EUCON

Geopolitical Shifts and the War Against Ukraine: A Point of No Return

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1. Introduction

With the Russian attack on Ukraine, political risks that have to be managed by policymakers and businesses have reached a new dimension. However, the basic rules of the game are not entirely new. While Ukraine has become a battlefield of a proxy war of attrition. indicators of this dramatic event have been observable long before February 24th. Already in the 1990s, Russia's hegemonic and neo-imperial intentions became apparent since Moscow has always regarded the post-Soviet countries as its "Near Abroad" in terms of geopolitical interests. At the same time, this period was characterized by a reserved and cautious approach by the West, aiming primarily at integrating Russia into existing structures of order, created and dominated by the "collective west", instead of using the window of opportunity to discuss a new and alternative security order which would include Russia at eye level. Admittedly, during this period, Russia still showed willingness to cooperate within Western-dominated structures and institutions.

In the 2000s, the split between the West and Russia took place, as Russia started pursuing its own (re-)integration projects in the post-Soviet space in political, economic and security terms. The process was catalyzed by NATO's expansionist policy, which Moscow perceived as aggressive. While the symbolic split occurred at the 2007 Munich Security Conference, the August war of 2008 showed that Russia would secure its own hegemony in the post-Soviet space with military means if necessary. The annexation of Crimea, the military conflict in eastern Ukraine and the hybrid aggression against Ukraine since 2014 marked another critical juncture in the process of conflict escalation. At that time already, the breach of international law and the intensity of hybrid warfare took on a previously unknown dimension. At the same time, with the CSTO and the ECU, Russia created organizations in the post-Soviet space that are obvious political, economic and security counter-models to NATO and the EU.

This shows that there is a long history of escalation steps that preceded the Russian attack on Ukraine, leading to a deadlock (situation) in early 2022. Notwithstanding patch dependency of competition and conflict, 24 February 2022 is a critical juncture of historical dimension. It is a point of no return in international relations, seriously challenging the liberal world order.

Section one of this policy paper traces the history since 1991, unveiling that there is a long history of conflict, which preceded the Ukraine war, characterized by several steps of escalation.

Section two explains why 24 February 2022 marks a point of no return in international relations. Recommendations for policymakers and businesses of how to manage the new geopolitical realities are finally presented in section three.

2. Changing Dynamics: From Cooperation to Competition to Conflict.

2.1. The 1990s Dynamics of Post-Soviet Regional Engagement

The EU's retention

The collapse of the USSR left the region in a state of limbo. At a time when the former Soviet republics, including Russia, grappled with nation-building amid economic and political turmoil, the European Community, since 1992 the European Union (EU), lacked a vision for the region's development (Wolczuk, 2009). In the 1990s, the EU's policies appeared rather selective. Cooperation formats like the Partnership and Cooperation Agreement (PCA)[1] targeted only a few states with Russia among them as a priority partner, followed by Ukraine and other former Soviet states (Wolczuk, 2009, p. 187). Russia was not only favored by the EU in terms of economic, political, and social cooperation, but also became a strategic cooperation partner of the North Atlantic Treaty Organization (NATO). The Partnership for Peace (PfP) initiated by NATO facilitated military cooperation between its members and all former Soviet bloc countries that were willing to cooperate. Nonetheless, building stronger ties with Russia was seen as a priority, as it offered the potential to ease historical tensions with NATO. To enhance the partnership between both entities, further formats such as the NATO-Russia Founding Act of 1997 were launched, which once again illustrates Russia's preferential treatment by the West in the 1990s.

Russia's "special role"

While the EU focused almost exclusively on Russia, Russia persisted on its "special role" in the region. In the early 1990s, it introduced the notion of the "near abroad", inextricably linking its own security to the future of the former Soviet republics (Delcour, 2017, p. 63). However, Russia's ability to perform the role it claimed remained limited due to its own struggle with transition and domestic reforms (Trenin, 2011). As a consequence, Moscow's policy approach towards the post-Soviet region lacked actual substance (ibid.). Nonetheless, it was still able to maintain an "ad-hoc" approach to the region based on path dependencies inherited from the

[1] The PCA offered access to the EU's market based on the fundamental principles of the General Agreement on Tariffs and Trade (GATT).

Soviet past (Wilson and Popescu, 2009). Not only did Moscow provide gas below market prices but was also instrumentalizing a visa-free travel and a relatively open labor market (p. 321-2). To sustain these economic ties and preempt disintegration of the post-Soviet economies, Moscow brought to life the Commonwealth of Independent States (CIS) in 1991. By the year 1994, all former Soviet nations (except for the Baltic states) had committed themselves to "the development of cooperation in politics, economics, culture, education and the like, and the coordination of foreign policy" under the CIS framework (Molchanov, 2015, p. 26).

Even in this embryonic phase of Eurasian regionalism, regional cooperation was envisaged in both the political-economic and security fields as the CIS included a foreign policy and defense dimension (Sagramoso, 2020, p. 44). Russia's regional security vision further materialized through the Collective Security Treaty (CST) framework launched in 1992, addressing internal security challenges of the region (Pop, 2009). Although Russia facilitated peace in Tajikistan, it exploited local conflicts to maintain instability elsewhere (Delcour, 2017). For instance, Moscow deployed so-called peace troops in the breakaway Georgian regions of South Ossetia and Abkhazia, and in Moldovan Transnistria as well as in Nagorno-Karabakh, where it supported the Armenian pro-Russian regime in the war with Azerbaijan. In all these conflicts, Russia positioned itself as "both judge and jury", bringing about the ceasefires of conflicts it was fueling all along (Delcour, 2017, p. 65).

To sum up, in the 1990s, the West's attitude toward the post-Soviet states was characterized by a reserved and cautious approach, aimed primarily at integrating Russia into existing structures of order, created, and dominated by the "collective west". While Russia showed practical willingness to cooperate within these international structures, Russia's hegemonic and neo-imperial intentions quickly became apparent.

2.2. EU and Russia in the 2000s: from cooperation to competition

The awakening of the EU as a "global player"

While the EU rather focused on its own vertical integration right after the collapse of the Soviet Union, its strategy for the region began to take shape shortly before the turn of millennium. While opening admission negotiations with 10 former Socialist and Soviet (Lithuania, Latvia, Estonia) countries, the EU also aimed for cooperation with non-enlargement countries (like Russia and Ukraine) through the Common Foreign and Security Policy (CSFP) in the late 1990s (Delcour, 2017, p. 42). After 2000, security concerns increasingly began to shape the EU's

stance. The idea of a European Neighborhood Policy (ENP), introduced in 2002, connected stability, prosperity, and shared values within the EU's southern Mediterranean and post-Soviet neighborhood to its own security (Council of the EU, 2003)[2]. From its outset, the framework sought both political and economic reforms (Börzel & Langbein, 2012) blending bilateral, multilateral dialogues, conditionality, and capacity-building (Börzel-Risse, 2009). While the launch of the ENP marked the EU's rising self-assessment as both a "role model" and a "motor of European security" (Haukkala, 2011; Bengtsson, 2008), its framework was based on "vague incentives and political commitments" (Delcour, 2016, p. 48). Despite tying its own security to political and economic developments in its neighborhood, the EU itself lacked an actual security dimension and it relied on NATO as a complementary security framework.

Russia's growing self-perception as a "great power"

The turn of the millennium also marked a significant shift in Russian foreign policy, gaining in consistencyunder Putin's leadership, and showing growing economic growth due to higher oil prices (Delcour, 2017). Because Russia engaged with the EU as its prioritized partner through PCAs in the 1990s (Wolczuk, 2009), the ENP's launch caused discontent in Moscow. Russia declined the offer on short notice, in which it was considered "just one of the EU's many neighbours", leading to a separate Russia policy of the EU (Casier, 2016, p. 77). Moreover, the Russian authorities concluded that "great powers do not dissolve in some other integration project, but forge their own" (Bordaches & Skriba, 2014, p. 17). Facing Western-oriented revolutions in Georgia (2003) and Ukraine (2004), Russia recognized the need to secure influence in the region (Wilson & Popescu, 2009). In response, Russia learnedto deploy new soft power mechanisms in its neighborhood and elsewhere, launching a series of organizations and projects that formed its new "NGO front" (Wilson & Popescu, 2009, p. 320). In addition, Moscow increasingly pursued the goal of preserving authoritarian regimes in the post-Soviet space, which was possible due to shared roots in the former Soviet system.

Russia, however, rarely promoted its own rules, preferring (dis)incentivizing integration with the West through (economic) coercion (Ademmer et al., 2016). In the 2000s, energy became a political tool for Moscow, while exploiting dependencies became more pronounced throughout the 1990s (Wilson & Popescu, 2009). 'Gas-wars' with Ukraine and Georgia in the aftermath of the colored revolutions showcased this tactic. Frequently, various methodsmethods of extortion

[2] Joint letter by EU Commissioner Chris Patten and the EU High Representative for the Common Foreign and Security Policy on Wider Europe. 7 August 2002. http://www.europa.eu.int/comm/world/enp/pdf/_0130163334_001_en.pdf

were deployed simultaneously. Amid rising tensions with Georgia, Russia introduced stricter migration policies in 2006 that led to the deportation of thousands of Georgian citizens who had previously worked in Russia (Delcour, 2017). It also imposed punitive tariffs and trade bans on products from Georgia that was already suffering from increased gas prices (ibid.). While there is "nothing wrong with a desire to sell gas at market prices", in Russia's case, however, the "timing and pace of gas price increases has been clearly political" (Wilson & Popescu, 2009).

Russia's first steps toward Eurasian regionalism

While economic cooperation remained loose, Moscow took is first steps toward a security related Eurasian regionalism. Russia's 2000 Foreign Policy Concept put renewed emphasis on security aspects of CIS integration (Greene, 2012). Russia not only pursued military integration of single CIS countries on a bilateral level but also aimed to enhance the CST's functioning (Pop, 2009, p. 282). By 2002, CST had become CSTO, including Armenia, Belarus, Tajikistan, Kazakhstan, Kyrgyzstan, and Russia. This shift related to NATO's Balkans and Afghanistan operations (Guliyev & Gawrich, 2012), both seen as a threat to Russia from the Kremlin's perspective. The CSTO's launch shortly before the NATO-Russia Summit in Rome should "mark a new red line for Russia's vital interests and to counterbalance the second round of NATO enlargement" (Green, 2012, p. 9). While Moscow showed itself alarmed about NATO's engagement in the post-Soviet space, the EU was considered less of a threat due to its lacking security dimension. As stated by Putin, unlike the expansion of NATO, the inclusion of Ukraine within the EU would serve as a constructive catalyst, bolstering the very fabric of international relations. However, it was against the backdrop of the EU's noncommittal stance at the time toward the accession aspirations of Ukraine (Green, 2012, p. 10) (and before the launch of the Eastern Partnership), that the Kremlin took such a seemingly liberal stance toward the EU orientation of both Ukraine and Georgia. The regime's growing hostility towards the Western influence in Russia's Near Abroad became increasingly apparent during Putin's visit at the Munich Security Conference in 2007. In Putin's infamous speech, NATO's enlargement was referred to as a "serious provocation" of Russia. Accordingly, the creation of the CSTO marked a change to the CST, as threats and challenges seemingly took on an external dimension with NATO as the constructed menace (Pop, 2009). In a press statement after the April 2008 Russia-NATO Summit, Putin further pointed to a "powerful military bloc" at Russia's borders as an immediate threat to its national security.

In the 2000s, the split between the West and Russia grew deeper. It was already clear at the beginning of the millennium that Russia would pursue its own (re)integration projects in the post-Soviet space in political, economic and security terms. In its practical implementation, Russia made use of the region's post-Soviet heritage. Its own aspirations to great power and NATO's expansionist policy, which was perceived as aggressive, catalyzed the process. At the latest, the symbolic split became obvious at the 2007 Munich Security Conference for the first time.

2.3. Reduced Cooperation, Increasing Competition, and Arising Conflicts

Escalation in Georgia as First Critical Juncture

In response to Georgia's NATO aspirations, the Kremlin launched a military intervention, aware that a secessionist conflict would thwart Georgia's NATO membership prospects. As evidenced, Moscow was deeply involved in managing the Russo-Georgian war (Wilson & Popescu, 2009). In fact, the preparations had started in 2006 already (Geleotti, 2022) as indicated by the continuous dissemination of propaganda, and increasing numbers of Russian troops in the separatist regions since 2006. This was happening against the background of the preceding passportization of the Russian (speaking) so-called “compatriots” in Abkhazia and South Ossetia since 2002. The Russian peacekeepers in South Ossetia deployed on Georgian territorysince the 1990s “essentially took the side of the Ossetian separatist forces” when the conflict escalated in 2008 (Molchanov, 2015, p. 30).

With this war, Moscow not only aimed at punishing Tbilisi for its disintegration endeavors. It also intended to dissuade other post-Soviet countries, especially Ukraine, from their (dis)integration efforts. At the same time, Russia tried to demarcate its “sphere of privileged interests”, deterring the West from further involvement in the region. Although Russia's hostility at that time rather targeted NATO than the EU, it signaled Russia's broader antagonism toward the West (Wilson & Popescu, 2009). Accordingly, this war demarcated a shift in Russia’s approach to both the post-Soviet space and the West.

Paradoxically, while Russia increasingly expressed animosity towards the West, countries within the EU took varying stances toward Russia. Eastern and Central European partners like Poland, the Baltics, and the Czech Republic openly recognized Russia for what it is/was – a neo-imperial power. In contrast, Western European voices, including German Foreign Minister Frank-Walter Steinmeier, saw both sides responsible in the Russo-Georgian conflict, urging

against isolating Russia (Veser, 2009). Despite some EU partners' empathy, Moscow's enmity increasingly targeted the EU alongside NATO (Allison, 2015). Moscow's conflation of both organizations started in parallel to the EU's growing involvement in the region, and the launch of the Eastern Partnership in particular.

European and Russian regionalism in open competition

The rather loose ENP framework for cooperation was tightened with the elaboration of the Eastern Partnership (EaP) in 2009, targeting the same six aforementioned partner countries. The EaP marked a significant shift in EU policy as the introduction of an Eastern dimension did aim at deepening both political association and economic integration with those countries (Delcour, 2017). On the one hand, the EU leveled up its offer to Eastern partners by introducing incentives like visa liberalization and access to Deep and Comprehensive Trade Areas (DCFTAs) (Delcour, 2016). On the other, the EU introduced detailed contractual frameworks in the form of Association Agreements (AAs) that include legally binding provisions, timelines, and dispute resolution mechanisms (Delcour, 2017). Unlike the broader ENP framework, under the EaP greater commitment from both sides is being expected (ibid.). With an emphasis on legal approximation of partner countries these, among other things, were expected to align with over 90% of the EU's trade-related acquis (Duleba et al., 2010).

Almost in parallel with the EaP, Russia launched the Eurasian Customs Union (ECU) in 2009, moving away from the largely symbolic CIS. The ECU aimed for greater (economic) integration than its predecessor frameworks, adopting hard-law integration and launching supranational institutions (Libman, 2019). In doing so, this Russia-led regionalism used the EU's model of supranationalism as a template (Delcour, 2017). The ECU (later Eurasian Economic Union; EAEU[3]) introduced institutional elements similar to the EU (Libman, 2019); however, without ever achieving a comparable level of deep integration. With the launch of a seemingly economic Eurasian regionalism, Russia pursued geopolitical goals. The redistribution mechanisms inherent to the framework economically benefitted other member countries than Russia (Libman & Obydenkova, 2018). The latter, in return, obtained the other partners' support in the formation of a geopolitical coalition (ibid.). Thus, the EAEU functioned as another geopolitical instrument for Moscow (Popescu, 2014), granting it prestige on the

[3] The idea for the EAEU was on the horizon since 2012. By 2015 when it was officially launched, among its members were Russia, Belarus, Armenia, Kyrgyzstan, and Kazakhstan.

world stage (Molchanov, 2015). Since the inception of a more coherent Eurasian regionalism through the ECU in 2009, its institutional framework forced “in-between” countries to take sides: “Before the ECU and Eastern Partnership were launched, neighbor countries were able to combine some degree of integration with both the EU and Russia” (Delcour, 2016, p. 48). With the introduction of a hard-law approach to the frameworks of the ECU/EAEU this kind of "cherry-picking" was made impossible (ibid.), making integration decisions irreversible (Delcour & Wolczuk, 2016). Accordingly, Russia aimed at the promotion of bloc-building through the means of regionalism. In doing so, Moscow envisioned the EAEU as a cornerstone toward a multipolar world where it would stand on equal footing with the EU (Dragneva, 2017).

Annexation of Crimea as Second Critical Juncture

Since the launch of the EU’s EaP and Russia’s ECU, Moscow has increasingly started to see the EU’s “goals in the region, including its normative agenda” in geopolitical terms (Sergunin, 2014, cited in Delcour &Wolczuk, 2016). Starting in 2012, Russia began securitizing both the EU and NATO, as it became evident during Ukraine's pursuit of deeper EU integration (Allison, 2014). Before the 2013 Eastern Partnership Summit in Vilnius, where association agreements should have been signed, Putin's advisor expressed bewilderment at Ukraine's choice to align with the EU rather than with Russia-led ECU (Glazyev, 2013, quoted in Allison, 2014).

In November, the then-president Yanukovych announced that the ongoing preparations for signing the association agreement will be put on hold. However, the Ukrainian public resisted this decision, leading to nationwide protests known as the Maidan protests, unfolding in Yanukovych’s flight and a significant geopolitical shift. Accordingly, after the soft approach (support for Yanukovych’s authoritarian regime, nudging Ukraine into the Eurasian regionalism framework) failed due to Ukrainian civil society, Moscow opted for the use of hard power against Ukraine. Russia launched a destabilization campaign, annexing Crimea and supporting separatist groups in Donetsk and Luhansk.

As Russia was increasingly securitizing post-Soviet countries integration decisions, Moscow’s attitude towards the EU deteriorated as well, now conflating the EU's role with NATO (Allison, 2014). Putin justified Crimea's annexation as a preemptive security measure against Ukraine's potential NATO membership (Putin, 2014). The securitization of Ukraine’s foreign policy followed not only an alleged security rationale: “We believed it was indeed unreasonable to

sign that agreement because it would have a grave impact on the economy, including the Russian economy" (Putin, 2014).

Russia's 2014 destabilization campaign against Ukraine consisted of a variety of tools, among them old strategies like the support for separatism in Eastern Ukraine and economic coercion. The annexation of Crimea, however, marked a turning point as it showcased the impact of long-term dissemination of Russian propaganda in combination with military intervention. While the use of hybrid aggression was a novelty, what remained the same was Moscow's open disregard for international law and its desire to change the borders drawn in 1991. At the same time, Putin's government tested the ground for further action in the future. Although the international community imposed a comprehensive package of sanctions and relations with the EU and the West cooled drastically, Russia, all in all, got away with yet another violent conflict. As in 2008, alarmed voices went unheard, while trade relations with individual EU countries have even deepened, making the latter increasingly dependent on cheap Russian energy.

From a security perspective, the August war of 2008 showed for the first time that Russia would secure its own hegemony in the post-Soviet space militarily if necessary. The annexation of Crimea, the military conflict in eastern Ukraine and the hybrid aggression against Ukraine since 2014 are in this way merely a continuation of Russia's hegemonic strategy of creating and cultivating conflicts in the post-Soviet space in order to prevent the integration of the countries into Western structures of order. Nevertheless, the events mark a critical juncture in that the breach of international law and the intensity of hybrid warfare took on a previously unknown dimension. At the same time, with the CSTO and the ECU, Russia has created organizations in the post-Soviet space that are obvious political, economic and security counter-models to NATO and the EU.

3. New Geo-Political Risk Constellation

The Russian attack on Ukraine on 24 February 2022 may be a turning point in international relations. However, as highlighted above, there is a long history of conflict which preceded the war, characterized by several steps of escalation. As positions continued to harden in the post-Maidan period, the Minsk Agreements (Minsk I, Minsk II) were unable to produce a peace solution for Ukraine. Rather, negotiations and interactions between the actors involved were

marked by the new old geopolitical cleavage between the West and Russia, whose fault lines now ran through Ukraine.

In February 2022, the geopolitical conflict reached a dead-end (Richter 2022). On 17 December 2021, Moscow submitted two draft treaties to stop NATO's continued eastward expansion. At the same time, it wanted to prevent the alliance from stationing troops on Russia's borders or deploying long-range missiles in European states that could threaten Russia. Moscow demanded that NATO withdraw its 2008 summit declaration, in which it dangled the prospect of Ukraine and Georgia joining the alliance. Instead, Russia demanded that NATO declare in legally binding terms that it will renounce any future expansion - especially in the post-Soviet space - and withdraw troops stationed in Eastern Europe after May 1997. In doing so, Moscow invoked the 1997 NATO-Russia Founding Act (Richter 2022: 1). The USA and NATO signaled a willingness to engage in dialogue on arms control issues but were not prepared to revise the principles of the European security order (Richter 2022: 1).

24 February 2022 therefore marks a point of no return in international relations. The Russian attack on Ukraine is a critical juncture of global reach, seriously challenging the liberal world order. Since a regime change in Russia, and/or a Russian defeat in Ukraine war is highly unlikely, the Western community of states is faced with a dilemma or even trap. Any direct negotiations with the Russian government over Ukraine would finally require concessions to Russia and any move in this direction would mean a far-reaching weakening of modern international law, characterized by the fundamental principle of prohibition of offensive war. The start of negotiations alone would thus be a tactical victory for the Russian ruling elite, which regards contemporary international law as a product of Western elites and their global power claim. The Russian ruling elite thus wants to rewrite international rules according to its own interests.

While in 1990 the bipolar world order of East-West confrontation ended abruptly, the final consequences of the current events are not yet fully clear. In this constellation, the previous norm-based world order dominated by the West, currently disintegrates into new blocks. The most likely scenario is that the future world will be divided by competition and conflict between the West (led by the USA in primary coordination with Great Britain) and non-liberal authoritarian powers, led by a Russian-Chinese axis of collaboration. This authoritarian block might even include at times internationally isolated countries such as Iran and North Korea.

However, in this context, China, and not Russia will be most likely to be the dominant power. At the same time, regional powers such as India, Saudi Arabia, Indonesia, Turkey etc. maywisely use their new opportunities, in many cases against the immediate interests of the West.

In any case, globalisation in the form that has been dominant for more than two decades seems to be over. The miscalculation by many Western actors that Russia would not start a war for economic rationality shows how much the neoliberal perspective (i.e., that economic interests of countries and non-state actors dominate the international arena) has become dominant. In the end, the Russian aggression is also an expression that national security interests and non-readiness for cooperation – as predicted by neorealism – have returned to international politics. This new global constellation will have far-reaching consequences, not only for governments and international organisations, but also for enterprises operating globally. Consequently, not only policymakers, but also business managers have to adapt to new realities.

4. Conclusions and Recommendations for Policymakers and Businesses

The Ukrainian war comes at the end of a long spiral of conflict characterized by a continuous hardening of positions. The Ukrainian war, the failure of the Minsk Agreement, the annexation of Crimea and the war in eastern Ukraine, the August war of 2008 against Georgia, the symbolic breach between Russia and the West in the context of the 2008 Munich Security Conference are not several isolated events. Rather, they are critical junctures in an ongoing escalation of conflict that, after a brief period of détente in the 1990s and missed opportunities for cooperation, has moved from open competition to intensifying conflict to open war in Ukraine.

In Ukraine, a war of attrition is currently taking place, in which the country is trying to fend off Russian aggression and expansion on behalf of and with the support of the West. The cause of the conflict and war today, as in the 1990s, are irreconcilable geopolitical ideas of order, of the collective West on the one side and Russia on the other. While the West wants to preserve and globally enforce the liberal world order based on values and norms, Russia wants to break the supremacy of the collective West and enforce a multipolar world order in which it is one of the poles. In this confrontation, Russia's attack against Ukraine marks a point of no return. Regime change and a Ukrainian victory over Russia are unlikely. If the West and Ukraine agreed to start peace negotiations with Russia, this step alone would be a tactical victory by and for Russia. It would be an admission that the universality of the liberal world order has ended and

an era of geopolitical bloc formation and multipolarity has been ushered in. Against this backdrop of this constellation, ***policymakers*** must be aware that the collective West is trapped. From their perspective, it is not just about supporting Ukraine but about defending the liberal world order, including the universality of democracy and human rights.

For ***companies***, this means that there is no way back to doing business with Russia as before the war. At the same time, business in countries that have strong interdependencies with Russia must be conducted with caution as countries like Armenia, Azerbaijan or Kazakhstan might serve as backrooms for Russian trade. The premise learned from past crises and conflicts, "just hold out," is not a management option this time. At the same time, geopolitical risks and sanctions not only in Russia but the post-Soviet space will have to be managed for a long time. ***Policymakers***, too, must recognize that a sustainable policy of détente and lasting peace are not realistically achievable as long as the West and Russia are not willing to reconcile their geopolitical interests. This also means that under current conditions, any ceasefire in Ukraine is likely to be of limited duration only.

While a new world order is currently emerging, its patterns of order are only gradually becoming visible. Above all, it is unclear where the future geopolitical fault lines will run. This is particularly true of the post-Soviet space, which Russia as a whole claims as their hegemonic area. It is unclear whether countries such as Kazakhstan, Uzbekistan, Ukraine, or Moldova will be outside or behind the fault line (from the West's perspective), or whether the fault line will run through the countries in individual cases. ***Policymakers and companies*** (the latter in search of alternative markets) have to take into account the fact that further hotspots of conflict and war could occur in the post-Soviet space. Western-oriented or balance-oriented countries such as Moldova, Georgia (to a certain degree) and Kazakhstan are particularly at risk. For **companies**, this would have far-reaching consequences for business opportunities in the region. For this reason, they have to prepare for several scenarios.

In the ongoing geopolitical conflict, authoritarian Russia sees itself in a stronger position than the Western democracies. While Moscow has clearly placed geopolitical and security interests above economic interests, Western democracies have to balance diverging interests. As current experience with sanctions and rising energy prices reveal, energy interests and economic interests are basically at odds with normative and geopolitical interests in the region. In the long run, this weakens the strength of the West in the support of Ukraine and in the geopolitical

struggle with Russia. In addition, Western democracies and societies are susceptible to disinformation in the context of hybrid warfare, which is also linked to the rise of right-wing populist movements, which tend to be pro-Russia. In addition, in the post-Soviet space, the West supports governments of states that are in a precarious and weak position economically, politically, and security-wise after more than three decades of protracted and failed reforms, state capture and corruption, as well as hybrid influence by Russia, which is drawing on Soviet legacy to maintain influence. A tailored approach to the different countries within the post-Soviet space is needed as some countries like Kazakhstan or Armenia are part of Russia-led institutional regional frameworks such as the EAEU, which makes it difficult to deepen economic and political cooperation with these countries.

Furthermore, even deepening political and economic relations with Western and/or EU-oriented countries within the region is a delicate matter. Political and economic incentive strategies aimed at stabilization and the initiation of reforms in post-Soviet countries such as Moldova and Ukraine take a long time to develop their effect. For this reason, Russia's (from a Western perspective) destructive approach is superior in terms of effect. For Russia, it is enough to maintain the status quo in post-Soviet countries since they are not ready for integration with the West under current conditions. The Russian approach thus aims at creating and mobilizing conflicts and wars and destabilizing political systems and societies, showing quick effects, undercutting European attempts to stimulate long term reform, stabilization and state-building. ***Policymakers*** must take this complex constellation of strategic disadvantages into account when dealing with Russia and post-Soviet countries.

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