

Russian-Ukrainian War and Its Implications on Global Human Security: The Good, The Bad and The Ugly

Daniel John Pundu (Ph.D), *ndc*

1. Introduction

The entire global economy is now unstable after two years of combating COVID-19. Today, 60% of workers have real incomes that are lower than they were before the pandemic; 60% of the world's poorest nations are in or are highly likely to enter debt distress; developing nations miss out on \$1.2 trillion annually to close the social protection gap; and \$4.3 trillion annually is required - more money than ever before - to achieve the Sustainable Development Goals (SDGs).¹ The capacity of nations and people to overcome hardship has also been declining. The average household has lost 1.5% in real income as a result of price increases in corn and wheat alone since the start of the war, and global average growth prospects have been revised downward as well. Worldwide, more people have been facing famine-like conditions, and more people have faced severe hunger emergencies.² The pandemic's lingering effects are likely to cause the numbers of the poor to rise once more, along with the war in Ukraine and the repercussions of climate change.³ Additionally, vulnerability rises along with poverty, primarily for women and girls. In light of the interconnectedness of the globalized globe, this article makes the case that every developed or developing country has, to varied degrees, been impacted by the War, as detailed below

2. The Cost-of-Living Crisis

The continuous cost-of-living dilemma mostly affects nations and populations with little adaptability. These consequences are produced by three main transmission channels: increasing food prices, increasing energy prices, and tightening financial muscles. Each of these factors has the potential to have significant consequences on its own, but they may also feed into one another to create vicious cycles, which, regrettably, are already beginning. High fuel and fertilizer expenses, for instance, raise farmers' production costs and could lead to higher food prices and poorer farm yields. This may strain household budgets, increase poverty, lower living standards, and promote social unrest. Increased demand for higher interest rates leads to higher borrowing costs for developing nations and a devaluation of their currencies, which drives up the cost of imports of food and energy and restarts the cycle. These dynamics have significant effects on financial systems, international peace and security, and social cohesiveness. Food should never be considered an extravagance; it is a basic human right. However, this problem might quickly develop into a global food catastrophe. Although this disaster has been coming for years, many nations can no longer take it in the wake of the conflict. In 41 of the 53 nations where data are available, between 179 million and 181 million people are anticipated to be experiencing a food crisis or worsening conditions in 2022.⁴ In addition, 19 million more people are expected to face chronic undernourishment globally in 2023, if the reduction in food exports from the Russian Federation and Ukraine result in lower food availability worldwide.⁵ While the FAO

¹ Global Impact of the War in Ukraine: Billions of People face greatest Cost-of Living Crisis in a Generation, (2022)

² World Bank Group: Equitable Growth, Finance and Institutions, Policy Brief (2022)

³ UNCTAD. The Impact of Trade and Development of the War in Ukraine (2022)

⁴Global Network Against Food Crises Report (2022)

⁵ Forthcoming State of Food Security and Nutrition in the World Report (2022)

food price index had reached a record high in February 2022 before the war started, since then it has had some of the largest one-month increases in its history, with its record high in March 2022.⁶ And yet, despite a very challenging situation today, some factors suggest the food security situation may get much worse still in coming seasons.

Fertilizer prices have increased even more quickly than food prices as a result of growing energy costs, trade restrictions, and a loss of fertilizer supplies from the Russian Federation and Belarus. As a result, many farmers, particularly smallholders, are forced to cut back on production because the fertilizers they require now cost more than the grains they are selling. Importantly, it takes at least two years for new fertilizer factories to become operational, which means that the existing supply of fertilizers is largely constrained. The global food supply may not be able to keep up with the growing demand in 2023 as a result of this significant fertilizer issue. The most popular staple in the world, rice, which has historically had low pricing due to plentiful supplies, might be greatly impacted by this trend of decreased fertilizer affordability for the coming growing season. There is not much time left to avoid a food catastrophe in 2023, when both food availability and access will be issues. The availability of food will be curtailed at the worst possible time, and the current crisis in corn, wheat, and vegetable oil might spread to other staples, impacting billions more people, if the war continues and high grain and fertilizer prices last throughout the upcoming planting season. This situation calls for global concerted efforts to ensure peace; stability and human security are maintained, otherwise the future is uncertain.

Since the beginning of the war, export restrictions on food and fertilizer have increased dramatically. The extent of restrictions currently exceeds that of the 2007–2008 food price crises, which was a major factor in the 40% spike in agricultural prices. Almost a fifth of all calories exchanged globally now are affected by trade restrictions, which makes the situation worse. Every food crisis is a distributional one. Nothing is special about this one. Export limitations impede the trade necessary to transport fertilizer and important food supplies to the areas where they are most needed to assist the agricultural sector's expansion, mostly in emerging nations.

Everyone is affected by the shock waves of the conflict in some way. A country's level of exposure and shock tolerance is what determines its level of susceptibility. And in the developing world, this presents a problem. Together with the United Nations Regional Economic Commissions, the UN Worldwide Crisis Response Group conducted a global vulnerability assessment on the capabilities of nations to deal with each of the routes of transmission and the vicious cycles they can produce. The findings support a generalized perception of vulnerability: 94 nations, home to around 1.6 billion people, are exposed to at least one aspect of the crisis and unable to handle it. Out of the 1.6 billion people, 1.2 billion, or over 75 percent, reside in 'perfect-storm' countries, which are vulnerable to the three factors of finance, food, and energy.

Governments and people can become vulnerable by having their families and national budgets slashed, which forces them to make unfavorable but necessary trade-offs. If social protection systems and safety nets are not sufficiently expanded, hungry poor families in developing nations may cut back on health-related expenses; COVID-19-related temporary school absences in children may now result in permanent exclusion from the educational system; and smallholder or micro-entrepreneurs may close their businesses due to rising energy costs. Meanwhile countries,

⁶ Calculations based on FAO Food Price Index Data (2022)

unless a multilateral effort is undertaken to address potential liquidity pressures and increase fiscal space, will struggle to pay their food and energy bills while servicing their debt, and increase spending in social protection as needed.

When all of this information is considered, it strongly shows that, as the Secretary-General of the United Nations recently stated, ‘there is no answer to the cost-of-living crisis without an answer to the financing crises.’ It is necessary to reactivate all readily available rapid disbursement mechanisms at international financial institutions and to pursue a new issuance of Special Drawing Rights. But it is also crucial to make sure money is spent wisely. Countries can respond to the crisis with additional targeted and/or time-bound emergency measures, which should be in line with needs for sustainable development and not distributed generally. This will supplement efforts to develop social protection systems. Last but not least, it is imperative to prevent a cascading debt crises in developing countries brought on by solvency issues. The G7 and G20 must accept the task of presenting debt restructuring tools that are appropriate for the situation.

The biggest cost-of-living problem of the twenty-first century has occurred at a time when people and nations are less able to adapt. The conflict in Ukraine has put people all over the world in a difficult situation. Given the importance of both the Russian Federation and Ukraine in these markets, the war’s price shocks in food, energy, and fertilizer sectors are the crux of the problem. The FAO food price index is 20.8 percent higher than it was at this time last year and very close to record levels. Recognizing that a protracted battle will result in higher energy costs in the medium to long term has increased the volatility of the energy market. Crude oil has now reached over \$120 per barrel and energy prices overall are expected to rise by 50 per cent in 2022 relative to in 2021.⁷ The price of European gas has risen ten-fold compared to 2020. Europe is also not spared and many countries have stopped relying on the Russian natural gas.

The extremely unstable environment in which this catastrophe emerged—a world dealing with the cascading crises of the COVID-19 pandemic and climate change—is the hard place. No of the timing, a shock of this size would have been difficult; right now, it has historic, century-defining proportions possibly driving some emerging nations away from the market for liquefied natural gas, from which they import their energy.⁸ Fertilizer prices are more than double the 2000–2020 average. Maritime transport costs are more than triple the pre-pandemic average,⁹ due to the lingering effects of the COVID-19 crisis and the destruction of the transport infrastructure (and especially the ports) of Ukraine, as well as higher volume of traffic and congestion related delays and other factors such as rising fuel costs. On North-South trade routes, the aggregated fuel cost increase of the last three months is estimated to already result in a 5-to-14% increase of total maritime transport costs.¹⁰ Rising interest rates and growing investor uncertainty has eroded both the value of developing countries’ currencies, as well as their capacity to borrow in foreign markets. After the first 100 days of the war, the currencies of 142 developing countries have depreciated, on average, by 2.8% against the US dollar (2.7% YTD), and their bonds yields have increased by an average of 77 basis points.¹¹ Of greatest concern are

⁷ World Bank. Commodity Markets Outlook, April (2022)

⁸ World Bank. Commodity Markets Outlook, April (2022)

⁹ UNCTAD. Secretariat Calculations, based on Data from the International Food Policy Research Institute (2021)

¹⁰ UNCTAD. Secretariat Calculations, based on Data from the International Food Policy Research Institute (2021)

¹¹ UNCTAD. Secretariat calculations, based on Refinitiv data (2021)

the vicious cycles beginning to emerge along the transmission channels of the crisis. Higher energy prices, especially diesel and natural gas, increase the costs of fertilizers and transport. Both factors increase the costs of food production. This leads to reduced farm yields and to even higher food prices next season. These in turn raise inflation indicators, adding to the already rising pressure on interest rates and tightening financial conditions. Tighter financial conditions decrease the purchasing power of developing nations' currencies, driving up the price of food and energy imports, shrinking budgetary room, and raising debt service expenses.

The story is still not over, though. A cost-of-living problem' vicious cycles can also cause social and political unrest. A higher cost of living and higher energy and food prices result from rising inflation. In consequence, this lowers families' real income and, consequently, their standard of living and chances for the future. Some families begin to make difficult trade-offs, such as lowering the quantity or caliber of their meals, dropping out of school, or cutting back on healthcare expenses. Frequently, women and girls are most impacted by these choices. These decisions have worrying long-term effects, from higher poverty levels, to rising inequality, lower education, lower productivity and declining real wages. All of this weakens people's and governments' capacity to handle the crisis, escalating social and political turmoil. For instance, the combined consequences of the pandemic and the war in Ukraine pose a risk of poverty for 58 million people in Africa who are already just above the poverty line.¹² About 4.1 billion people lack social protection. The gender gap in global working hours has increased due to pandemic; globally, women spend 18.9 hours weekly in employment, or 57 per cent of the average 33.4 hours worked by men. More than 20 million people are forcibly displaced each year due to climate change effects.¹³ Nearly 90 million people in Asia and Africa, who had previously gained access to electricity, can no longer afford to pay for their basic energy needs.¹⁴ Globally, between 2019 and 2021, 30 million people lost access to clean cooking fuel and the global figure now stands at 2.4 billion who lack access. In 2020, 15 million people in sub-Saharan Africa who had recently gained tier electricity access were no longer able to afford it and slipped back into energy poverty. About 568 million people in Sub-Saharan Africa lacked access to electricity in 2020.¹⁵ In addition, empirical evidence shows that high food and energy prices will affect the most vulnerable societies the most, especially in developing countries, in which more than 50 per cent of the income of the poorest households is spent on food.¹⁶

However, because of their close approach to the poverty line, a significant number of the populations that are termed 'non poor' are also extremely vulnerable. It is crucial to engage these groups, who are also severely impacted by the crisis, in safety nets and social protection networks, not only to aid the poor but also to stop these vulnerable groups from becoming even more impoverished. Since many of these at-risk groups reside in cities, they frequently serve as the catalyst for social instability processes. A 10 per cent increase in food prices erodes the buying power of these households by more than 5 per cent, or about as much as poor families in developing countries spend on average on health. Steep rises in the cost of living will increase poverty worldwide. The pandemic has already caused a tremendous rollback in poverty

¹² United Nations Economic Commission for Africa (2022)

¹³ See <https://www.unhcr.org/climate-change-and-disasters.html>

¹⁴ World Bank, Tracking SDG 7: The Energy Progress Report. World Bank, Washington, D.C.(2022)

¹⁵ Tracking SDG 7, the Energy Progress Report. IEA, IRENA, UN Statistics Division, the World Bank, (2022)

¹⁶ United Nations Economic Commission for Africa (2022)

reduction. The challenge is further exacerbated by additional rises inflation resulting from the war in Ukraine. According to the World Bank, the war in Ukraine might push up to 95 million people into extreme poverty, making 2022 the second-worst year ever for eradicating poverty, only after 2020. In general, with every percentage point increase in food prices, 10 million more people fall into extreme poverty. In fact, the cost of living crisis is most felt in terms of food security, where an increasing number of people are going hungry. In 41 of the 53 countries where data are tracked by the Global Network against Food Crises, between 179 and 181 million people are anticipated to experience Crisis or worse conditions (IPC/CH Phase 3 or above) in 2022¹⁷. The increase in hunger since the start of the war may in fact be higher and more widespread. In planning ahead for its operations in 81 countries, as of now WFP estimates that in just two years, the number of severely food insecure people doubled from 135 million pre-pandemic to 276 million at the start of 2022. The ripple effects of the war in Ukraine are expected to drive this number up to 323 million in 2022. Moreover, 36 million people are forecasted to face Emergency conditions or worse (IPC/CH Phase 4 or higher) in 36 countries in 2022, according to the Global Network against Food Crises. Because of the shock of the war, among other factors, the number of chronically undernourished people is expected to increase in 2022, according to FAO. Under a moderate shock scenario, the global number of undernourished people in 2022 would increase by 7.6 million. Under a severe shock scenario, the number of undernourished people will increase by 13.1 million, if the war continues and no appropriate actions are taken.

The livelihoods of more than 2 billion small producers, farm laborers, rural workers and their families are at risk, not least because they already cannot afford a healthy diet. Women comprise 43 per cent of the agricultural labor force in developing countries and account for two thirds of the world's 600 million poor livestock keepers. At particular risk are young informal workers contributing to family farms, home-based micro-level entrepreneurs and unskilled workers, as well as the poor in rural and urban areas, particularly those whose incomes depend on the agricultural economy, including many refugees and displaced people. In terms of fertilizer crisis, two factors – declining fertilizer affordability and rising export restrictions – may worsen the medium-term outlook. Both act by disrupting markets and accelerating the ‘distributional’ component of this crisis: fertilizers may not arrive on time and in the right quantities and prices to the fields where they are needed, and export restrictions may further complicate the delivery of essential food supplies to the most vulnerable. In sum, they threaten to transform the current crisis of access into a future crisis of availability. Vulnerability assessment is discussed below.

3. Vulnerability Assessment: The Good, The Bad and The Ugly

As noted in the preceding sections of this article that, the effects of the war in Ukraine are not only confined to Europe as a region due to the interdependence nature of the globalized world. In this part, an attempt is made to briefly make an assessment of the regional capacity in responding to various adversities caused by the war in Ukraine by making reference to six regions, namely; (i) Sub-Saharan Africa (ii) Middle East and North Africa (iii) Eastern Europe and Central Asia (iv) South Asia (v) East Asia and Pacific and (vi) Latin America and the Caribbean.

¹⁷ See <https://blogs.worldbank.org/opendata/pandemic-prices-and-poverty>.

Sub-Saharan Africa: the majority of the nations in this region are particularly vulnerable to a ‘perfect storm’. In the area, one in every two Africans resides in a nation which is exposed to all three dimensions. In general, the region is especially vulnerable to the financial aspect due to high number of nations that are at danger of debt distress and the food crisis, which is made worse by the severe drought in the Horn of Africa.¹⁸ This year, an addition of 58 million Africans could become impoverished. Currently, 568 million Africans lack access to electricity, which has a significant impact on their ability to access healthcare, education, and income-generating opportunities.¹⁹ The region’s capacity to respond to adversity caused by the war is very low.

Middle East and North Africa: despite the fact that the region has several energy exporters, it is exposed to the energy and financial dimensions, particularly in the Levant and the Maghreb. In the region, there may be 2.8 million more people living in extreme poverty by 2022.²⁰ This data suggests that the region’s capacity to respond to negative socio-economic repercussions of the war in Ukraine will also be weakened, if appropriate interventions are not timely taken.

Eastern Europe and Central Asia: this region is severely exposed to the energy and finance dimensions, given the importance of remittances and energy exports from the Russian Federation. Public debt has increased from 43.2 to 51.7% of GDP between 2019 and 2021. Governments are projected to allocate 11% of their revenues to servicing external debt in 2022. The cost of public borrowing has increased by 89.8% since the start of 2022. The region’s capacity is also weak.

East Asia and the Pacific: the largest countries in this particular region are not severely exposed, yet many small islands developing States in the Pacific are severely exposed to the food and fuel dimensions. In 2022, extreme poverty in the region (including some countries in South Asia) is expected to increase by 2.5 million people and poverty is expected to increase by 8.5 million people.²¹ The region’s capacity to respond to adversity arising from the war in Ukraine is fickle.

The Latin America and the Caribbean: the largest countries in this region are not severely exposed, yet 19 countries face the perfect storm, the second largest group facing all three dimensions, after sub-Saharan Africa. This means that the region’s capacity to respond to adversity caused by the Russian-Ukrainian war is extremely low akin to Sub-Saharan Africa.

South Asia: in this particular region, 0.5 billion people are severely exposed to food and finance dimensions, a situation made worse by severe heat waves affecting the region’s crops. This means that the region’s capacity to respond to socio-economic repercussions of the war in Ukraine is also stumpy. It is fairly deduced that the reviewed regions’ capacity to respond to adversity caused by the Russian-Ukrainian War varies from one region to another, depending on several factors including but not limited to the regions’ economic muscles, political stability and leadership. However, of great concern is that some regions have only been affected by food and finance dimensions such as the Eastern Europe, Central Asia and East Asia and the Pacific as well as Middle East and North Africa. Unfortunately, Sub-Saharan Africa; Latin America and the Caribbean are severely affected by all three transmission channels: high food prices, energy

¹⁸ UNDP. The Impact of the War in Ukraine (2021)

¹⁹ Estimations by the United Nations Economic Commission for Africa (2021)

²⁰ Estimations by the United Nations Economic and Social Commission for Western Asia (2022)

²¹ Estimation by the United Nations Economic and Social Commission for Asia and the Pacific (2022)

prices and tightening finances. This suggests that Africa and Latin America are the ‘ugliest’ regions. We now turn to short and long term socio-economic implications of the war.

4. Short Term Implications

Firstly, it is obvious from the aforesaid justifications that the conflict has considerably worsened short-term prospects for the world economy, portending challenging times ahead. Through a variety of routes, including the commodity and financial markets, trade, migratory links, and confidence, the war is having an impact on world activity. Advanced economies thus have bleaker economic prospects. As terms of trade deteriorate, emerging markets and developing economies (EMDEs) that import commodities are also likely to experience significant negative effects, a softening of advanced-economy growth, a deceleration in trade, and a substantial tightening of financing conditions due to rising inflation and higher borrowing costs.²² However, if these sudden increases in commodity prices result in a long-term improvement in their respective terms of trade, certain developing countries that export commodities may gain from them.

Secondly, the war increases a number of the short-term outlook's adverse risks. Geopolitical tensions may increase, financial stress would increase, refugee crises would deepen, food shortages would worsen, inflationary pressures would increase, and long-term growth drivers would continue to deteriorate. Due to global vulnerabilities like high debt levels and limited stockpiles of some commodities, like wheat and oil, these risks are probably going to increase. These dangers are interconnected, mutually intensifying, and may cause the world economy to experience a hard landing. In fact, Russia's actions and the responses of other countries have increased the level of geopolitical risk, weakening confidence and likely heralding a period of high policy uncertainty. Due to the uncertainty surrounding a possible escalation, the transfer of economic and political stressors to neighboring nations, more sanctions, or other policy reactions, the war may further destabilize the region. Geopolitical tensions have raised the likelihood of cyber security incidents, including attacks on financial and public infrastructure. High policy uncertainty is linked to poorer trade and investments because businesses are now trying to protect themselves from unfavorable outcomes.

Thirdly, regarding financial stress, the war will exacerbate the risk-off attitude in a number of EMDEs, and rising market volatility will exacerbate financial stress. Market-specific disruptions are a persistent danger due to the significant intraday price swings in various commodities and financial assets. Due to the unexpected volatility of nickel prices, large corporations have already experienced significant margin calls, which have caused transaction cancellations and trading to be suspended. Financial institutions may also experience greater losses than anticipated due to undervalued exposures to Russia, such as through leveraged non-bank financial assistance.

Fourthly, since the Russian invasion of Ukraine, more than 4.7 million people have fled their homes. In 2020, there were over 26 million refugees worldwide, with the Syrian civil war being the primary cause of their forced displacement. Globally, the number of refugees was already at a historical high. More people are likely to flee for safety abroad because of the conflict in

²² Estimations by the United Nations Economic Commission for Africa (2021)

Ukraine, which has a population more than double that of Syria (44 million compared to 18 million), largely women and children. Accommodating the sudden arrival of a very large number of refugees with extensive needs is a challenge for host countries which puts pressure on public finances and the delivery of basic services. Refugee crises can contribute to social unrest and political polarization if they last longer. Although many may just be in transit, the ratio of migrants to local populations in nations like Moldova and Poland could reach exceptionally high levels. This confirms that concerted efforts are necessary to find a solution to the issue. It is improbable that the two warring nations will end their battle without the assistance of international community.

Fifthly, food and energy insecurity will be made worse by interruptions in commodity production. Major exporters of agricultural products are both Russia and Ukraine, particularly to EMDEs in the Middle East and North Africa (MNA) and Sub-Saharan Africa (SSA). Agricultural commodities shipping through ports in Ukraine and Russia is being seriously disrupted by the war, and these delays are likely to last for a considerable amount of time. A prolonged conflict can severely curtail Ukraine's agricultural output in the near term and weigh on future global agricultural output by sharply increasing the price of inputs, including fertilizer. The reduced global availability of grain—wheat in particular—could cause food prices to raise further across EMDEs, triggering a rise in food insecurity.²³ The consumption baskets of nations that rely heavily on imported grains and oilseeds are at jeopardy. More than 40 nations sponsored by the World Food Program of the United Nations, particularly those in Africa, consume imported cereals for more than 30% of their daily dietary energy.

5. Longer-Term Implications

Firstly, networks of international commerce, industry, and investment might fragment. A number of industries, including those in the food, construction, petrochemical, and transportation sectors, might be severely disrupted by shortages and price increases of the afflicted commodities. Palladium and neon, for instance, are crucial inputs in the manufacture of catalytic converters in the car sector and microchip lithography in the semiconductor industry, both of which have limited supplies. Copper and nickel are both utilized extensively in construction and manufacturing. The majority of the sunflower oil used in cosmetic products is produced in Russia and Ukraine. To the cost of consumers everywhere, global supply chains and trade may react and shift toward more dependable but inefficient producers if interruptions continue.

High commodity prices and the war are likely to exacerbate debt and other fiscal challenges in many EMDEs, particularly commodity importers. Even for energy exporters the benefits of higher prices will be somewhat offset by fossil fuel subsidies; more than 30 EMDEs, including both commodity importers and exporters, subsidize fossil fuels. Fiscal space in many EMDEs had narrowed significantly due to the pandemic, and higher energy prices are likely to further erode fiscal and current account balances in commodity-importing EMDEs. Pressures for food and energy subsidies, trade protectionist measures, and price controls may increase, despite many of them being fiscally costly and poorly targeted. Indeed, already since the war began, there has been a marked acceleration in governments introducing trade restrictive measures on food products and fertilizers. Once in place, these policies are typically difficult to dismantle. A

²³ UNDP. The Impact of the War in Ukraine (2022)

number of countries have also announced plans to ramp up defense spending, putting further pressure on fiscal budgets.

Tanzania and other African nations, for instance, stand to gain from growing demand as European nations gradually wean themselves off of Russian gas. The offshore and non-offshore gas reserves of a number of nations, including Algeria, Tanzania, Senegal, Nigeria, and Mozambique, are sizable. Senegal wants to use the 40 trillion cubic feet of natural gas that was discovered between 2014 and 2017. Tanzania, on the other hand, expects USD 30 billion in foreign investment to launch the building of offshore liquefied natural gas projects in 2023. A 13 billion dollar agreement has already been struck by Algeria, Niger, and Nigeria to build the Trans-Saharan gas pipeline. Concerning peace and security, voting patterns for the United Nations Russia-Ukraine resolution revealed a possible return to Cold War-type strategic alliances that could re-define geo-political realities on the continent. This highlights the sensitivity of the crisis for some African countries,²⁴ perhaps due to the fear of retaliation (disinformation campaigns, election-meddling schemes among others), significant economic dependence, new Russian diplomatic and military engagements (especially in Mali, the Central African Republic, Sudan, and Madagascar), pressure to accommodate domestic public opinion on Russia, or the need for countries to preserve their neutrality and non-alignment due to ideological factors.

6. Concluding Remarks

The purpose of this article was to examine how the conflict in Ukraine has affected global human security. The evidence leads to the conclusion that the war has indeed caused and is continuing to cause massive humanitarian crises. Over 12 million people are believed to have been displaced so far, and over 13 million require immediate humanitarian aid. The economy of Ukraine is in ruins. Peoples' exposure to trauma continues to have long-lasting effects. Through a variety of avenues, including commodity markets, trade, financial flows, displaced people, and market confidence, the war is having an impact on the entire global economy. A significant influx of refugees is placing strain on service delivery capacities. Transfers of funding to numerous neighboring nations are hampered by the war's effects to Russia's economy. Disruptions to regional supply chains and financial networks, as well as heightened investor risk perceptions, have paralyzed the regional growth. In sum, all nations have been impacted by the war to varied degrees, but if it continues, Sub-Saharan Africa will suffer most due to its weak governance systems, inability to handle the challenges of the war, and feeble economies, among others.

7. Policy Interventions

Firstly, in preparing an effective policy response, it is important to think of the economic consequences of the Russia-Ukraine conflict on EMDEs as coming in two rounds—one immediate and the other indirect. The war is already affecting the region and the global economy through large and unanticipated changes in the movement of people and commodities, leading to major socio-economic consequences. If protracted, the conflict will affect EMDEs through sizeable debt and equity flows triggered by policies to contain the macroeconomic effects of the first round. These changes could have major fiscal and financial implications. Secondly, global, regional, and national responses are needed. Thus, addressing the worsening humanitarian crisis

²⁴ UNDP. The Impact of the War in Ukraine (2022)

triggered by the war will require a concerted and coordinated effort by the global community. At the same time, tackling the conflict's spillovers, including unprecedented refugee flows, commodity market disruptions, food insecurity, and increased financial market instability will necessitate an all-inclusive menu of policy priorities. For this reason, policy responses at the national level encompass schooling, health services, safety nets, and other essential services are of paramount importance. Thus, blame shifting will not help. Rather, it is argued that the World needs to cooperate in finding the solution to the crisis. Otherwise, if the war continues, the future is very dismal. The developing countries 'the ugliest' are bound to suffer most compared to the developed countries; herein referred to as 'the good' due to their enhanced capacity to respond to unanticipated adversities such as pandemics, climate change, hunger and financial crises.

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