

The Causes of the Russia-Ukraine War and Its Impact on Cambodia

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In February 2022, Russia shocked the world through its invasion of Ukraine. The ongoing Russian invasion of Ukraine is one of the most consequential geopolitical events in recent memory. The war will have wide ranging impacts not just for Ukraine and Russia but for countries all over the world, including Cambodia. These impacts can be divided into two broad categories: economic and geopolitical impacts.

Prior to the discussion on the impacts of the war, it is imperative to investigate the key reasons behind Russian invasion of Ukraine. Putin has long and strong grievances regarding the fall of the Soviet Union. It was the geopolitical disaster of historical proportion. In the immediate decade following the collapse of the former Soviet Union, Russia, its largest component, had been weak and subjected to Western manipulation and interference. Western countries wanted to impose Western style capitalism and democracy on Russia. Politically, the West experimented democracy in Russia through its support of pro-Western political parties and civil society organizations in Moscow. Contrary to Western expectation, democracy had brought political instability and division as some ethnic regions demanded greater autonomy and independence along with political deadlock.

Economically, Western countries used Russia as an experiment for market economy in post-communist societies. Western economic advice to Russia was known as “shock therapy”—a one-time comprehensive and rapid reform. It should be noted that the rigidity of a centrally planned

economy, corruption and incompatibility of Western political and economic model for Russia led to a reform failure. “Shock therapy” went astray for Russia because there was lot of shocks but no therapy.

Since Putin came to power in 2000, he has been attempting to restore Russia’s power. His geopolitical aim was to see Russia as a successor to the former Soviet Union and the champion of its “glorious” position in global order. Putin employed all means to restore order in Russia, including through the defeat of separatist movements, namely those in Chechnya. Putin also centralized the state administration by limiting the power of regional government, transforming Russia into a de facto one-party authoritarianism.

Economically, Putin centralized the mobilization of state resources through nationalization of industries once owned by oligarchs such as Gazprom. Thanks to increases in the price of commodities, particularly natural gas and oil, the Russian government has increased the Russian foreign reserve to around USD600 billion at the time of Russian invasion of Ukraine. With increased revenues, Russia also modernized its military—developing new weapon systems such as Sonic missiles capable of carrying nuclear warheads. The financial mobilization and military modernization were aimed at expanding Russian foreign influence as they helped cushion Russia against eventual Western economic sanctions and military pressure.

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In the history of world politics, a reviving power often seeks to reclaim its former glory, or to readjust the international system. Russia, under Putin, is a case in point. Large financial reserves allowed Russia to pursue more assertive foreign policies such as its involvement in Syria. As far as its “Near Abroad” is concerned, Russia wants to maintain its sphere of influence or at least a buffer zone between its border and the NATO frontier. Maintaining a buffer zone is a long strategic calculation for big powers. For instance, we see a buffer zone between European colonial powers in Southeast Asia.

Russia’s re-assertiveness creates grave challenges for Ukraine for a number of reasons. First, Ukraine is a state of nations and not a nation-state. It has 25 percent Russian nationals living within its border. Such ethnic plurality has rendered it difficult for Ukraine to build a unified nation-state. Many of these Russians long for reunion with Mother-Russia or at least to live in a Ukraine that is pro-Russia. For Putin, Ukraine is not even a country. Rather, it was a country that Western powers made up as a ploy to weaken Russia. However, a majority of Ukrainians want to be a part of Europe. Ukraine aspires to be a member of the EU and NATO for security guarantees and economic independence from Russia. Ukraine becoming a member of NATO is unacceptable to Russia, who sees this as a threat to its security. Western policy makers argue that Ukraine, with much smaller army and no nuclear weapons, is not a threat to Russia which has one of the world’s largest nuclear powers and standing armies. Realists would argue that it does not matter what others perceive the level of threat of Ukraine being a member of NATO to Russia. What matters is what Putin thinks of this threat. Realists – like Kissinger – went even further to suggest that the West and Ukraine should make territorial concessions to Russia to have peace in addition to not granting Ukraine NATO membership.

Ceding territory to a bigger power is a dangerous precedent which goes against international norms

of national sovereignty. If “might is right,” as realists condone, then the world is a dangerous place for small states like Cambodia. If Cambodia condones Russia’s invasion of Ukraine, then what would happen if Thailand or Vietnam invaded Cambodia? That is why Cambodia votes in favor of a resolution condemning Russia’s invasion at the United Nations.

The economic impacts of the war are already being felt around the world, including in Cambodia. The economic fallout of the war is complex and multidimensional due to the current unprecedented level of global interconnectedness signified by increased velocity and intensity of movement of goods, people, and services.

Because of global interconnectedness, when countries with natural resources (such as Russia and Ukraine) go to war, consequences are grave and multidimensional. The war has cut off key shipment routes for a number of necessities, including both energy and food products.

The combined effects of war on production in Ukraine and the Western sanctions against Russia, along with Russia’s own export restrictions, have affected grain production and export to the world. Such short supply has shored up food prices in some places and caused famine in others.

In general terms, Cambodia is largely insulated from food crises owing to its agrarian economy and reliance on imports from regional partners. Fortunately, this new gap in food supply leaves an opportunity for Cambodia who aspires to increase its food export. However, the Russian-Ukrainian war has impacts on the price of certain food products that have become increasingly popular among middle class Cambodians such as pizza, bread and pasta.

Furthermore – as stated above – due to global interconnectedness, Western sanctions against Russia and Russia’s own decision to restrict the supply of natural gas and oil to European countries have had effects on global economy. Although Russia is not a key economic player like China, it









is the world's largest gas exporter, the second largest oil exporter and a key exporter of minerals and fertilizer (along with Belarus). Like other energy-importing countries, Cambodia has faced rising fuel prices which led to rising transportation costs. These in turn have caused inflation. The disruption to fuel supply, however, will also present new opportunities for the Cambodian economy. Increasing fossil fuel prices will incentivize further investment in renewables, especially hydropower, which can potentially accelerate Cambodia's path toward decarbonization and energy independence.

Another negative impact of the Russian-Ukrainian war is its effects on Cambodia's key industries of garment and tourism resulting from the war's impacts on Western European economy. For Western European economy, high prices for commodities have led to a higher cost for production which in turn produces higher inflation. Higher inflation results in lower consumer demand, which consequently decreases production. In sum, rises in food prices and fuel costs and disruption to global supply chains of raw materials slow down the Western economy, which ultimately results in decreased demand for Cambodia's exports of clothing and tourism sector.

Geopolitical challenges for Cambodia pertain to its role as the Chairman of ASEAN in 2022. At the regional level, as the Chair of ASEAN, Cambodia is under pressure to accommodate the diverse

stances among ASEAN countries towards the Russian-Ukrainian conflict. These issues include: (1) Adherence by ASEAN member states to the principle of non-interference in the affairs of other countries, (2) Geostrategic significance of Russia in balancing China (for Vietnam) and (3) Importance of Russia as a supplier of weapons to Southeast Asian countries (Vietnam, Thailand, Indonesia, Laos, and Myanmar). Diverse stance among AMS renders it difficult for ASEAN to rise with a unified stance on the Russian-Ukrainian war that will satisfy all key world powers – Russia, China, and the United States. ASEAN's diverse stance also generates difficulty for ASEAN to set its agenda for the meetings with all major powers as they are pulled by China, the United States, and Russia in different directions.

The Russian-Ukrainian war and the current tension between the United States and China indicate that the world has entered into an unprecedented era of uncertainty, an era that will see attempts to challenge the liberal world order created and promoted by the United States and ultimately to recreate an alternative order. When these forces are simultaneously promoted by rising and reviving powers in concerted efforts, reactions by existing powers are swift. At the end of the day, uncertainty will abound. In the meantime, unintended outcomes will be grave-absent careful management.

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