

What next? Consequences of the Russian invasion of Ukraine

European Union must use economic strength for external security, sustainability of global trade, and preservation of European values.

On the morning of February 24, 2022, Russia invaded its neighboring country - Ukraine - with an invasion force of about 200,000 soldiers, ending a decades-long period of peace on the European continent.

On this occasion, the OstWestWirtschaftsForum Bayern, together with the Ostausschuss der Deutschen Wirtschaft (Committee on Eastern European Economic Relations), organized an afternoon of presentations on the question: how can things continue with and after this war?

Russia is still a relevant supplier on the raw material and energy market and an important trading partner for the countries of the European Union. Both sides of this trade network seemed to depend on each other for years. Russia relied on regular payments from hungry oil and gas importers, and they made themselves dependent on these imports to a large extent.

Still, according to economists, Russia is more dependent on the world than the world is on Russia. Oil and gas are still the most important energy sources of the 21st century, and it will certainly be several years, perhaps even decades, before they can be completely replaced by renewable energies. Technologically, however, Russia is dependent on the West for everything from the development of oil and gas reserves to aviation with Airbus and Boeing.

The Russian war of aggression has shown how dangerous dependence on autocratic, dictatorial and aggressively acting nations can be. Correctly, Europe is now trying everything to minimize its dependencies on Russia and other states as quickly as possible.

In his welcoming speech, **President Eberhard Sinner** referred to the almost 55-year history of OWWF Bavaria, starting at that time with contacts to the neighboring country Czechoslovakia, today with almost all of Bavaria's eastern neighbors up to China. In the times of the Cold War we have learned that maintaining dialogue is the only chance to settle differences. There will also be a time after Putin, we have to be prepared and develop perspectives.

There is not only trade and investments of many German and European companies engaged in Russia and Ukraine. There are diverse civil society relations in all areas. President Sinner referred by way of example to the 100 city partnerships between German and Russian cities. In many cases, these relationships are frozen. But one could also become active and address the war. He suggested a joint initiative of all these cities, many of which were particularly affected by World War II: "No bombs on cities". This initiative could be expanded internationally, because twinning arrangements do not only exist with German cities.

Karl Freller MdL and 1st Vice President of the Bavarian State Parliament was patron of the event. In his greeting, which he read visibly moved, he noted that after two years of dark clouds because of the pandemic, the sky did not clear to the Bavarian white-blue, but darkened completely because of the Russian invasion of Ukraine.

"Surely there are also good memories of Russia," but we have to painfully learn what it means to become too dependent on one country. We also realize that we have to defend our freedom and democracy and be prepared for it. Bavaria in particular has developed very well due to global trade exchange.

Consul Dmytro Shevchenko from the Consulate General of Ukraine in Munich thanked OWWF Bavaria for its commitment to Ukraine, especially Karl Walter and Hermann Pönisch, who have been involved for decades.

He told about the numerous war crimes and human rights violations committed by Russian troops, violence against women and children, mass executions, looting, destruction of valuable historical Ukrainian documents.

"It is not Putin's war - it is Russia's war against Ukraine". A large majority of Russians support this war, including Russians living in Germany. Not a single Russian diplomat has left office. A pro-Russian demonstration is planned in Munich on May 9.

"Now is not the time to build bridges." To the German companies that are withdrawing from Russia, we are grateful. It is too late to be afraid of Putin's unpredictable reactions, nor is it possible to remain neutral. There is no civil society left in Russia to stay in contact with.

The great willingness to help is commendable, but can only alleviate the consequences.

Prof. Dr. Werner Weidenfeld, one of our country's leading political scientists, states, "The world has come apart at the seams." The war in Europe is the end of a long period of peace. This war has caused Europeans to move closer together. But it is to be feared that national considerations will soon manifest different positions on sanctions, EU - accession of Ukraine, supply of heavy weapons.

The search for answers of the free world becomes more urgent. Russia is also fomenting in the Western Balkans and Moldova and trying to expand its sphere of influence.

The most important lesson for Europe: Europe must see itself as a unity of free and democratic countries, Europe must see itself as a strategic community and become capable of acting as such. People expect a clear vision of the future in an age of complexity.

In the 1990s, the EU faced the question in its identity crisis: complete the single market and/or build a security community. Delors' answer was to complete the common market. The EU had strength for only one goal.

The Russian war of aggression forces the EU to become capable of acting in security matters as well.

Christian Nitsche, editor-in-chief of Bayerischer Rundfunk asked the question at the beginning of his presentation: "Is Germany in a (propaganda) war?". Europe is on shaky ground, the goal of the information war is to influence and destabilize society by many measures. Germany is vulnerable to Russian propaganda, already in 2014 the annexation of Crimea was accepted without protests.

Large parts of society turned away from politics, disenchantment with politics turned into contempt for politics, conspiracy theories, disinformation up to denigration and even physical attacks are the result. We have the highest level of political crimes that can no longer be assigned to a political camp. The opposition to the Corona measures is an example of this.

Crude theories and "alternative facts," in reality fake news, are spread in (dis)information bubbles. In the process, the so-called lateral thinkers and Corona deniers join forces with a pro-Putin movement. All of them are united by a similar image of the enemy.

The term "Nazi" was spread long before the war. The poison of disinformation has reached the center of society. Propaganda precedes every war. Russia spends €1.2 billion on propaganda abroad: increasingly in social media, on special Internet sites instead of the now banned radio and television stations.

What is to be done about it? Education on democracy and history is shockingly poor, often lacking the simplest basic knowledge.

In ten points, Nitsche enumerated the necessary measures to counter the aforementioned developments and to ward off the targeted propaganda in our environment.

[Here you can read the manuscript of Christian Nitsche's lecture](#)

Dr. Christiane Schuchart, Regional Director Russia at the Committee on Eastern European Economic Relations (Ost-Ausschuss der Deutschen Wirtschaft) made clear that the intention was to build bridges for peaceful trade exchange and for people to meet. Russian tanks destroyed these bridges.

The West's reaction with tough sanctions came faster than Russia had expected. The German business community is behind these sanctions. Russia is facing the biggest economic crisis since 1990 in the medium term. Almost all trading partners have voluntarily withdrawn from Russia. The disintegration of the economy is in full swing. A long period of stagnation is to be expected.

Modernization of the Russian economy has come to a complete standstill. Russia is heavily dependent on imports in many industries, especially visible, for example, in aviation. The sanctions are having an effect, expected growth for 2022 is minus 15-20%, inflation is around 20%, unemployment is rising and is currently around 8%.

In the first step, it was mainly the financial sector that was affected, but now the real economy is also suffering from the sanctions. The economy needs at least two years for a necessary structural change; new customers have to be acquired and new supply chains have to be established.

A collapse of the Russian economy, on the other hand, is not to be expected. It has its own resources and markets; Putin has long pursued a tendency toward self-sufficiency. Nevertheless, a voluntary withdrawal from the Russian market will have a greater impact than government sanctions. In Moscow alone, the loss of 200,000 jobs is expected. Significant in this context is the role of China; the country is already filling gaps in Russian imports.

How are the Russians and the Russian state reacting? There is a significant "brain drain" towards Georgia, for example. A large number of computer scientists have already left the country. The Russian state is reacting with intimidation attempts, an expropriation bill has been introduced in the Duma.

There can be no "business as usual" with a Russia under Vladimir Putin. Global trade has been hit hard by this war, and in a wide variety of areas, such as rare earths, fossil fuels and food, the Western world must prepare itself for a fundamental realignment. It is not foreseeable if and when trade or normalized relations with Russia might become possible again.

The German economy must develop a new geopolitical awareness. Economic dependence with autocratically or dictatorially led states must be avoided.

"Change through trade" has not lost its meaning. It is important to study one's trading partner carefully.

Prof. Dr. Martin Schulze Wessel, historian at Ludwig-Maximilians-University Munich, currently visiting professor at St Antony's College, University of Oxford, co-chair of the German-Ukrainian Historians Commission via video feed then spoke about the historical dimension and the impact of the war on scientific cooperation.

Russia, under Putin, has completely transformed itself toward an autocracy. The British newspaper "The Observer" writes of a "Stalinization" of Russia. Putin is trying to tie in with the tsarist and Soviet eras. He called the disintegration of the Soviet Union the greatest calamity in recent Russian history.

The previous close cooperation in the scientific field has come to a complete standstill. This is a great damage for both sides,

Colonel (ret.) Karl Walter, OWWF Bayer board member and Ukraine speaker, organizer of the Bavarian House in Odessa, gave an outline of security policy developments since the collapse of the Soviet Union.

His remarks were divided into three points:

1. What led to the war?
2. What is the current situation?
3. What security policy consequences are emerging?

With the dissolution of the USSR in 1991, Ukraine was the third most powerful nuclear power in the world with 1,800 nuclear warheads. In the 1994 Budapest Agreement on the Nuclear Disarmament of Ukraine, the signatory states Russia, USA, Great Britain, France and China guaranteed Ukraine's territorial integrity. Ukraine was the only nuclear power that has voluntarily renounced these weapons until now.

Since then, Putin has pursued a strategy of subjugating the former Soviet republics. His tactic in doing so is to escalate conflicts in order to prevent facts that are supposedly unacceptable to him: the NATO accession of Georgia through a war in 2008, the Europeanization of Ukraine after the Maidan through the annexation of Crimea, the support of separatists in eastern Ukraine, and the failed attempt to bring Kherson and Odessa under Russian rule as well.

A 2010 law gives Russia the right to "assist" Russian citizens abroad.

Putin certainly did not expect the heroic resistance of the Ukrainians, his strategic goals of weakening NATO and the EU were thwarted by his war of aggression.

[Click here for the comprehensive presentation on this lecture](#)

Putin is in danger of fulfilling Pythia's prophecy to Croesus, King of the Lydians:

"If you cross the river Halys, you will destroy a great empire."

It was his own.