

Russia-Ukraine war

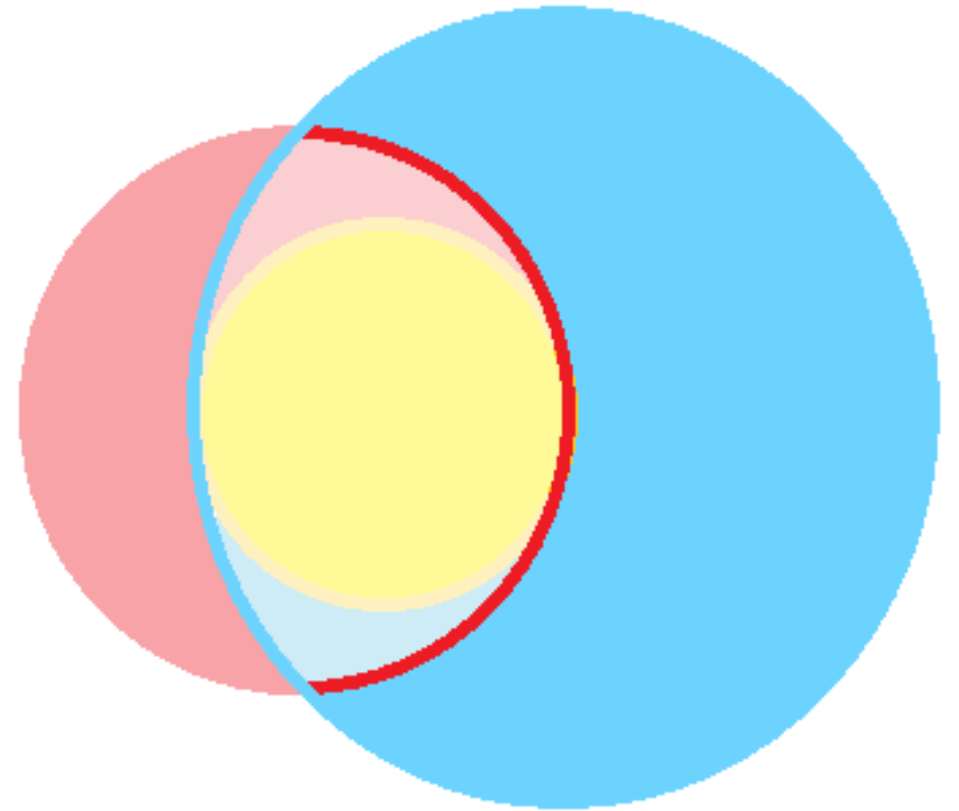
Kusnanto Anggoro

Russia, Ukraine and the West

- Kravchuk, Kuhma, Yushenko, Yanukovich, Turchynov, Poroshenko, Zelensky and the problem of intergenerational change in a state that never be
- Putin, Putin and Putin (between Lenin and Primakov) - believed in a world of polycentrism amid regional geographic spheres of influence
- The final destiny of Ukraine: an asymmetric neutrality (conditional of EU membership, arms control, security assurance, arms control, transparency in defence/military issues etc). NATO Ukraine is to destabilize Europe



- Special arrangement NATO in the Baltic states and Russia in Georgia could be a a strategic quid-pro-quo btwn Russia and the West



Multipolar globalization, economic sanction and oil prices

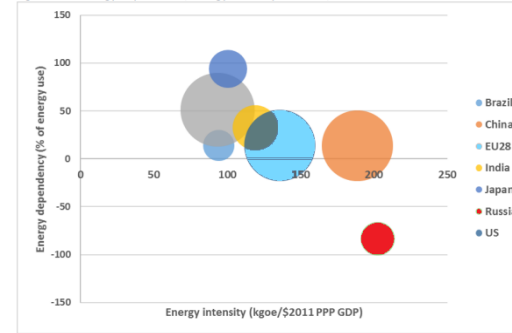
- Highly survival of Russian economy; sanction will never be effective (even much less than those in 2008, 2014)
- Substantially large national reserve, low debt/GDP ratio, alternative to SWIFT, insignificant use of dollar in Russian transaction, China-Russia nexus, cryptocurrency
- Differential impact on European countries



indirect, collateral, default consequences

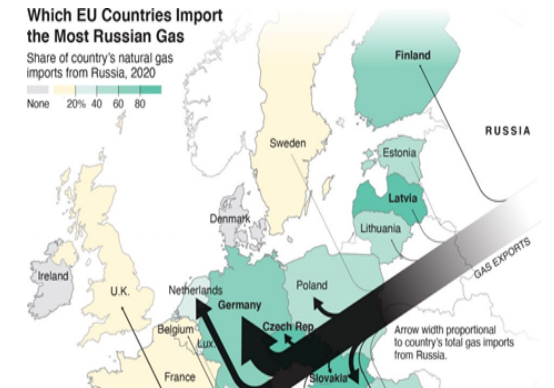
European Commission Case study - Energy Resilience and Vulnerability

Figure II.5: Energy dependence, energy intensity and GDP, 2013



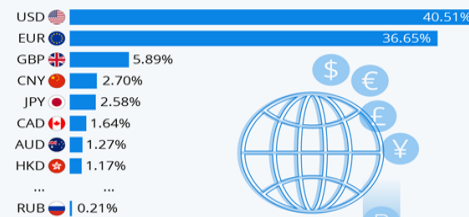
Source: World Bank Development Indicators.

Note: The size of each bubble is proportional to each country's GDP (constant PPP \$2011).



Russian Ruble Plays Minor Role in Global Payments

Share of global payments processed on SWIFT in December 2021, by currency (based on transaction value)*



* includes customer-initiated and institutional payments
Source: SWIFT



statista

Country & Factor Scores					
Country	Rank	Score	Economic Score	Risk Quality Score	Supply Chain Score
Germany	4	96.2	79.4	95.6	88.1
United Kingdom	10	91.5	72.1	81.9	91.2
Singapore	12	91.3	67.0	70.2	100.0
United States	17	89.8	69.5	92.8	84.6
France	19	89.3	69.4	90.8	84.8
Japan	25	82.0	76.4	48.7	86.4
South Korea	36	71.3	66.0	32.7	81.5
Malaysia	44	64.7	50.5	54.6	70.0
Russia	53	56.3	48.6	74.3	46.4
Thailand	70	47.2	24.4	43.7	61.5
China	77	45.9	30.0	30.1	61.6
Indonesia	82	43.4	37.9	22.8	54.7
Philippines	89	41.5	42.6	34.7	42.1
Vietnam	96	37.9	34.0	19.0	49.2

David and Goliath?

- Ukraine is winning if they are not loosing, Russia is loosing if they are not winning. A stalemate in the battlefield favour Ukraine (is to remain facing hostile Russia)
- Even if Kiev fall, and Zelensky down, Russia will not be able to hold Ukraine (tragedy of Brezhnev Doctrine in Afghanistan)

NATO-Russia war

Limited/selective escalation but widen adventure of targets (to include Georgia, Moldova) and/or more presents at the Suwalki gap)



Diplomatic opportunity: Normandy Format?

- Germany, Russia, Ukraine and French discussing troubling issues of Russia-Ukraine relations
- Exclusion of the US (more consolidated West European amid weakening Transatlantic Relations (post-Afghan US, Global Britain); as such, more confidence Putin
- Possibility – possible as distribution of risks are in favour of the Russian side (short, medium, and could be even long term)
- Objective – provide a face saving formula for Russian withdrawal yet independence Ukraine and administrative government of future Ukraine
- Formula peace plan consisting of a/o limited cease fire, exchange of PoWs, protection of civilian (humanitarian)corridors in some places)
- Under auspices of OSCE (linking up with Britain, US to discuss non-membership of Ukraine in NATO) plus some respected individual representing country of concerns, including Britain and the US
- Likely outcome: status quo of Eastern Ukraine (limited territorial scope of Russia's military corridor and presence)
- Russia back to G8

Impact on global and Indonesia

- The problem of history, data aggregate, and non-differentiated risk analyses
- Indonesia's economy relatively insulated from Ukraine crisis (the Jakarta Post, 25 February 2025); Special Publication, Jagartha)
- More adequate analyses to identify the nature of impact: indirect, collateral, default for Indonesia

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