

GEOPOLITICAL RISK OBSERVATORY

# Ukraine-Russia War

## **An overview**

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## GRO Overview: Ukraine-Russia Conflict

GRO Overviews are neither extensive analysis nor news updates. Instead, they offer a general perspective over areas and issues, trying to provide a series of factors and variables that organizations should monitor to anticipate risks. For in depth analysis or day to day updates you should contact the observatory at [strategicchange@luiss.it](mailto:strategicchange@luiss.it)

### Summary

The Ukraine-Russia conflict is one of the world's most significant geopolitical crises, transforming from a regional dispute into a confrontation with global consequences. Since its escalation, the conflict has shaped international relations, disrupted economic systems, and spurred strategic realignments across continents. For organizations, understanding the conflict as an evolving context is essential for anticipating its impact on operations, investments, and strategic plans. Crucial factors to monitor include military developments, international alliances and support, and internal stability

### Historical and Geopolitical Context

The roots of the Ukraine-Russia conflict lie deep within Ukraine's contested geopolitical identity. After the 2013-2014 Euromaidan uprising, which crystallized the country's internal division between **pro-European** and **pro-Russian blocs**, Ukraine's aspirations towards integration with **Western institutions** provoked strong **resistance from Moscow**. Russia's annexation of Crimea and its support for separatists in Eastern Ukraine demonstrated its resolve to maintain influence in its neighborhood through both hybrid and direct military means.

The **full-scale invasion of Ukraine in 2022** marked a dramatic escalation and brought worldwide attention to the fault lines running through the post-Cold War security architecture. Much of the tension has centered around NATO's expansion eastwards, which Russia interprets as an encirclement threatening its security and regional ambitions. These developments are not simply about territory or national security; they reflect a clash of worldviews. On one side are Western models of integration and collective security, on the other, a resurgent Russian state

seeking to reassert control over its sphere of influence and challenge Western-led global norms.

Recent security realignments—such as the Swedish and Finnish accession to NATO and the strengthening of strategic partnerships between Russia and non-Western powers like China or North Korea—highlight how the conflict is part of **broader shifts in global alliances**.

## **Global Implications**

The war in Ukraine has had **ramifications far beyond its borders**. One of the most significant outcomes is the increasingly close partnership between Russia and China, exemplifying a growing bloc of countries seeking **alternatives to the US-led international order**. China's stance—officially neutral but supportive of Russia's economy and international position—has helped Moscow withstand sanctions and demonstrates how the conflict serves as a **testing ground for broader geopolitical competition**.

The response from the so-called **Global South** has been largely characterized by **strategic neutrality or non-alignment**. Many developing countries view the conflict as just another episode in ongoing competition between global powers, not simply as Russian aggression against Ukraine. This fragmented landscape has **limited the effectiveness of Western sanctions** and illustrates the waning ability of the West to drive global consensus.

At the same time, the **cohesion of alliances such as NATO is constantly being tested**. While the organization has expanded and strengthened support for Ukraine, internal debates over defense spending, public opinion, and changing US policy stances create uncertainty about the future of collective Western commitments.

## **Practical Implications for Businesses and Interests**

For organizations with direct or indirect exposure to the conflict, the situation presents a mix of risks and opportunities. **Ukraine's eventual reconstruction** will offer new prospects in sectors such as energy, infrastructure, and services, but **investment will require a careful assessment of security, legal, and ethical considerations** in a highly volatile environment. The importance of the reconstruction and the available opportunities have also been highlighted during the Ukraine Recovery Conference held in Rome in July 2025. Organizations must also

contend with ongoing disruptions in trade flows, higher commodity costs, and the possibility of further regulatory and sanctions changes as the international response evolves.

On the operational level, companies are advised to closely monitor geopolitical developments, critically evaluate their supply chains and regional dependencies, and bolster their cyber defenses in anticipation of increased hybrid and digital threats. Adaptability, proactive compliance with shifting regulations, and participation in dialogue with governments and partners will be crucial for managing exposure and seizing opportunities as they emerge.

## **What to monitor**

Factors that might lead to considerable changes in the current situation include:

- Military developments: the front-line has been relatively stable after the early phases of the war. Any major change now might suggest that one of the sides is giving in, potentially changing the equilibrium.
- International alliances: the two sides have been extensively supported by foreign partners. Especially for Ukraine, losing the substantial contributions coming from the West (EU and USA) could substantially compromise its capacity to defend itself.
- Economic sanctions: while certain sanctions have been unable to drastically impact Moscow's economy, Russia might still be exposed to extensive sanctions, especially if targeting third countries that have maintained trade relations with it. Sanctions are also among the most important factors for businesses to monitor.
- Internal stability: while neither in Ukraine nor in Russia since the early phase of the conflict there have been major protests, discontent during war times can mount and erupt abruptly. Any sign suggesting consistent dissatisfaction towards the leadership should be carefully monitored.