2014). Ukraine was of critical relevance to Russia, and as a result, Russians saw it as extremely crucial. Historical researchers, political scientists, intellectuals, media professionals, and political figures have emphasised the importance of addressing the Ukrainian-Russian relationship (Sol'čanyk, 2001, p. 1). Since the demise of the Soviet Union, the Ukrainian-Russian connection has been unusual, unstable, and conflicting.

The Ukrainian-Russian attachment has been strained by various issues, including the disposition of Soviet Union assets and bankruptcy, Ukraine's substantial petroleum debt, NATO's towards the east enlargement, border distinction, and the current circumstances of the Russian minority in Ukraine (Sol'čanyk, 2001, p. 9). According to Malyarenko and Wolff (2018), Russia uses "violent dispute resolution between nations in its termed near overseas as an approach to broaden its grip in the post-soviet room while simultaneously diminishing that of the west." Moscow opts for a secure and cordial community and seeks to steer clear of a reliable but resentful pro-western neighborhood..

These writers also highlight Ukraine's fragility as it is pushed/pulled from various sides, including the EU and NATO in the west and Russia in the east, as well as internal roadblocks such as a socioeconomic crisis, poor structures, and inside split. The late 2013 protest in Ukraine in response to its government's refusal to enter into a new agreement with the EU drew worldwide focus but

also created significant obstacles to its autonomy, resulting in increased instability within the country (Dragneva-Lewers and Wolczuk, 2016).

The demonstration resulted in not only President Yanukovich's evacuation from Ukraine, but also Russia's seizure of Crimea and the proliferation of separatist organizations in eastern Ukraine in an attempt to safeguard the cultural Russian minority (Korovkin & Makarin, 2019). The 2014 Ukrainian crisis resulted in the overthrow of President Viktor Yanukovich (a Russian ally); the finalization of an economic pact with the EU as the first step toward participation by the interim leadership (pro-western) in February; and Russia's capture of Crimea in April of that year.

Russia, Ukraine, France, and Germany ratified the Minsk agreement (cease-fire) during 2014 and 2015, and Volodymyr Zelensky (former performer) was elected President of Ukraine in April 2019 (Bigg, 2022). In January 2021, President Zelensky demanded membership in NATO, prompting Russia to gather forces at Ukraine's borders under the guise of a drill, resulting in rising tensions between Western countries, Russia, and Ukraine, culminating in the Russian takeover (distinctive military service tasks) of Ukraine on February 24, 2022. In reaction to the current assault, Ukraine's western allies imposed severe financial penalties on Russia, including limits on Russia's central bank the ejection of significant institutions from the primary foreign transaction network" (Aloisi & Daniel, 2022). It is safe to say that this situation has had a detrimental impact on the international financial system because nations are linked in a variety of ways in an endeavor to enhance their economies.

STATEMENT OF THE PROBLEM

Russia's 2022 assault on Ukraine, as well as the significant financial harm on Russia as a result of the harsh fiscal penalties imposed on it, "are additionally causing a fiscal catastrophe for Russian President Vladimir Putin. The consequences are also threatening the global economy, roiling the financial sector while rendering living more dangerous for all" (Wiseman, 2022). Russia and Ukraine are key exporters of oil, natural gas, coal, wheat, and other commodities on the worldwide market. According to Mark Zandi, chief economist at Moody's Analytics, both countries generate 70% of worldwide neon, a critical element in the fabrication of semiconductors, causing concern in the current crisis as nations, particularly automakers, are already experiencing a scarcity of computer chips. Zandi also discovers that these two nation-states account for 13% of the world's supply of titanium, which is used in the manufacture of travelers jets, as well as 30% of the global availability of palladium, which is utilized in autos, cell phones, and oral fillings, demonstrating the effects of this trouble on the global supply chain (Wiseman, 2022).

Multiple research studies have already been published on the consequences of prior Ukraine-Russia confrontations before the present crisis in 2022. Korovkin and Makarin (2019) investigate the economic consequences of the 2014 Russia-Ukraine conflict, noting that trade continued between the two countries despite the outbreak of the conflict. Given that the 2022 Russia-Ukraine conflict is ongoing and information is continually being updated through various news sites, very little academic literature has been compiled on it. Furthermore, much focus is being paid to the consequences of the present Russia-Ukraine conflict on both Russia and Ukraine. As a result, the goal of this research is to compile the most recent data on the present worldwide economic impact of the crisis.

Remote and Immediate Causes of Russia-Ukraine War

Decision-Making Level

Political psychologists believe that a leader's character along with expertise have a significant impact on the choices they make. The strategic examination of the origins of the war focuses on Vladimir Putin, whose family history, childhood events, and past involvement in the USSR's Intel agency influenced his foreign policy judgments. Putin was born into a family of four and grew up in Leningrad (now Saint Petersburg). His parents saw and weathered the Siege of Leningrad, WWII's fiercest fight and the darkest period in contemporary Russian history (Huang, 2017).

The occupation of Leningrad, which killed 670,000 people, including Putin's elder brother, made a lasting influence on Vladimir Putin and transformed him into a survivor battling for protection in an unfriendly setting. The time spent in Leningrad also shaped

Putin's personality, making him an ambitious and uncompromising individual (Bihongye, 2022). Putin was fascinated by history in college and continued reading it avidly after graduation. Dmitry Peskov, Putin's press secretary, stated that Putin continues to read, primarily about Russian history.

He analyzes autobiographies, specifically biographies of Russian contemporary state leaders. Putin also joined the KGB while in college (Fiona & Clifford, 2015). Putin's special time at the KGB, the disbanded Soviet Union's espionage organ, created in him a desire to act not only effectively, but also forcefully, when he believes national interests are at jeopardy (Putin 2014). As a KGB official, he tended to retain the established state machinery to maintain leaders in charge rather than leading an uprising to remove or topple them (McFaul, 2020). Putin's propensity to preserve Russia's current position was also highlighted in his remarks when he became president; Russia has exceeded its ceiling in terms of political and socioeconomic tsunamis, catastrophic events, and profound reforms.

Just zealots or political groups who are utterly unconcerned about the future of Russia or its populace are advocating for another uprising. He also defended the KGB even when the Russian populace was distrustful of its credibility, claiming that only cowards would trash an organization that safeguarded their nation (Wang, 2000). History was always a valuable weapon for Putin during his tenure as president and prime minister of Russia, as he frequently cited historical events and commonalities between himself and cherished Russian icons to support his political choices or legitimize his stances. In 2011, one of Putin's preferred quotes was a translate of Nicholas II's prime minister: "We do not need great chaos; we need an outstanding Russia" (Fiona & Clifford, 2015). He also referred to the Uvarov doctrine of Russia's "official citizenship," which includes "orthodoxy, autocracy, nationality," but preventing the elimination of elements.

Putin's veneration of history and Russia's background was undoubtedly one of the factors why Putin was so irritated by Ukraine's color change and its choice to adhere to NATO, a significant section of the former Russian state that was separated from Russia's area of operation (McFaul, 2020). Putin's knowledge of Russian empire history fueled a personal fixation with reclaiming or bringing former Tsarist Russia regions, such as Ukraine, under Russian power. According to his upbringing expertise, Putin was a survivalist who was considerably more sensitive to Russia's defense than earlier Russian presidents and considered Ukraine as one of Russia's most important concerns.

Russian Conservatives

Aside from public backing, Russia's conservative elites, who are obsessed with Russia's status as a great power, favor Russia attacking Ukraine because Ukraine is a crucial aspect of Russia's great-power character. In Russia's contemporary history, the pursuit of greatpower status has been a vital component in the formation of the country's international character, as well as the core of its strategic culture and the foundation of its expansionist policy (Bihongye, 2022). The particular orthodox-slavic civilization, created by the Byzantine orthodox church and Mongol control, served as the basis for the concept of a powerful Russian state.

The Russian Orthodox Church acquired the Byzantine concept of 'royal reverence' and derived from it the supposedly Moscow-third Rome theory and the eschatological vision of redemption, which became the foundation of Russia's push to pursue the position of great power (Bihongye, 2022). While the impetus was strengthened by the Russian empire's continuous expansion, the idea of becoming an influential country has been passed down via centuries of Russian elites and has grown into a part of their self-image since the reign of Peter the Great and Empress Jekaterina. In the view of Russian the wealthy, the identification of immense power refers to having vast arsenal of weapons and recognition from surrounding countries and other strong powers of its status and zone of influence.

While Russia's persona as a powerful nation was preserved through recognition of its immense power prestige and domain of impact, the color changes in Ukraine, as well as the initiatives of pro-western wealthy individuals in Ukraine such as Zelensky and Tymoshenko to break out of Russia's control, were viewed by Russia as an indication of the West's strategy to corrode its status in the region, which threatened its supremacy. Russia prioritized its status as a powerful nation over its relationship with the West (Department of State, 2022).

Aside from Western pressure, Ukraine was an important region for Russia's reputation as a great power. Ukraine and Russia were twin nations with similar heritages because they were both heirs of Kievan Rus and had lived under one dictatorship under Tsarist Russia and the Soviet Union. Ukraine has become an integral component of Russia's historical consciousness. For example, Crimea was a holy site for the Orthodox Church, and Sevastopol was an exceptional city for Russia during the Crimean War and WWII (Biharti, 2022).

In a 2014 speech to the Federal Council and the State Duma, Putin called out Crimea as "the peninsula of vital significance for Russia" because it is where Grand Prince Vladimir got his baptism in the tenth century, uniting Eastern Slavic tribes and properties around Christianity. Other Russian elites had a strong commitment to Ukraine. Aleksandr Solzhenitsyn, a Russian novelist and philosopher who won the Nobel prize, admitted to being "well-nigh half Ukrainian by birth. He further highlighted that Russia and Ukraine were inextricably linked, and that "talk of another Ukrainian people existed since anything like the 9th century is a newly contrived fiction" (Mankoff, 2022).

Ethnic and Cultural Connections

While Putin's dominant position on politics and the Russian wealthy individuals' connection to Ukraine were the motivations for Russia to launch the unique military campaign, Ukraine's cultural makeup and the ethnic policies of the Ukrainian government caused split and provided the Russian government with a justification to support dissidents in eastern Ukraine and launch the unique military mission. Ukraine, with an overall population of 44 million people and 130 ethnicities, was a multicultural country whose ethnic policies had a significant impact on the nation's peace and cohesion (Laktreev, 2022).

Among Ukraine's 44 million residents, 17% formed ethnic Russians, with the majority residing in the country's eastern regions, which were originally part of the Russian republic in the nineteenth century. While eastern Ukraine was composed of numerous prosperous countries that relied on Russia's commerce to sell their manufacturing goods, financial autonomy, combined with ethnic and cultural affinities, resulted in organic pro-Russian forces in Ukraine. In comparison, the crop-producing provinces in Western Ukraine were dominated by Ukrainians who were more vulnerable to Western cultural and religious influences (Wang & Wang, 2021).

The dispersion of ethnic Russians in Ukraine (mostly in eastern Ukraine) exacerbated tensions between eastern and western Ukrainians. When Russian-supporting ruler Yanukovich was forced from power and the new administration attempted to separate themselves from Russia, ethnic Russians in Crimea and eastern Ukraine were outraged. They sought ways to achieve autonomy or total autonomy from Ukraine. Furthermore, the Ukrainian government's exclusionary nationalism policy exacerbated the country's internal divide (Jones, 2022).

In 2004, after Yushchenko was elected president following a color revolt, the pro-western politicians started combining citizenship training with enmity against Russia, mandating Ukrainians to speak only Ukrainian in public (Wang et al, 2022). In 2010, Yushchenko bestowed the title "National Hero of Ukraine" on Stepan Bandera, a Ukrainian nationalist who collaborated with the Nazis during WWII, inciting resentment from ethnic Russians in eastern and southern Ukraine (Ge hangwig, 2014). When Yanukovich was elected president in 2010, his pro-Russian stance led him to strengthen the prominence of ethnic Russians in internal politics, exacerbating the divide between ethnic Ukrainians and ethnic Russians.

In 2014, shortly after Ukraine went through an additional change promoted by the West and Russia took regulate of the Crimean Peninsula, the new Ukrainian government headed by Poroshenko enacted fresh laws aimed at ethnic Russians in Ukraine, while Ukraine's ties with Russia deteriorated to a standstill. In 2019, President Poroshenko issued an order broadening the use of Ukrainian in everyday life, requiring state and municipal governments, educational facilities, and public sector agencies to use Ukrainian (Wang et al, 2022).

Afterwards, Ukraine implemented legislation establishing Ukraine as its official tongue, requiring posters and store signs featuring Russian to be taken out of public spaces, café waiters to refrain from using Russian, and the closure of Russian language learning centers (Bi Hongye, 2022). The Ukraine government's exclusive nationalism policy has exacerbated tensions between Western Ukraine and Eastern Ukraine, prompting ethnic Russians in Donbas and other regions of Eastern Ukraine to seek its autonomy from the Ukrainian government.

The Ukrainian state's racial links and restrictive laws served as a justification for the Russian government to intervene in Ukraine's internal affairs, as well as a rationale for the Russian populace backing the use of force. The ethnic link between Russia and Ukraine additionally contributed to Putin's choice to offer support to separatists in eastern Ukraine and launch the specialized military mission, as Putin was convinced that Russians and Ukrainians shared a common ancestor and would be mutually beneficial (Wang et al, 2022).

In his 2021 article, Putin wrote 'people identified each other overseas instantaneously, taken away, this time in fact, from their ancient homeland' to condemn the demise of the Soviet Union, which resulted in 25 million Russians living far from the Russian Federation, and he specifically regretted the fact that twelve million Russians ended up in Ukraine. When confronting Russian citizens after the unique military campaign began on February 24th, one rationale for employing armed forces to resolve the Ukraine conflict was to protect ethnic Russians in Ukraine from the Ukrainian government's massacre. "We have to put an end to that horror, that genocide against the millions of individuals who live there and have placed their trust in Russia and in all of us. Our choice to declare the autonomy of the Donbas people's republics was motivated primarily by their goals, feelings, and grief (Putin, 2014).

Structural Level Analysis

While individual and local investigation have shown the internal motivations for Russia and its leader to attack Ukraine, an examination of Putin's conflict would be unfinished without a global structured degree of evaluation that reveals the institutional context between Russia, Ukraine, and the West. From the point of view of theory, the war might be viewed as the result of a security confusion (Biggs, 2022). Ukraine's pursuit for protection under NATO membership made Russia nervous. Russia maintained its Cold War stance despite its persistent dread of NATO.

Both Ukraine and Georgia are Russia's closest neighbors, and both were extremely important geopolitically to Russia's security, particularly Ukraine. Ukraine has historically acted as a sort of buffer zone for safeguarding Russia's financial and governmental centers from foreign invaders from the West, as the enormous expanses of Ukraine were an ideal hold for dragging down and fatigued adversaries in the rainy season, such as Napoleon's unbreakable armies and Nazi Germany's armored battalions (Cohen & Ewing, 2022).

Ukraine has also been the site of major wars between Russia and Western great powers vying for dominance of Eastern Europe, such as the Crimean War, Russo-Swedish War, and Russo-Turkish War (Fang & Lu, 2004). Throughout the period known as the Cold War, Ukraine served as the Soviet Union's southern entryway and tactical route joining Europe, as well as the Soviet Union's land bulwark and tactical frontline opposing NATO, with a quarter of the Moscow Army stationed in the Soviet Republic.

According to Mackinder, one of the pioneers of geopolitics, acquiring authority over the core entails winning command of the region known as Eurasian, and Ukraine was the heartland, encircled by treacherous terrain (Huang & Yejung, 2017). Ukraine's history, as well as Mackinder's theory, highlights the country's importance to both the Soviet Union and Russia. The precarious equilibrium involving Russia and the West started to fall apart following the color wave in former Soviet subsidiary nations at the start of the twenty-first century. Russia, the only regional entity that may possibly undermine the US's predominance in Eastern Europe, might let NATO to integrate former Soviet allies in Eastern Europe into the alliance.

Fortunately the Kremlin will never accept other nations being integrated into the coalition, which has considered Russia as an opponent from its inception in 1949 (Mearshemier, 2014). Ukraine's strategic importance, along with the fact that it was formerly an integral part of Russia's area of control, has increased its relevance to Russian officials. Whereas Russia's war against Georgia was an alert to NATO to stop its effort to entice Russia's nearby nations into its' alliance, Russia's annexation of Crimea in 2014 and helping separatists in Donbas and other territories of Eastern Ukraine were Russia's essential measures to mitigate the damage triggered by Ukraine's shift toward the West, and to caution Kiev not to become part of NATO (Professor, 2023).

The security quandary theory could help clarify the tensions between Russia and Ukraine. After gaining autonomy from Russia, Ukraine's centuries-long involvement with Russia prompted it to form alliances with the West, which was also looking for ways to constrain Russia and broaden its scope of control, which annoyed Russia because Ukraine had become an antagonistic nation with strong allies and sophisticated weapons, posing an important danger to Russia's national security.

Impact of Russia-Ukraine Crisis on the Global Economy

Countries around the world are still recuperating from the economic impact of the covid-19 pandemic; the recent 2022 Russia war on Ukraine may exacerbate the issue, as global economies may see yet another surge in commodity prices and 'supply chain chokeholds.' Russia is known as the 'world's largest exporter of wheat, and together with Ukraine, the two countries make up over a quarter of worldwide exports (Cohen & Ewing, 2022).

The impact of the 2022 Russia-Ukraine war might be described in the words of Antony Blinken, the US Secretary of State, who remarked that "it's far greater than a dispute involving two states." It is larger than Russia and NATO. "It's a crisis with worldwide repercussions, and it necessitates worldwide focus and action" (US Department of State, 2022). The global gravity of this crisis is reflected in President Biden's speech on March 8, 2022, when he stated, "Russia's hostility is affecting us all, and it's no time for profitability or price hiking" (The White House, 2022).

Thus, the following effect on the global economy can be identified as:

Soar Prices of Commodity

The prices of petroleum and natural gas have risen due to availability concerns; Russia constitutes one of the world's largest manufacturers and exporters of fossil-fuel-burning materials. Oil Brent North Sea raw, the worldwide the standard, hit US\$ 90 per gallon in February 2022. On March 7, 2022, the price rose to \$139.13, approaching a 14-year high, and it continues highly erratic. Gasoline costs have also soared. The Dutch TTF reaches its peak price of 345 euros on March 7, 2022. The governments of the United States (U.S.), Canada, and the United Kingdom have all indicated that oil will be prohibited in Russia. Bhattarai et al. (2022) The European Union (E.U.) has averted fines in Russia's energy industry since countries such as Germany rely substantially on Russian gas supplies. Nickel and aluminum, two other Russian-produced metals, have skyrocketed in price. The supply chain of automobiles is experiencing disruptions (Birkland, 2016).

Food Scarcity

The Secretary General of the United Nations (UN), Antonio Guterres, expressed concern that the crisis in Ukraine might have far-reaching consequences, including starvation and a destabilized world food chain. Russia and Ukraine are the world's food grain elevators, representing 30% of total grain exports. Since then, grain and cooking oil prices have risen significantly. According to the Organization of Food and Agriculture, the number of individuals who lack nourishment may climb by 8 to 13 million this year. Vessels are refusing to depart Ukraine, and there are concerns about the seasonal replanting that will come from that country. The US, Indian, and European governments can cover the lack of wheat. However, substituting oil flower sun and corn may be more difficult since Ukraine is now the world's number one and fourth exporting nation, respectively (Thomas & Strupczewski, 2022).

Liquidation of Companies

Dozens of firms in Russia as well as across the world, owned by various nationalities, have shuttered their doors and operations since the war began owing to both internal and external variables such as penalties, pressure from politicians, or public perception. The list includes household names like Ikea, Coca-Cola, and McDonald's. Though, for a while, Russian President Vladimir Putin has dropped the possibility of nationalizing foreign-owned firms (Egan, 2022).

Dwindling Stock Exchange

The stock market began the year on a positive note, as the economy had improved from the Covid-19 outbreak and the corporation reported strong performance. However, the war has caused instability in the market. Meanwhile, the Moscow stock exchange has been suspended for two to three weeks, with just a limited restoration. Western embargoes have damaged the financial industry and Russia's funding infrastructure, causing the value of the ruble to plummet. (Lanktree 2022).

Impacts on Global Financial Markets

The violence has undoubtedly impacted global corporations. The stock market data shows that enterprises with close ties to Russia, whether by means of marketing or possession, had a significant drop in value of their shares after the Russian incursion. On a typical basis, trade relations with Russia resulted in a 1.53% reduction in the value of each country's collective stock market index (London School of Economics study, 2018). This indicated that a corporation with a \$1 billion output would have total trade in and out to and from Russia of \$2.5 million. However, certain nations rely more heavily on Russia than others. European countries have

sustained the greatest losses. East European countries have been the most impacted by trade relations, whereas West European countries are most affected by property connections (Bharti, 2022).

Soaring Energy Prices

The harsh financial penalties imposed on Russia have resulted in additional hikes in worldwide prices for energy. The overall image is one of increasing price inflation, as fuel raises expenditures at each stage of the distribution chain for products and services, including manufacturing, storage, and transportation. During the first two weeks of the war, the European oil average rose by more than 25%. By the end of March, European gas prices were approximately 580% higher than a year earlier, though they may have declined subsequently then (Swanson, 2022).

The High Cost of Living

Clearly, many people believe that there is rarely an appropriate moment for war. However, the timing of Russia's first complete strike on Ukraine in February 2022 was especially harsh. It occurred at a time when communities across the globe were seeking to return 'business as normal' following two arduous years of the global pandemic. Corporations faced turbulent distribution networks as they attempted to fulfill resurgent consumer interest in goods and services, and began passing on greater manufacturing expenses to their consumers (Jagtap et al., 2022).

Russia's war on Ukraine put additional pressure on essential supplies like food and oil. This was the result of lower output from both countries, as well as bans against Russia. Costs increased even more, resulting in prices rising at rates that greatly outpaced wage increases. This cost-of-living crises has harmed the well-being and health of individuals worldwide, particularly among those with lowest incomes, and exacerbated the chance of starvation (Professor, 2023).

Theoretical Framework

This research is based on both the social contract theory and the interest group theory. The social contract is a long-standing political theory or philosophy established by some of the founding fathers of modern political philosophers, including Thomas Hobbes (known for "Leviathan"), John Locke (known for "two treatises of government"), and Jean Jacques Rousseau known for "the social contract" (Mbah, 2021). In his book *Leviathan*, Thomas Hobbes depicts nature as a turbulent unregulated community in which humanity continuously lives in dread of its demise and thus enters into a social agreement as a means of achieving tranquility. Citizens (subjects) freely give up all of their rights and liberties to a sovereign state in exchange for ensuring their safety (Mbah, 2021, et al).

On the contrary hand, John Locke presents the state of nature in a less dismal light than Thomas Hobbes. According to Locke, the state of nature is a more tranquil environment that lacks organized institutions capable of enforcing law and order in the event of a dispute. Thus, the social contract is required to ensure formed government agencies (legislative) in charge of upholding law and order. According to Locke's social contract, parliamentarians are stewards who should work in the best interests the people who elected them (Ebenstein & Ebenstein, 2000, p. 430).

Meanwhile, Jean Jacques Rousseau's view of nature is not as upbeat as Locke's nor as gloomy as Hobbes'. His state of nature is defined by each individual pursuing their own interests until they discover that doing so is ineffective, necessitating the necessity for a social compact. Unlike Locke, Rousseau believes that in the social contract, citizens submit their will to the wider society (social organizations) who they trust to protect their liberties, privileges, and autonomy (Mbah, 2021 et al.).

Simply expressed, citizens of all nations enter into a social contract by either entirely or in part giving up their rights to the state and its structures in return for rules and laws that ensure the safeguarding of their lives and assets. This underscores the long-standing animosity involving Russia and Ukraine, as both parties want to protect the interests of their own citizens. In analyzing the 2014 Russia-Ukraine crisis, Harris (2020) contends that "while the Ukrainian crisis is not an ethnic conflict per se, as nationalism is a significant causative aspect to igniting the conflict and maintains an essential roadblock to its resolve."

In a newest lecture, US Secretary of State Antony Blinken claimed that Russia argues that this issue is about its national protection, military drills, arsenals, and safety partnerships. Aside from considering the Russia-Ukraine tension via the prism of social contract theory, this recurrent friction can also be examined through the perspective of interest group theory. Birkland (2016, p.158) defines an interest group as "a network of individuals or groups that join to promote what they want as political results regarding government and the public."

The strength of advocacy organizations cannot be underestimated because people's opinions get louder when they form categories, which is why interest organizations are vital in the development of policies. These groups can be commercial, political, or public interest groups and its main purpose is to protect the interests of their members (Mbah, 2021 et al.). Despite the split between Ukraine and Russia, Ukraine's gradual Euro-Atlantic integration after the 2004 orange movement has culminated in ongoing tensions between the two republics.

The European Union's ambition in a broader Europe strategy has moderated relations with territories that Russia regards as its "area of national priorities" (Samokhvalov, 2007). In an attempt to evaluate each side's position in the larger Europe or Post-Soviet region, Samokhvalov (2007) refers to the Russia-EU-Ukraine triangle as a "zero-sum game." According to the writer, regardless of whether the EU and Russia want to prevent conflict in Europe, both sides have been executing their tactics with the same aim in mind: to shape the post-soviet space (PSS) based to their vision.

Ukraine's European initiative, as it is now unfolding with Brussels' assistance, has the potential to weaken the key element of Moscow's local PSS effort. As a result, the EU must urgently reconsider its foreign policies in the eastern community, taking into account their influence on ties with Russia, as well as Moscow's potential countermeasures. The repercussions of each party pursuing its own interests are the current Russia-Ukraine 2022 crisis.

According to Pabriks and Kudors (2015, pp. 78-79), before Russia grew its takeover of Ukraine, NATO assets suggest that Russia not only backed separatists in Ukraine, but that Russian special forces and military personnel additionally took part in the acquisition of Crimea for the Russian Federation and fought in eastern Ukraine. They argue that Russia's clear involvement in the Ukrainian crisis has quickly destroyed the EU's faith in Russia, raising concerns about if Russia may continue to be considered as a trustworthy partner for the EU and whether the EU ought to reduce its economic reliance on the Russian federation.

Conclusion and Recommendation

The annexation of Ukraine by Russia on February 24, 2022, constituted a worldwide tragedy with far-reaching consequences for every nation. Russia and Ukraine play critical roles in the global oil, gas, grain, energy, food, and fertilizers sectors. Russia is the world's biggest oil provider, accounting for 37% of Southeast Asia's oil and gas imports. In 2017, Russia ranked eighth among major trading partners, with the two countries totaling only 0.66% of overall trade volume.

The war with Russia and Ukraine undoubtedly had a financial consequence, and the fighting resulted in a reorganization of world transactions, and nations with links with Russia and Ukraine are going to experience an enormous effect on their national interests. It is no secret that nations around the world have seen immediate repercussions of the conflict, such as disruptions in the worldwide supply chain and increases in oil and food costs, among other things. This exacerbated the adverse effects of the Russian and Ukrainian hostilities on numerous industries, resulting in a severe worldwide financial reconfiguration.

The price of non-subsidized fuel across multiple southeast Asian countries has risen, including Singapore (IDR 28,500/liter), Thailand (IDR 19,300/liter), Indonesia (IDR 12,750/liter), Laos (IDR 19,200/liter), the Philippines (IDR 18,500/liter), Vietnam (IDR 16,800/liter), Cambodia (IDR 16,500/liter), and Myanmar (IDR 15,300/liter). Thus, the war between Russia and Ukraine has had a direct impact on the global economy, especially through increased prices for commodities. Rising commodity prices have an immediate influence on the nations' revenue growth. As a result, the war has had a significant impact on the economies of developing nations worldwide.

As a result, the paper recommends that policymakers in these countries that rely heavily on Russia for vital goods begin discussions on alternate ways to ensure existence if Russia opts to penalize the West with limitations on exports, as well as support own manufacturing of such essential products if feasible.

The fight between both countries should ceased with mutual assurances from both parties since there is little or no gain in the course of waging a war in contrast to the enormous expanse of loss documented at all times.

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