

Russia's Imperial War and the Need for Assistance to Ukraine During and After the War¹

JAN SVEJNAR

Chairman of the Executive and Supervisory Committee, CERGE-EI, the joint workplace of the Charles University and the Academy of Sciences of the Czech Republic | Director of the think-tank IDEA

Richard N. Gardner Professor of Economics and International Affairs
School of International and Public Affairs, Columbia University

In this essay, I use a historical perspective on Russia's and Soviet Union's imperial ambitions to examine Putin's invasion of Ukraine and the need for the West to assist Ukraine decisively during and after the War. I emphasize that the part played by the countries of Central-East Europe in western response has been critical, as is and may in the future be, in a different way, the part played by China. Western sanctions have not been very effective as Europe has continued importing Russian oil and gas and most western firms have not left Russia. At the global level, Putin's invasion of Ukraine also pretty much ensures that no country will ever give up its nuclear weapons in return for security guarantees by the Great Powers.

Russia's Invasion in a Historical Perspective

Vladimir Putin's invasion of Ukraine on February 24, 2022 and the prior annexation of Crimea on February 20, 2014 constitute a fundamental breach of international law. They also constitute direct contravention of the December 5, 1994 Budapest Memorandum, signed *inter alia* by Russia, the United States and United Kingdom, giving Ukraine Security Assurances and prohibiting the signatory countries from threatening or using military force against Ukraine. In return, Ukraine agreed to move nuclear weapons from its territory to Russia. Russia's invasion pretty much ensures that in the future no country in possession of nuclear arms will voluntarily give them up against security assurances.

From a historical perspective, Putin's invasion represents a continuation of Russia's long-term drive to create and maintain an empire and a substantial sphere of political and economic dominance in Europe and Asia. Putin expressed this view continually during his rise to power and in his 2005 Annual State of the Nation Address he specifically termed the collapse of the Soviet empire the "greatest geopolitical catastrophe of the century." Putin's invasion and war in Ukraine has to be seen and interpreted in light of this historical perspective. (In a larger perspective, given the governance developments in Russia and China, the Ukraine war represents a fundamental philosophical conflict between the West and East [Russia and China] about the superiority of the democratic v. autocratic system of national and global political governance.)

There are a number of relatively recent invasions by the Soviet Union and subsequently Russia that testify to Putin's and his predecessors' imperial posture. One just needs to recall the 1956 invasion of Hungary, the 1968 Soviet-led invasion of Czechoslovakia by the Warsaw Pact countries, and the Russo-Georgian War of 2008. The 2022 Russian invasion of Ukraine and the ensuing war that continues to date is the greatest, and most recent, manifestation of Putin's desire to enlarge Russia and extend its zone of influence. The developments to date also make it clear that Putin is willing to pursue this goal by whatever means may be necessary.

¹ Jan Svejnar's policy brief will be published in the international proceedings of CEPR (The Centre for Economic Policy Research), an independent non-profit organisation that has long sought to improve the quality of economic policymaking in Europe and beyond by promoting high-quality and policy-relevant economic research. Read more: <https://cepr.org/voxeu/columns/economic-consequences-ukraine-war-new-ebook>

The Situation One Year into the War

The Ukraine War is different from Soviet Union's and Russia's other invasions since the Second World War in that Ukraine's territory is large and the Ukrainian leadership and people have demonstrated an unprecedented willingness to fight the invading army. The losses in human lives and physical destruction have been enormous but the country resolutely perseveres in its struggle.

Given Putin's threat and ambitions, and the resolute Ukrainian response, the reaction of the West has been strong, albeit slow and not fully coordinated. Western sanctions imposed since the invasion of Ukraine have been more all-encompassing than those imposed after the invasion of Crimea in 2014 and they have been escalating over time. The supplies of war materiel have been substantial and gradually shifting from the provision of lighter weapons and accessories to heavier artillery, tanks and fighter jets. The effect of sanctions has been limited, however, as Russia's economy declined only slightly in 2022. The inability of Europe to cut off immediately Russia's supplies of oil and gas and Russia's ability to sell oil and gas to other countries, especially China and India, helped to stave off a major decline of Russia's economy. So did the surprising fact that most western firms stayed in Russia and continued to pay the Russian government sales and excise taxes despite the sanctions. The western economic response has hence been fragmented and overall inadequate in achieving its goal of greatly weakening Russia's economy.

It must be noted that in all this the excellent public relations and lobbying campaign of President Volodymyr Zelenskyy and other Ukrainian officials has played a major part in generating western support.

The Role of Central-East European Countries

While on the large scale it was the United States that reacted most quickly and provided the most substantial military support after the start of the War, regionally it was the countries of Central-East Europe (CEE) that reacted most quickly, provided the largest per capita assistance, and stimulated the Europe-wide response. As Russia's invasion took place, the leaders of the Czech Republic, Poland and Slovenia almost immediately traveled to Kyiv to meet with Ukraine's leaders and express their support to Ukraine. The CEE countries were also the first ones to provide military and civilian assistance, and they welcomed and effectively absorbed a major inflow of refugees, primarily mothers and children as many men joined the Ukrainian army. By the end of 2022 for instance, the number of Ukrainians refugees per 1000 inhabitants reached 46.4 in the Czech Republic, 41.4 in Poland and 19.9 in Slovakia. The corresponding numbers were also relatively large for Germany (12.7), Austria (10.4) and Switzerland (9.1) but, except for Ireland (14.5), they were much smaller elsewhere (Protivinsky and Munich, 2023).

The military and non-military support of Ukraine from the NATO countries has been growing over time, as has been the sophistication of weapons provided. This, in addition to a surprisingly ill-prepared Russian army, has enabled the Ukrainian Army to carry out a successful offensive and so far also to resist a counteroffensive by Russia. The challenge for the West going forward is to deliver the necessary military support permitting Ukraine to succeed militarily. The political will enabling this in turn hinges on maintaining in the West the popular support for Ukraine and the acceptance of refugees. Studies indicate that the strong popular support moderates over time. For instance, an in-depth analysis of the situation in the Czech Republic, where the support still remains very high, identifies as principal causes of the declining support the withering away of the initial shock of the war and a gradual fatigue with accepting additional refugees (Protivinsky and Munich, 2023). This is to be expected, but it can be offset by other measures that could be taken by the West. The Central-East European countries have been calling for NATO to provide security guarantees to postwar Ukraine and for the European Union to initiate the process for EU membership. These and other steps would clearly boost the morale of the Ukrainian troops and provide for a postwar transition.

Reconstruction During and After the War

As this discussion indicates, major military support for Ukraine is needed if the country is to protect itself from the aerial and surface attacks, and eventually repel Russia's aggression. The destruction of civilian targets, including hospitals and schools, is dramatic and western assistance in ongoing reconstruction of these sites is valuable, but needs to be stepped up.

The big question is naturally the post-war reconstruction of Ukraine. Estimates of costs exist, blueprints of strategies have been drafted (Gorodnichenko, Sologoub and Weder di Mauro, 2022) and preparations are to some extent underway. The estimated costs are high and growing, but lessons from the post-World War II reconstruction of Europe and Japan are instructive. At the local level, the reconstructions of extensively destroyed cities, such as Hamburg or Hiroshima, turned out to be much faster than expected because of the presence of human capital (Ehrenberg, Smith, and Hallock, 2021). The important lesson is that reconstruction may be relatively rapid in the presence of destroyed physical capital if human (and financial) capital is present.

What strategy is needed for the economic reconstruction and advancement of Ukraine as a whole? In 1990, after the fall of the Berlin Wall, I had a discussion with Thomas Schelling about the success of the post-World War II Marshall plan for Europe in the preparation of which he participated. His main point was that while the US financial aid was important, by far the more important economic aspect turned out to be the US insistence that the European countries set aside war-time animosities and start trading with each other. If Schelling is right, and I think he is, then it is imperative that Europe establish free access for Ukraine's products to Europe's markets.² On the domestic front, it is obviously crucial for Ukraine to establish an effectively functioning governance system with an emphasis on stamping out corruption.

Concluding Remarks

Ukraine is in a dire situation, given Putin's ruthless pursuit of imperial expansion. However, Ukraine's heroism and capable leadership, Russia's surprisingly inadequate military capabilities, and western support provide hope for Ukraine's effective defense and post-war reconstruction. A dangerous development would be if China, which has so far only increased its trade in non-military products with Russia, would start supplying Russia with arms. The western world is increasingly recognizing that the battle over Ukraine is very important *per se*, but that it also represents a larger struggle over what will be the global rules and governance of the world.

References

- Gorodnichenko, Yuriy, Ilona Sologoub, and Beatrice Weder di Mauro, eds., *Rebuilding Ukraine: Principles and Policies*, CEPR: London/Paris, December 7, 2022.
- Ehrenberg, Ronald G. Robert Smith, and Kevin F. Hallock, *Modern Labor Economics: Theory and Public Policy*, 14th Edition, Taylor & Francis: 2021.
- Protivinsky, Tomas and Daniel Munich, "Vyvoj postojú ceske verejnosti k valecny m uprchlikum z Ukrajiny" IDEA Study, CERGE-EI: 2023.

² The same obviously applies to other countries, but Europe is by far the largest potential market for Ukraine.