

– improving the level of qualifications and professional skills of employees as a result of gaining best practices abroad.

The negative consequences of international labor migration for donor countries include:

– reduced opportunities for national development due to the outflow of the best, most proactive, and mobile part of the labor force, especially the departure of scientists and specialists

– reduction of budget revenues due to a decrease in the number of potential taxpayers;

– deterioration of the demographic situation, aging of the labor force due to a decrease in the share of people of working and reproductive age;

– socio-psychological consequences of the destruction of migrant families, upbringing of children left without parents for a long time; adaptation of workers returning from working abroad to local working and living conditions, etc.

Therefore, migration is a widespread and challenging process that always takes place for different reasons. It can be a better standard of living, avoidance of conflicts, better healthcare or education, or perhaps it is adventure and self-discovery. Migration is also accompanied by positive and negative consequences. One of the positive ones is improving the level of qualifications and professional skills of employees as a result of gaining best practices abroad. On the negative side, it means the loss of people from the countryside and deterioration of the demographic situation, aging of the labor force due to a decrease in the share of people of working and reproductive age.

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Shamakhia Leleanna

International Black Sea University

(Tbilisi, Georgia)

HOW DID THE RUSSIA – UKRAINE WAR AFFECT THE WORLD ECONOMY?

Keywords: *Russia-Ukraine war, economy, impacts and consequences of the war, conflict, supply and demand.*

Ключові слова: *російсько-українська війна, економіка, вплив і наслідки війни, конфлікт, попит і пропозиція.*

Over the years of human development, states have exercised various forms of governance, endured numerous disputes, lived under pressures, and learned how to deal with difficulties through negotiation and persuasion. After the birth of diplomacy,

states mastered solving problems and maximizing national interests without resorting to violence, and they even began to promote order and peace in this chaotic world. Consensus, cooperation, and negotiation are not, however, the top priorities of all states. That is why there is both hard and soft power, cohesion and dissension, war and peace in the world. Russia is one of the states that sets priorities to imperialism and appears to be a major threat for many developing and even developed states.

Russia's foreign policy has historically been aggressive, particularly towards regions like the Black Sea. The country views the Black Sea as crucial to its geo-economic strategy, allowing it to project influence, protect trade linkages, and increase reliance on Russian resources in southern Europe. Russia has a history of using aggressive means to achieve its goals, including manipulating public opinion and democratic decision-making through information operations and misinformation campaigns. This has created tensions with neighboring countries like Georgia and Ukraine, leading to repressive policies and challenges for these nations. The situation has implications for the world economy, but addressing the complexities and finding a solution is not a simple task.

Historical Overview. The situation between Russia and Ukraine is complex and has a long history. Russia has always considered Ukraine as a valuable asset due to their shared historical and cultural ties. However, tensions between the two countries have been ongoing, and the conflict escalated in 2014 when Russia seized Crimea in response to the Ukrainian revolution. Russia has also supported rebels in eastern Ukraine, leading to a prolonged conflict and loss of life.

The relationship between Russia and Ukraine has been strained, and various significant events have occurred since the 2014 Ukrainian revolution. Russia's annexation of Crimea and its support for pro-Russian separatists in eastern Ukraine further heightened tensions. The downing of Malaysia Airlines Flight MH17, allegedly by the rebels, increased international tensions.

Ukraine has also been the target of cyberattacks, which have had significant consequences. Attacks on the country's electricity infrastructure and government computer systems, attributed to Russia, have caused widespread disruptions and financial losses.

Furthermore, Russia has built up its military presence along the Ukrainian frontier and in the Black Sea, leading to increased concerns in the international community. Russia's actions, such as declaring the Kerch Strait and the Azov Sea closed to international ships, have further escalated the situation and affected Ukraine's ability to export.

Efforts to ease tensions have been made by the West through warnings and dialogue invitations, while Turkey has attempted to maintain a delicate balance between Russia and Ukraine.

Problem Analysis. The conflict between Russia and Ukraine in 2022 is an invasion rather than a conventional war, and it poses a significant threat to international peace and security. The root cause of the conflict lies in Russia's aggressive foreign policy and its history of imperialistic ambitions. Ukraine is strategically important to Russia, and gaining control over the country would further Russia's influence and undermine NATO's presence in the region. The situation has escalated due to the use of hard power, sanctions, and interference in domestic affairs. However, the problem per-

sists because the international community has not paid sufficient attention to Ukraine's plight. It requires new approaches and tools to address 21st-century imperialist movements. Efforts to change the situation have been one-sided or lacking from both parties. It is crucial for Ukraine to maintain its independence and avoid political dependence on Russia by taking necessary steps to assert its sovereignty.

Impacts on World Economy. The economic consequences of the Russian-Ukrainian war are significant. War leads to infrastructure damage, a decrease in the working population, inflation, and increased debt. While military conflict may benefit some businesses in the short term, the overall losses outweigh the gains due to opportunity cost. The resources spent on war could have been used for developmental purposes.

Inflation. When discussing the major economic impacts, I believe one of the most important aspects to mention is inflation, because war can significantly increase its levels, leading to the depletion of people's savings and a general loss of trust in the financial system. If the state is unable to meet the costs of the war, it may begin printing money to pay salaries or for other purposes. However, as more money is printed, its value falls precipitously and creates inflation. When a country is deeply affected by war and other problems, it can create hyperinflationary conditions because governments print a lot of money. For instance, between 2004 and 2009, Zimbabwe experienced hyperinflation. The government printed money to fund the Congo war. Droughts and farm confiscation also limited the availability of food and other locally produced goods. The daily rate of inflation was 98 %, and prices doubled every 24 hours. Unfortunately, there have been countless cases where governments caused inflation as a result of a war or other type of conflict.

It's even more unfortunate that war doesn't just cause inflation. Because military crisis can threaten supplies, war can often result in high oil prices. Energy is the ability to perform work, and war requires a lot of energy. It consumes a lot of oil. These massive tanks frequently consume 10 to 20 gallons of fuel per mile. Their engines produce approximately 1,500 horsepower. The average over-the-road truck in the United States has 880 horsepower. Warships frequently have more than 100,000 horsepower. I believe it is pretty much obvious how much of conflict to start needs.

As I've mentioned above, wars typically increase demand (armies require a lot of resources) while also threatening supply because shipping oil becomes unsafe, and access to oil fields is severely restricted. Higher prices are almost always the result of increased demand combined with limited supply.

Debts and Taxes. Wars have significant financial implications for governments. They require substantial funds for advanced weaponry, military engineers, and securing resources. A strong and prosperous economy is crucial for a country's military power. Debt and war are closely intertwined, as demonstrated by the global financial crisis caused by the US intervention in Afghanistan and Iraq. Regardless of a state's development or wealth, war comes at a high cost for everyone. Another funding method is raising taxes, which helps the government avoid additional interest costs. However, high taxes are unpopular among the public, and governments often seek alternative strategies to maintain public support and stay in office during times of war. In summary, wars impact various sectors and create numerous problems. The Russian invasion has had a significant influence on these issues, exacerbating existing challenges.

The Russian-Ukrainian Case. The Russian invasion of Ukraine has had devastating economic effects, including a contraction of Russian GDP and a drop in the value of the Russian Ruble and Ukrainian Hryvnia. The war has caused food and fuel crises, leading to rising commodity prices and threats to the supply of essential goods. The European Union heavily relies on Russian energy imports, making it difficult to reduce dependence and diversify energy sources. The energy crisis has contributed to inflation and increased public debt for EU member states. These economic factors have led to a decline in the relative importance of EU economies. The United States also faces challenges, including the deterioration of the USD's legitimacy and functionality, increasing interest on debt, and constraints on military spending. Overall, the economic consequences of the war in Ukraine are severe and impact both Russia and the rest of the world.

War is not a solution, as it brings violence and negative consequences for those involved. The situation between Russia and Ukraine is increasingly tense, with detrimental effects on both countries and the rest of the world. Ukraine is suffering politically, socially, and economically, while Russia's imperialistic nature worsens its own fate. The reactions of other states are insufficient, and new approaches are needed to address imperialism in the twenty-first century. The United States and Europe struggle to effectively exercise coercive diplomacy with Russia, as it is a strong and assertive nation. Escalating tensions through coercion can lead to more aggression and war. To end the war, we must prevent further escalation, change diplomatic tactics towards Russia, and acknowledge the reality that the world is overlooking crucial factors in the conflict.

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