



## **Role of UN in Russian – Ukraine War and Economic Development Problems**

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### **Abstract**

*Since the war started in Ukraine by the Russian forces, no major role of the United Nations was observed in resolving this conflict. In addition, the Russian government did not care about the United Nations resolutions, but rather challenged these resolutions and did not pay any attention to it. Such decisive decisions to wage war by a superpower like Russia against a neighboring country like Ukraine have dire consequences for international security. In addition, this is a signal for other countries, such as China, to enact war on Taiwan and annex it without taking any expressions of international resolutions and international legitimacy, it is like we were living in the period of the First and Second World Wars and the outbreak of wars for reasons that a particular country tries to use as a pretext to declare war on a neighboring country. This study will focus on economic condition in Europe after war. This research will find the reason why Ukraine and Russian war. Why UN failed to stop war. What kind of role NATO are playing. What will be future economic condition in the world.*

**Key words:** Economic problems, War, Ukraine and Russia, UN, energy solution

## INTRODUCTION

The Soviet Union was dismantled in 1991, the same year that Ukraine gained independence, and this is when the current Ukrainian crisis first emerged (Romaniuk & Gladun 2015). With the signing of the "Budapest Memorandum" in 1994, Ukraine agreed to give up its nuclear weapons that it had inherited from the Soviet Union in favor of Russia in return for the Russian Federation promising to respect Ukraine's boundaries (YOST 2015). However, as NATO grew in size to the east, geopolitical considerations quickly pushed themselves on Eastern Europe. In 1999, the Czech Republics, Hungary, and Poland joined the alliance. Between 2004 and 2009, nine more Eastern European nations—including those from the former Soviet republics joined as well, including Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia, Albania, and Croatia, next up were North Macedonia and Montenegro (Popescu 2014). Approximately 14 nations in total, or nearly half of the alliance's member states, joined between 1999 and 2020, making up the alliance's entire membership as of that time (Popescu 2014). Belarus and Ukraine are the only two countries that still act as a barrier between Russia and NATO. Russia's concerns grew as a consequence of the outcomes of the NATO summit that took place in the Romanian capital Bucharest in 2008 and in which the alliance welcomed Ukraine's and Georgia's ambitions to join (Popescu 2014). This was seen by the Russians as the start of a lengthy conflict between their country and the West. Russia worries that these two nations joining NATO would result in an invasion within its borders (Besemeres 2016).

The study attempts to investigate the political, economic, and strategical effects of the Russian-Ukrainian war in 2022. The war makes an effort to ascertain the balances of the current international system and its future directions, as well as the influence of the Ukrainian crisis on the structure of the international system, particularly in terms of patterns of international contacts after the conflict. The changes and advancements that take place in the international system's framework have an impact on all the regional and sub-regional systems that it is founded on, both favorably and unfavorably. Beginning with the 2008 Russian-Georgian War and the takeover of the areas of Abkhazia and South Ossetia, Russia began a series of armed confrontations to prevent these two nations from joining the alliance. Then came the 2014 Russian-Ukrainian War and the declaration that Russia had annexed the Ukrainian Crimean Peninsula (Besemeres 2016). The aim of this study to find reason for war and solution for economic crisis after war.

### Background of the research

Curiously, the Russian military invasion is both a planned action and an unanticipated adventure. On the one side, there is the security crisis between the West and Russia, which began in the fall of 2021 (Kusa, 2022). In contrast side, there is the expectation among some experts that Moscow would launch a complete invasion, which would undoubtedly result in significant military losses and have an adverse impact on the world economy (Kusa, 2022). As the situation in Ukraine deteriorated against its interests, Moscow decided to take action, including by employing force (Menkiszak, 2016). Regaining strategic supremacy over Ukraine has been Moscow's long-term

goal since the collapse of the Soviet Union (Menkiszak, 2016). In such circumstance, Russia used an offensive strategy, forcing Ukraine to renounce its membership in the EU and join the Customs Union. This sparked a political upheaval that ultimately led to a revolution in Ukraine (Menkiszak, 2016). It is commonly believed that Russian President Vladimir Putin's attack on Ukraine including the annexation of Crimea was an emotional defensive response to the EU's attempt to integrate Ukraine and to the overthrow of the Yanukovich regime. However, several significant data show that this wasn't always the case (Menkiszak 2016). Although it is still too early to predict how the Ukrainian War will turn out, it is becoming more and more clear that neither a ceasefire nor an end to hostilities will likely prevent a protracted period of military tensions between the United States and anything resembling President Putin's future Russia, including NATO and its allies (Institute for the Study of War, 2022), nor will a resolution of the current conflict rule out the possibility of new types of war.

It is also obvious that the US and NATO must move right away to improve its defenses against Russia, create a more potent deterrent, and be ready for a period of heavy military conflict (Cordesman & Hwang, 2022). And what real progress there was toward actually achieving 2% of GDP was, at best, patchy. NATO did report small increases in member nation spending as a percentage of GDP in constant 2015 currency after 2014, but the organization's most recent evaluation of actual spending levels, published in June 2021, showed that 19 of its 30 nations were still spending less than 2% (Institute for the Study of War, 2022). This was only a fraction of one percent of GDP for a big nation like Germany, which had allowed its military to become totally impotent. In addition, 10 more of the 30 countries in the group spent less than 1.5% (Institute for the Study of War, 2022). In the past, Russia has put pressure on Ukraine and EU member states by controlling the shipments of natural gas into eastern Europe (Institute for the Study of War 2022). Auspiciously, NATO's military and civilian staffs as well as the military and force planners in many member states did prioritize NATO's actual needs rather than burden-sharing (Cordesman & Hwang, 2022). Their work on strategy and force improvement objectives frequently uncovered real problems and viable solutions. Lack of political support and a preference for promoting non-military operations at a time when the probability of conflict appeared remote were the problems, not a lack of expertise or innovation on the part of NATO and national experts (Cordesman & Hwang, 2022).

The Russian invasion of Ukraine exposed numerous flaws in the current international system, particularly in the UN Security Council and its role in policing it. The Ukraine crisis has demonstrated that the Security Council's five permanent members' veto is a significant barrier to peace and has been so since the body's inception. This is due to the fact that the five nations are often split up into rival geopolitical blocs, each of which has a member with veto power over many important decisions. Due to Russia's veto in the Security Council, the United States and its allies can only apply sanctions in the context of the ongoing crisis in Ukraine by forming a "coalition of the willing." It is true that US sanctions have a lot of clout because of the sheer number of nations and the extraterritorial reach of the country's dollar-based payment system. However, as in previous instances, the Security Council's global sanctions mechanism will further damage the economy that has been targeted for sanctions.

Despite being at the heart of the multilateral system, the Security Council nonetheless faces formidable challenges in view of the growing threats to global peace and security. In addition to traditional battles like the one the world is now witnessing in Ukraine and the possibility for nuclear exchanges, these hazards also encompass a variety of security concerns provided by new technologies. The notion to provide a permanent member the possibility of recovering the ability to veto by altering Article 27 to add a clause permitting a significant majority, or two-thirds of the member states, to overcome the veto, is one of the recommendations to change the Security Council's functioning.

### Research Questions

- Why UN cannot play a role to prevent the war in Ukraine?
- Why is Ukraine war and Russian war?
- What will be economic effect by this war
- What kind of economic problems

## LITERATURE REVIEW

### Contextual Background

#### **Economy Problems and energy crisis in Europe after war**

The importance of energy in general in all of its forms is universally acknowledged by all relevant parties, including practitioners and scholars, the term energy, or more precisely security of energy supply, gained increased traction during the energy shocks during seventies in the twentieth centuries as oil shortages in the petroleum-dependent countries inequities between the geographical distribution of resources and energy consumers. “As a result, the term energy security is now frequently used across a variety of academic fields, including the humanities and social sciences as well as technical ones (Goda, 2017).

The free movement requirements<sup>16</sup> Notably, no energy union has been chosen. Rather than allowing EEU member states full access to goods like oil and gas, Russia prefers to keep the freedom to constantly renegotiate terms in order to achieve its political goals. Minsk is unhappy that a major accord for Belarus's trade a petrochemicals pact with the EEU has been postponed until 2025 ( Kryvoi & Wilson 2015).

The influence of the Russian invasion of Ukraine on many regions and sectors in the globe was too great, particularly the economy, which was one of the most significant. The war in Ukraine prompted the World Trade Organization to reduce its growth forecast for the current year by nearly half due to the impact of the war and related policies, according to what the World Trade Organization said, predicting that the obstacles will increase the prices of materials and food, and expressing concern over the impending food crisis. There are three primary pathways via which these traces pass. First, the increase in the cost of basic commodities such as food and energy would increase inflation, which would erode the purchasing power of earnings and reduce demand. Second, surrounding economies will endure interruptions in trade, supply networks, and remittances, as well as an unprecedented influx of refugees. Third, a drop in company confidence and a rise in investor worry will lead to a drop in the value of assets, a tightening of financial conditions, and maybe even a faster flow of money out of developing countries.

Due to the fact that Russia and Ukraine are key producers of commodities, supply chain interruptions have led to a significant increase in world prices, notably for oil and natural gas. Wheat prices have hit an all-time high, and Ukraine and Russia, who export 30 percent of the world's wheat, have contributed to a significant increase in food prices. Beyond the global consequences, nations with direct trade, tourist links, and financial exposure would suffer the biggest strain. As for the economies that rely on oil imports, they will experience higher rates of deficit in public finance and trade as well as stronger inflationary pressures, but certain oil-exporting nations, such as those in the Middle East and Africa, may gain from higher prices. Some countries, like sub-Saharan Africa, Latin America, the Caucasus, and Central Asia, would be more likely to be unstable if food and fuel prices went up a lot, and some parts of Africa and the Middle East would have less food to eat. For longer-term, the battle may profoundly change the global

economic and geopolitical system if oil commerce moves, supply lines are rearranged, payment networks are fractured, and nations reconsider their reserve currency holdings. Growing geopolitical tensions could make economic fragmentation more likely, especially at the level of business and technology.

The damages incurred by Ukraine are already considerable. Unprecedented sanctions on Russia would undermine financial intermediation and trade activity, leading inexorably to a severe recession there. When the value of the ruble goes down, inflation happens and people's living conditions get even worse. Energy is the primary medium for the transmission of consequences in Europe, where Russia is a key supplier of natural gas. This may potentially cause supply chain disruptions on a larger scale. These impacts will lead to an increase in inflation and a delayed recovery from the epidemic. As a result of taking in most of the 3 million people who recently left Ukraine, costs in Eastern Europe will go up and the number of refugees will go up. In addition to increasing expenditure on energy security and the military, European countries may also confront budgetary challenges. While foreign exposures to declining Russian assets are low by global standards, investors seeking safer havens may exacerbate pressures on developing markets. Similarly, most European banks' direct exposures to Russia are low and manageable.

Outside of Europe, we will see that these surrounding nations will suffer the effects of the Russian recession and sanctions much more strongly. Close relations with it at the level of commerce and via payment systems would restrict trade and reduce remittances, investment, and tourism, which would hurt economic development and have a negative impact on inflation, external accounts, and fiscal accounts. Higher international prices are expected to be good for countries that export commodities, but these countries could have less energy to export if sanctions are kept in place and put on pipelines that go through Russia. The area of the Middle East and North Africa is projected to suffer successively from the consequences of high food and energy costs and tight global financial conditions. 80% of Egypt's wheat imports come from Russia and Ukraine, and the country is a popular tourist destination for both nations. Egypt will also see a decline in visitor spending.

Efforts to curb inflation, such as a rise in government subsidies, would strain fiscal balances that are already fragile. In addition, deteriorating external financial circumstances may promote capital outflows and amplify the negative impacts on economic development in nations with high debt levels and significant financing requirements. In south of Africa and desert area, some nations with inadequate social safety nets, few employments, little budgetary flexibility, and unpopular administrations may see a rise in social tensions as a result of rising prices. In the midst of the continent's steady recovery from the epidemic, a crisis arose to endanger its progress. Several countries in the area are in danger because of the effects of conflict. Oil and food prices will go up, tourism will go down, and they may not be able to access international financial markets. This war occurs at a time when most nations in the area are suffering from a shrinking budgetary buffer to absorb the shock's impacts. This would definitely make social and economic problems worse, make the government more likely to go into debt, and cause pandemic wounds that millions of people and businesses have already been through,

In other circumstances, significant spillovers will be transmitted primarily via the costs of food and energy. Inflation in Latin America and the Caribbean is already averaging 8% per year in the area's five major economies: Brazil, Mexico, Chile, Colombia, and Peru. Higher commodity prices are projected to exacerbate inflation in the region. And their central banks may have to defend their anti-inflation credentials in the future. Higher commodity prices have conflicting consequences on economic expansion. Higher oil prices have harmed Central American and Caribbean importers, but nations that export oil, copper, iron ore, maize, wheat, and minerals are able to charge higher prices for their goods, mitigating the effect on economic development. Financial circumstances remain generally good, but the escalation of war might trigger global financial crisis, which, in conjunction with a tightening of domestic monetary policy, could impede GDP.

## **METHODOLOGY**

Sample description and technique

A Systematic literature review of a range of data basis has been carried out to undertake this research. PRISMA methodology with keywords, exclusion, and inclusion criteria has been used to shorten the sample and then interpret the information.

## DISCUSSION AND RESULTS

The United States has limited links with both Ukraine and Russia, which mitigates the direct consequences, but inflation was already at its highest level in four decades before the conflict drove up commodity prices, so prices may continue to climb as the Federal Reserve raises interest rates. The war that Russia waged against Ukraine had repercussions not just in these two nations but also throughout the region and the rest of the globe. In addition, it emphasizes the need for and presence of a global safety net and the need for regional mechanisms to safeguard economies from shocks. During a briefing in Washington, the Managing Director of the Fund said, "We live in a world that is more susceptible to shocks." "And we need the collective fortitude to withstand the next shocks," she continued. There are already signs that the war and the rise in prices of essential goods may make it harder for policymakers in some countries to keep the delicate balance between controlling inflation and helping their economies recover from the epidemic.

### Comparison food and energy price in Poland

Products	Price before the war	Price after the war
	Zloty	Zloty
Petrol 95 1 liter	4 Pln	6.80 Pln
Rice 1kg	3.5 Pln	6 Pln
Gas, 10 kg	45 Pln	85 Pln
Caw meet, 1Kg	27 Pln	40 Pln
Sheep Meet, 1kg	40 Pln	60 Pln
Chicken,1 Kg	6 Pln	14 Pln
Potato,1Kg	2 Pln	4 Pln
Banana,1Kg	3 Pln	6 Pln
Grape,1Kg	8 Pln	15 Pln
Cucumber,1Kg	4 pln	7 pln



Comparison before and after war in Poland. source: Author adapted from the market

### **Does the Ukrainian war effect of Iranian and Iraqi Regime**

Iran suffering from long time because of economy sanction which imposed by America on Iran since 2005 because of Iranian nuclear program. The Iranian economy decline since 2005 therefore Iranian government selected self-independent policy to cover the daily needs for Iranian nations.

Since 2005 the Iranian currency lost 800% from its value against US dollar, the Iranian market step by step dependent on cheap countries currency products such as Ukraine.

To avoid the shortage of food and other staffs in Iran, the government decided to import

The war in Ukraine is affecting the future of the Iranian regime in near future, the reason is Iran was importing most of the food and other Iranian needs from Ukraine because the Ukrainian currency is very cheaper than Iranian currency which helps Iranian regime to import most of the daily needs for Iranian nation from Ukraine.

### **Comparison food and energy in Kurdistan Region**

After the war started in Ukraine, the economy problem raised up in Kurdistan Region – Iraq brightly. The main cause Kurdistan Region is not productive region depending on itself to produce agriculture and other daily needs which Kurdistan people use. According to the list below we can understand the changes of the price before and after the Russian – Ukraine war started:

Products	Price before the war	Price after the war
Oil 0.7 liter	1000 Iraqi Dinar	2250 Iraqi Dinar
Oil 1 liter	1500 Iraqi Dinar	3000 Iraqi Dinar
Rice	5 Kilo - 4500 Iraqi Dinar	5 Kilo 8000 Iraqi Dinar
Tomato Juice	1 can 1250 Iraqi Dinar	1 can 1750 Iraqi Dinar
Flour	25 Kilo 18000 Iraqi Dinar	25 Kilo 40000 Iraqi Dinar
Caw Meet	One Kilo 12000 Iraqi Dinar	One Kilo 16000 Iraqi Dinar
Sheep Meet	One Kilo 10000 Iraqi Dinar	One Kilo 12000 Iraqi Dinar

Chicken	One Kilo 2000 Iraqi Dinar	One Kilo 3500 Iraqi Dinar
Wheat	One Ton 55000 Iraqi Dinar	One Ton 850000 Iraqi Dinar
Farm Fertilizer	One Ton 120000 Iraqi Dinar	One Ton 220000 Iraqi Dinar
Animal & Chicken Fodder	One Ton 75000 Iraqi Dinar	One Ton 150000 Iraqi Dinar
White Oil	One Barrel 140000 Iraqi Dinar	One Barrel 240000 Iraqi Dinar
Gasoline	One Barrel 140000 Iraqi Dinar	One Barrel 240000 Iraqi Dinar
Seeds		
Fruits		
Vegetables		
Bread	(100 gram) 100 Iraqi Dinar	(75 gram) 150 Iraqi Dinar
Cheese	1250 Iraqi Dinar	2000 Iraqi Dinar
Butter	1250 Iraqi Dinar	2000 Iraqi Dinar
Potato	One Kilo 350 Iraqi Dinar	One Kilo 650 Iraqi Dinar
Tomato	One Kilo 500 Iraqi Dinar	Kilo 1500 – 2000 Iraqi Dinar

Employee	Monthly Salaries
Teachers (Primary – Secondary Schools)	550000 – 1100000 Iraqi Dinar
University Professor	900000 – 3000000 Iraqi Dinar
Doctor & Medical Staffs	4500000 – 4000000 Iraqi Dinar
Engineer	500000 – 4000000 Iraqi Dinar
Lawyer	750000 – 3500000 Iraqi Dinar

Price of the vegetables and fruits before the war		Price of the vegetables and fruits before the war	
Banana	1000 Iraqi Dinner	Banana	2000 Iraqi Dinner
Grape	750 Iraqi Dinner	Grip	1500 Iraqi Dinner
Cucumber	500 Iraqi Dinner	Cucumber	1000 Iraqi Dinner
Eggplant	500 Iraqi Dinner	Eggplant	1000 Iraqi Dinner
Onion	750 Iraqi Dinner	Onion	1250 Iraqi Dinner
Orange	1000 Iraqi Dinner	Orange	2000 Iraqi Dinner
Paper	3000 Iraqi Dinner	Paper	6000 Iraqi Dinner

After the war started in Ukraine, the price of most of the materials in Kurdistan region rose up mostly to the double. For example, before the war 10 piece of bread (each bread 100gram) was cost 1000 Iraqi Dinar, but unfortunately after the war 8 piece of bread (each bread 75 gram) was cost 1000 Iraqi Dinar. The cause of price change related to many factors, first factor is the price of one Ton Wheat was cost 550000 (375\$) Iraqi Dinar but after the war started the price changed to 850000 (580\$) Iraqi Dinar.

Add to that, the problem of transportation affected on the price of the products also, for example, one kilo of tomato was cost 500 Iraqi Dinar which mean 45 US cents but after the war started the price of one Kilo tomato rose up between 1500 – 2000 Iraqi Dinar which mean one US dollar to one and 30 US cent.

## RECOMMENDATIONS

After questioning 4 oven owner about the price of bread and the reasons behind the reducing the weight of the bread and selling with expensive prices, the answer was related to the price of white oil also because most of the ovens using white oil for heating. Comparing the price of one barrel of white oil before and after the war we can see the price rose to double. The price of one barrel was 150000 (98\$) Iraqi Dinner before the war but after the war in Ukraine the price became 300000 Iraqi Dinner (196\$).

The price of the vegetable and fruits also changed to double. From the above table we can see the differences. From the list we can see the price rose up to the double after the war started in Ukraine, the reason behind the expenses of the price as the farmers said to us related to the price of the transportation because the price of the fuel rose up from 500 Iraqi Dinner for one liter to 1100 Iraqi Dinner for one liter. Also the price of Farm Fertilizer rose up from 12000 Iraqi Dinner (81\$) to 220000 Iraqi Dinner (151\$) which means the farmers are losing if they do not sell the products with higher price.

Another problem which face the employees in Kurdistan Region is the monthly salary, the employees in general not getting the salary on time, the salary always late around 5 to 10 days every month which means in one year they get 11 or 10 salaries not 12 salaries. This affect the employees to much because late monthly salary pushes the employees to buy less products and searching for cheaper quality of products.

Add to that most of the employees rent house and pay for monthly utilities like electricity and water, also the employees have to pay for children education, therefore, the market will be affected too much by late monthly salaries.

## CONCLUSION

The Soviet Union was dismantled in 1991, the same year that Ukraine gained independence, and this is when the current Ukrainian crisis first emerged (Romaniuk & Gladun 2015). With the signing of the "Budapest Memorandum" in 1994, Ukraine agreed to give up its nuclear weapons that it had inherited from the Soviet Union in favor of Russia in return for the Russian Federation promising to respect Ukraine's boundaries (YOST 2015). However, as NATO grew in size to the east, geopolitical considerations quickly pushed themselves on Eastern Europe. In 1999, the Czech Republics, Hungary, and Poland joined the alliance. Between 2004 and 2009, nine more Eastern European nations—including those from the former Soviet republics joined as well, including Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia, Albania, and Croatia, next up were North Macedonia and Montenegro (Popescu 2014).

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