A First Look at the Geoeconomic Challenges of Rebuilding Ukraine

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Abstract The Ukrainian reconstruction project is a complex and ongoing endeavor, requiring a thorough evaluation of the initial stages of the process. The first stage involves assessing the war scenarios while addressing the societal harm done while fighting to counter Russia's aggression. The definition and implementation of victory will establish the primary goals for rebuilding Ukraine's socioeconomic and political future. This study employs theoretical frameworks for international conflict management to give an early knowledge of the present conflict, state players' goals, and methods of defining victory. The research identifies two crucial components that the West and Russia share in defining victory: (1) the avoidance of direct conflict between NATO and Russia's military force, and (2) the post-war reconstruction process, which includes not just Ukraine but also Russia. Using the geoeconomic framework to address the Ukraine reconstruction project, the research aims to establish the main layers of the peacebuilding process on both warring sides, which include economic (short and long term) support, financial infrastructure maintenance, and infrastructure investment. Finally, the paper discusses the difficult decisions and sacrifices that must be taken to assist Ukraine's reconstruction process, resulting in efficient and robust infrastructure that can adapt to changing conditions.

The Reconstruction Project and the Theory for Defining Victory in Ukraine

The Ukrainian reconstruction project is not just a protracted undertaking but also contingent upon the progression and eventual resolution of the war. Hence, prior to delving into the particular elements that contribute to shaping the post-war Ukrainian circumstances and the essential areas that require rebuilding once the fight

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concludes, it is imperative to evaluate the initial stages of the reconstruction process, commencing with an analysis of the ongoing methods employed in the battle. To clarify, the process of reconstruction starts by assessing the present and future lasting harm to the nation, including the societal harm that has to be addressed in order to rebuild the country while also countering the aggressive state.

Ukraine's recovery effort encompasses the challenge of sourcing resources to counter Russia's aggression, even in the midst of ongoing kinetic warfare. Given that these resources originate from outside of Ukraine and must be connected to the geographical context of the bordering region, the first stage of Ukraine's reconstruction process plays a crucial role in shaping the post-war rebuilding process. Currently, we can only focus on this particular stage, since the struggle persists, and both parties are still formulating conditions for their victory.

During the process of rebuilding Ukraine after the war, the definition and execution of victory will determine the main objectives for restoring the country's socio-economic and political aspects. Until then, we need to consider the theoretical framework provided by the study of international conflict management when discussing the Ukrainian reconstruction project. This framework provides for an initial understanding of the current international conflict, the motivations of state actors, and, through that, their way of defining victory which, in turn, may give effective strategies for sustaining Ukraine's reconstruction and eventually, for peace and prosperity in Ukraine and beyond, in Eastern Europe.

One of the most prominent theories in international conflict management is realism, which emphasizes the role of power and interests in international relations (Molloy, 2014). Realists contend that nations are largely driven by self-interest and that conflicts emerge from the quest for limited resources, territorial assertions, and the desire for supremacy over others. It is believed that nations frequently employ power politics, such as coercion and military force, in order to attain their objectives.

Structuralist theory argues that fundamental social, economic, and political frameworks of the international system are factors that may lead to conflict and explain its evolution. Their attention lies on variables such as inequality, injustice, and historical grievances that have the potential to influence the relationships between nations and intensify tensions. Given the growing social tensions during the last decade has resulted in political and international shifts, structuralism seems to explain much of current events (Donnelly, 2019).

Constructivists place significant emphasis on the influence of ideas, beliefs, and norms in determining the dynamics of international relations. They contend that our perception of the environment and our sense of ourselves can have an impact on our interactions with others. Constructivists think that engaging in dialogue, fostering collaboration, and establishing shared norms may effectively facilitate the transformation of disputes and foster the development of more harmonious relationships. They are the proponents of diplomacy i—which certainly is also undergoing major shifts as our world is changed by unconventional warfare, including through tactics shaping communication lines that were initially meant to support international dialogue and cooperation (Iommi, 2022).

While all three theories of international relations are certainly useful for understanding international conflict, all theoretical frameworks and empirical

investigations on specific cases are derived not just from political science but also from the disciplines of social psychology, sociology, economics, and law. Processual theorists prioritize the examination of conflict resolution by stressing the sequential steps required to transition from conflict to resolution. In emphasizing the significance of a secure and favorable setting for negotiation, mediation, they are using all information available for building frameworks in which trust prevails—that is using cognitive analysis frameworks that allow for emphasizing with the parties. All this is necessary in order to begin and sustain reconstruction in a post-conflict environment. Therefore, all serious conversations about a reconstruction project must begin with a discussion of what victory means for each side, looking for the common denominator that may eventually transform the conflict into a peaceful situation.

Considering the three theories used in international conflict management and the main participants in the conflict: Russia and Ukraine, backed by the West, which is embodied by the US and the EU, there are several definitions for victory at the time of writing that need to be considered in outlining the long-term strategy for the Ukrainian reconstruction project. The analysis using the three theoretical frameworks first considers the definition for victory Russia and Ukraine have, as main belligerent parties and only then refers to the West, as an indirect but present party in the conflict.

Russia takes on a constructivist approach in defining its goals in Ukraine, much of which goes beyond Ukraine, referring to Russia's global role. The US, on the other hand, takes a realist approach towards the conflict, seeking to limit its direct involvement in the kinetic warfare and only indirectly supporting Ukraine, while working with the EU to do so. Russia's objectives in Ukraine may be analyzed in the context of its recently formulated foreign policy concept (Decree on Approval of the Foreign Policy Concept of the Russian Federation, March 2023). The paper presents Moscow's perspective on its ongoing efforts to curtail and counterbalance U.S. dominance and influence worldwide. It also highlights Russia's resistance to a Western alliance led by the United States, which the document claims to undermine Russia. The Kremlin's strategic objectives involve forging alliances with and assuming leadership over other nations adversely affected by U.S. dominance, intending to change the global power structure completely. This means that Russia is not only defining victory beyond Ukraine's kinetic warfare but that it also doesn't regard Ukraine as its adversary.

Moreover, using the structuralist approach, Russia regards the war in Ukraine (Roth & Sauer, 2023) as an existential war, one that is redefining itself as a state and potentially, a global power. The new foreign policy concept mentions that "In response to the unfriendly actions of the West, Russia intends to defend its right to exist and to develop freely by all available means". This statement implies that Moscow has the intention to either influence a shift in U.S. policy or hinder the U.S. from accomplishing its stated objectives by obstructing them. This approach is compelling evidence Russia's new foreign policy concept is a break from the past, considering all its previous foreign policy documents published after the end of the

Cold War were calling for the establishment of a common security space with European countries.

Realism has Russia focusing on a key element: keep the war going until the West feels pressured enough and disunites in its support for Ukraine. While doing that, Russia must avoid a direct conflict with NATO as that is risky. Such a conflict may result in its defeat and may not give Russia a future to rebuild itself (Pinchuk, 2023) into a global power. Therefore, the current conflict will not only result in a post-war reconstruction of Ukraine but also in a post-war reconstruction of Russia, both of which depend on the way the conflict concludes. For Ukraine, on the other side, victory is dependent on territorial control. Its goals are relatively simple: obtain all territory taken by Russia since 2014, when Kyiv considers Russia has started the war against Ukraine's integrity, and receive reparation from Moscow. Using realism for discussing interests and goals for Ukraine is, however, incomplete: while Kyiv would ideally make Russia pay for the damages, the amount and the way to have it pay for it is unclear, especially since the post-conflict peacebuilding process needs to take into account the societal recovery which is still something that needs to be calculated. The application of the structuralist or constructivist theories gives little insight into other details of Ukraine's objectives, considering there is limited information as to how the country will look like at the end of the current conflict. Ukraine has been devastated with an uncertain recovery in sight, most of its ports closed, its economy entirely dependent on Western support, hundreds of thousands of men and women fighting, and millions of people, the vast majority of whom are women, have fled the country. The reconstruction project will need to sync up with a peacebuilding process that begins once the kinetic warfare is over (Norman & Mikhael, 2023).

Because the military support that the West gives to Ukraine is key to determining how the war ends, understanding Western goals is essential to see the way the West defines victory. While it is obvious that the Western concept of victory includes numerous definitions that certain nation-states have in terms of their geopolitical imperatives, as long as there is a unified Western front against Russia, the notion of a common Western victory is feasible. Four goals may be considered components of a common Western win. Using realism for identifying Western objectives, there are two main interests that the West needs to address in fighting in Ukraine. First, the West needs to help Ukraine to force Russia to withdraw from as much occupied territory as possible. Second, the West must avoid direct military confrontation between NATO and Russia, as that would translate into Western military and human expense that needs to be avoided. Not to mention that the West—and the US in particular—wants to limit its military presence worldwide.

The constructivist approach highlights another goal: the West needs to make sure Russia doesn't get emboldened to attack elsewhere, especially in a neighboring region of Europe such as the Balkans or the Caucasus—both potential flanks that may open up. For this reason, it needs to make sure it retains sufficient influence in Russia and in the non-allied regions—that the West ultimately needs to "win" over from Russian influence (Derviş, 2022).

Using the structuralist framework, from the Western perspective, the conflict in Ukraine should weaken Russia or should end on such terms that prevent Russia from invading Ukraine or another territory again. Socio-economically, Russia will likely need Western help should it be defeated in the current war—this is how the West not only increases its influence but also helps reconstruct the Russian system so that it is ideally not becoming antagonistic to its goals and its existence.

Therefore, there are two key elements that the West and Russia share in defining victory. First, there is the avoidance of direct confrontation between NATO's and Russia's military's might. Second, there is the post-war reconstruction process that not only refers to Ukraine, but also to Russia. Should Russia win the war, it will rebuild itself into a global power, while its social and economic features will be redefined. Should the West win the war, Russia will need to be restructured in such a way that in the future a similar conflict to that currently going on in Ukraine is avoided.

The Geoeconomic Framework: The Layers of Reconstruction

From a strategic perspective, reconstruction involves addressing the underlying causes of conflict and building sustainable peace and stability. It encompasses a broad range of efforts, including security, political, economic, social and psychological dimensions for both Ukraine and Russia (Harafonova & Stadniichuk, 2023). This is why the long-term approach to the reconstruction project needs to consider several layers or dimensions, all of them dependent on the way the war is evolving. Therefore, there are two major considerations to be taken into account when listing the dimensions of the reconstruction project for Ukraine. One refers to the momentum of drawing such a list—whatever theoretical framework we might consider, there are the current options that must be considered for building a sustainable environment for the state's survival and resistance during the conflict and, there are post-conflict options that need to be considered for long-term goals of Ukraine. The other consideration that needs to be taken into account is the effects that pertain to the peacebuilding processes as all dimensions must contribute to the long-term stability of Ukraine (Rist et al., 2023). Understanding, from using the international conflict management theories to define victory for each party currently at war, that the reconstruction of Ukraine goes hand in hand with that of Russia, we conclude that the West is a donor or at least a funding party (in case Russia manages to establish itself as a global power) on the long term.

Given the two considerations and the particular aspects of the reconstruction project in Ukraine, a list of the specific dimensions that need to be taken into account, together with an explainer about the timeline and the parameters to consider when discussing the dimension in question, is given in the Table 1 below. The also features geopolitical components for analytical framework: politics, economics and security as well as some specific considerations for the social and psychological

Table 1 Layers for Ukraine's reconstruction

Reconstruction layers/dimensions	Parameters to consider for each of the layer	Time of implementation
1.A. Economic (short term and long-term)	Supporting current employment levels, promoting socio-economic resilience Maintaining financial infrastructure integrated and functional at the international level Sustaining investments in infrastructure (health and educational infrastructure as well as physical critical infrastructure for energy and transport)	During the kinetic conflict, in areas less affected by the war and after the kinetic conflict ends, with a long-term focus
1.B. Economic (long term)	Creating a functioning market internally and sustaining the integration of the internal economy in the international economic flows Supporting the small and medium enterprises to create a stable economic system providing for internal needs Investments in all infrastructure needed for (re)building an economic system and integrating it into the world economy	Post-war reconstruction
2.A. Political (short term)	Maintaining a stable governing system that facilitates economic support Maintaining working state institutions for serving key functions, including the civil service and the judiciary	During the kinetic conflict
2.B. Political (long-term)	Establishing a legitimate and inclusive political system that represents the interests of all stakeholders Rebuilding and strengthening state institutions, including the police, judiciary, and civil service.	Post-war reconstruction
3.A. Social and psychological (short term and long-term)	Promoting community resilience and coping mechanisms for the society Providing access to education, healthcare, and essential service Addressing discrimination issues, especially in multiethnic settings	During the kinetic conflict and after the kinetic conflict ends, with a long term focus
3.B. Social and psychological (long-term)	Promoting reconciliation and healing among communities affected by conflict Addressing the psychological trauma of war and conflict	Post-war reconstruction phase

(continued)