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The war in Ukraine: Consequences for the economy, labour class and equitable development in Europe and beyond

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Abstract

This article encourages critical discussion about the economic and social consequences of the war in Ukraine. This war has global effects in various dimensions of social life: energy policy, the environmental dimension, the economic sphere, and also the political atmosphere. In each of these dimensions, it poses a threat to sustainable development and the interests of the labour class in Europe. It attempts to change the balance of power in global geopolitics and also proves to be a useful cover for attempts to change the model of relations between employees and the state and business in many European countries. Due to the conflict in Ukraine and the ensuing calls for increased efforts to ‘ensure security’, Europe has turned towards a war economy in which the interests of the arms industry are more important than the interests of the working classes. The war in Ukraine has proved to be an excellent justification for governments to lower social standards and get rid of the remnants of the welfare state. From this perspective, the atmosphere of the New Cold War becomes a challenge for the labour movement, the global left and all progressive social circles.

Keywords: energy policy; global capitalism; neoliberal nationalism; risk of poverty; war economy

JEL Codes: B50; J70; J83; N40; P16

Introduction

The dramatic events in Ukraine caused by Russia’s invasion of the country in 2022 are not only affecting Ukrainian and Russian societies but are increasingly becoming a global challenge. These events also influence many dimensions of public life. This commentary encourages deeper reflection on the actual consequences of the war in Ukraine. It is also a voice encouraging a more active attitude towards the mechanisms that this war causes and of which it is a manifestation. All the more, so that the labour class not only in Europe but across the world is involved in these processes. The effects and costs of this war for wage workers and people’s classes can occur in various spheres of everyday life and in various (shorter and longer) periods.

Previous analyses on the effects of the war in Ukraine included reflections on its environmental dimension, as well as its local and global impacts on the condition of the ecosystem and the level of pollution (Rawtani et al., 2022), soil degradation, contamination of water reservoirs and the risk of an ecological disaster (Pereira, Bašić et al., 2020). Alarms

have also been raised about the threat to public health and the nuclear risk due to possible leaks from nuclear power plants in Ukraine (Racioppi et al., 2022). Concerns about global food security, access to energy (Zhou et al., 2023) and the future of energy transition and actions for climate protection have become widespread (Żuk & Żuk, 2022c). There are also descriptions of a huge wave of migrants from Ukraine, pouring across the whole of Europe. The largest number of war refugees have stayed in the neighbouring country: in the first two months of the war, nearly 3.5 million refugees from Ukraine crossed into Poland (Duszczuk & Kaczmarczyk, 2022).

All these elements have a direct or indirect impact on the sense of insecurity, lower social and economic security, and general reduction of the position and quality of life of the societies directly involved in this war (Ukrainian and Russian). It has also caused social tensions throughout Europe and other regions of the world. For this reason, both the causes and effects of the war in Ukraine should be considered together as part of the same crisis of the global capitalist system. These ecological, economic and ideological crises or problems of international politics are not separate and abstract; they are related by social dependencies, resulting from the competition for influence in the economic and political spheres in a specific socio-historical context in the global system (Wallerstein, 2004). In this sense, this commentary refers to the perspective of critical theory and falls within the tradition of the philosophy of historical materialism understood in a broad sense (Wood, 2002).

It is hard to find any positive effects of this senseless war. Contrary to previous analyses, which saw armed conflicts as one of the means leading to a greater egalitarianisation of society (in addition to revolution, collapse and plague) (Scheidel, 2018), the war in Ukraine has not reduced inequality in Russia or Ukraine (only individual Russian and Ukrainian oligarchs lost some of their assets – Ukrainian oligarchs lost their assets in their own country, Russian ones mainly abroad). When analysing the socio-economic effects of various wars with particular emphasis on World War II, Walter Scheidel (2018, p. 208) concluded:

Whenever the war effort permeated all of society, capital assets lost value, and the rich were made to pay a fair share, war did not merely ‘kill people and break things’ but also narrowed the gap between rich and poor.

The current short-term effect of the war in Ukraine has confirmed the forecasts and concerns of the World Bank experts about the deterioration of the geopolitical situation, causing strong financial tensions, deepening the refugee crisis, as well as growing inflationary pressure and increasing the risk of food insecurity (Guenette et al., 2022). The war in Ukraine has reinforced the trends that had already emerged after the COVID-19 pandemic crisis. The pandemic turmoil did not lead to a significant change in socio-economic policy, contrary to progressive postulates (Van Barneveld et al., 2020). The course of events after the pandemic has also not confirmed Scheidel’s findings. The social effects of medieval and modern pandemics may also be incomparable. However, when analysing the effects of the pandemic in medieval cities, Scheidel saw a mechanism that caused egalitarianism in the then order and explained the chance to improve the position of the working classes as follows:

The city that survived was but a shadow of its former self. Reduced to less than half its prewar population, it saw thousands of its poorest residents carried off by plague and starvation while its capital-owning elite were bled dry. Very large fortunes had disappeared, and lesser ones had been much reduced in number. Real estate had lost value, loans had become worthless, and safe investment opportunities had dwindled: in short, capital had been greatly eroded. In the end, the severe population losses increased demand for labor among the survivors, improving the circumstances of the laboring classes beyond the abject poverty many of them had previously suffered (Scheidel, 2018, p. 341).

In contrast, modern experiences with the COVID-19 pandemic have not translated into greater social equality. On the contrary, states and the capital treated it as a good excuse and justification for introducing austerity measures and disseminating precarious practices in selected sectors of the economy. The economic effects of the post-pandemic crisis have become a concern primarily for employees, and state aid has flown to save businesses (Žuk & Žuk, 2022d). The post-pandemic crisis has overlapped with a new wave of crisis caused by the war in Ukraine. However, this has not changed the main assumptions of the economic policies of governments around the world. Only one significant change has been introduced: a huge and widespread increase in military spending. While many sectors of the economy have been severely affected, the drive to ‘increase national security’ has made governments in many countries expand the military sector. NATO has dramatically increased military spending, and the military industry sees this armed conflict as a ‘gold mine’ (Gramer, 2022). However, this has nothing to do with the implementation of sustainable development goals (Pereira, Zhao et al., 2022). The negative effects of militarisation on the economy and society are discussed further in this commentary. Here, it can only be added that the policy implemented by governments is in line with the assumptions of the ‘shock’ and ‘surprise’ strategy: neoliberal capitalism continues to apply the shock doctrine (Klein, 2008) and uses each subsequent ‘emergency’ to strengthen its rules of the game without changing the balance of economic forces and the logic of the implemented policy.

The experience of the year-long war in Ukraine shows that the price of this war is once again being paid primarily by ordinary people and workers in Europe, who are increasingly weighed down by energy prices and the cost of inflation eating up their income and savings. Inflation has hit Eastern European countries bordering the war in Ukraine, and whose markets and economies have become highly uncertain. At the end of 2022, the inflation leaders included Hungary, the Baltic states (Lithuania, Latvia and Estonia) as well as Poland, the Czech Republic and Slovakia. Inflation in Eastern Europe was higher than in the old countries of the European Union (EU) due to many mechanisms. However, the war-related economic uncertainty and the energy threat resulting from the interruption of gas, oil and coal supplies from Russia and the need to find other, more expensive fuel suppliers contributed significantly to the inflation rate in Eastern European countries (Figure 1) (Statista, 2023).

Moreover, the consequences of this war are also hitting the people of the poor south of Africa and the Middle East. As has been pointed out:

Twenty-three African nations were dependent on Russia and Ukraine for more than half the imports of one of their staple foods. Sudan, Egypt, Tanzania, Eritrea, and Benin were getting almost all their wheat – 80 percent – from Russia. Algeria, Sudan, and Tunisia received more than 95 percent of their sunflower oil from Ukraine (Benjamin & Davies, 2022, p. 157).

Threatened food security and the real threat of famine and the long-term food crisis may contribute to another wave of social unrest in this part of the world and desperate attempts to migrate to Europe.

Social and economic challenges

Increasing energy profits for some and costs for others

The war in Ukraine has clearly shown that the energy industry is very sensitive to conflicts and geopolitical turmoil. More sanctions and counter-sanctions will cause further turmoil in the global economy. In the long run, the economy may permanently adjust to crises in the energy sector. In the first year of the war, however, it was European countries in

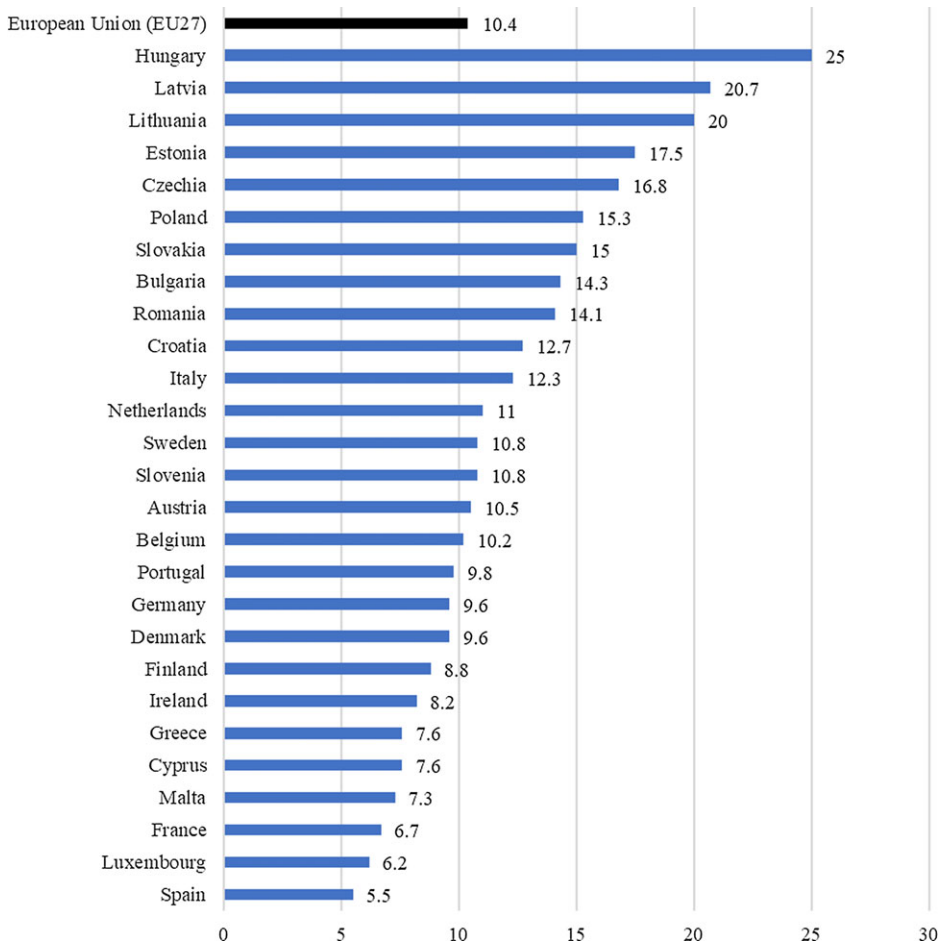


Figure 1. Harmonised index of consumer prices (HICP) inflation rate of the European Union in December 2022, by country in %.

particular, that bore the economic costs, while the economic losses of the United States (US) were relatively small (Cui et al., 2023). It can even be said that the US has become a beneficiary of this conflict in the energy market. After sanctions were imposed and gas supplies from Russia were stopped, others began to profit. For example, US LNG (liquefied natural gas) suppliers like Cheniere and companies like Total that distribute gas in Europe are replacing Europe's supply of Russian natural gas with fracked gas from the US, at about four times the prices US customers pay (Benjamin & Davies, 2023). Record profits also flowed to other places. As the authors of the book *War in Ukraine: Making Sense of a Senseless Conflict* wrote:

Other oil and gas producers reaped windfall profits from the effects of the sanctions. Saudi Arabia's GDP [Gross Domestic Product] grew by 8.7%, the fastest of all large economies, while Western oil companies laughed all the way to the bank to deposit \$200 billion in profits: ExxonMobil made \$56 billion, an all-time record for an oil company, while Shell made \$40 billion and Chevron and Total gained \$36 billion each. BP made 'only' \$28 billion, as it closed down its operations in Russia, but it still doubled its 2021 profits (Benjamin & Davies, 2023).

In addition, the context of the energy crisis has led to an attempt at reviving nuclear energy in some countries. This is the case in Poland, where during the political breakthrough of 1989/1990, the construction of nuclear power plants was stopped and the nuclear energy programme was abandoned under the influence of social protests. Today, in the shadow of the war in Ukraine and the crisis of democracy, attempts are being made to revive it. Under the pretext of the energy crisis and threatened 'national security', Poland quickly signed a contract, without any tender process, with the American company Westinghouse for the construction of a nuclear power plant. There was no room for public debate, and environmental and economic issues were irrelevant (Żuk, 2023). There was also no mention of the social and economic costs – hidden in energy bills – that the working classes would incur in the name of these investments. The pressure of soft power and the political arguments of the power elite about the need to 'tighten cooperation' with the US for security were sufficient.

Who pays and will pay for the change in energy geopolitics? Mainly Europeans, particularly those who were largely dependent on fuel supplies from Russia before the outbreak of the war. It is assumed that in 2023 the German economy and industry will pay 40% more for energy than in 2021 (Reuters, 2023). These economic and social costs can affect the social and political atmosphere across Europe.

Nationalism and the right-wing turn among European political elites

The atmosphere of uncertainty always leads to the polarisation of social moods. Under conditions of armed conflict, many governments try to increase the atmosphere of 'national danger'. This makes it possible to divert the public's attention from real economic problems and build a nationalistic false flag effect, silencing criticism of the current policy pursued by the government elite. Even though the most calculated ideology does not cover the economic challenges and growing areas of poverty, it does change the priorities of the power elite and the dominant atmosphere in the public space. This has political effects. On the one hand, it strengthens the already existing authoritarian regimes and right-wing populists in power (in the spring 2022 parliamentary elections, Viktor Orbán smashed the opposition in Hungary, and everything indicates that the atmosphere of nationalist elation will also strengthen the nationalist-populist government in Poland during the autumn 2023 elections) (Żuk & Paczeński, 2022). On the other hand, this nationalist shift also strengthens the influence of populist right-wing groups in Western Europe (this happened after the elections in Italy and Sweden in 2022, and also in Finland in spring 2023, when the right-wing conservatives won the elections, followed by populist nationalists). All this increases the dominance of the conservative-nationalist option in the European Union (EU) policy. For example, the president of the European Commission, Ursula von der Leyen, approved the financing of border walls with EU funds. With this decision, EU policy followed the standards of Trump's border policy (Rankin, 2023). These actions only revive ethnonationalism and strengthen the racist right, whose demands are increasingly being admitted to and approved in European political salons (as was the case with the Brothers of Italy, the Sweden Democrats or the nationalist right in Eastern Europe) (Fekete, 2023). Spain is another country that may fall into the hands of the extreme right as the nationalist-populist Vox party is preparing to take over power. This shows a disturbing trend in which the entire European tradition of defiance, rebelliousness and rejection of banal versions of the truth has been dormant. This can be seen particularly in the context of a passive attitude towards the new arms race and the upsurge of the Cold War atmosphere.

Militarism and the new arms race

The war in Ukraine quickly evoked the social pressure known from the Cold War period. Whether you are a Habermas or an ordinary citizen, beware: criticism of the arms race can

cast suspicions on you of being disloyal to your country or of being an agent of ‘Russian influence’. As Marco D’Eramo wrote in February 2023:

An incredible torpor has taken hold of Western public opinion. ‘Peace-washing’ is the foreign-policy hawk’s new pastime: accelerating the war through the ever-increasing provision of weapons is seen as the best way to accelerate peace – because, in the absence of those arms, Russia would supposedly invade the Baltic states, followed by Poland and Finland (D’Eramo, 2023).

Marco D’Eramo reads well the atmosphere of pressure that hangs over Europe but sees it as a return to the military-Keynesianism, that is, faith in the revival of the economy through war. While Marco D’Eramo is right when saying that military spending is a manifestation of the pressure and new faith of political elites in Europe that allows them to overshadow real social challenges, he wrongly calls it Keynesianism. The latter had some importance during the Cold War when the two political blocs competed not only in the political and military spheres but also in the area of social policies. In this way, in the shadow of socialism, the foundations of a welfare state were created in Western Europe (Offe, 1996). Today’s military and political rivalry only breaks up social policies and deprives the European working classes of the remnants of welfare programmes from the Cold War era.

In addition to the differences and similarities with the Cold War period, there are also associations with the period before World War I, when workers were turned into soldiers slaughtering each other on the front lines, and the internationalism of social democratic parties was replaced by nationalism, and national parliaments voted for defence spending. A symbol of the current militarisation can be *Zeitenwende* – a historical turning point – in Germany, where the SPD-FDP-Greens coalition decided to create a special fund, a *Sondervermögen*, of EUR 100 billion, exclusively devoted to military spending, entirely debt-financed. To circumvent the ‘debt brake’ – instituted in 2011 and enshrined in the constitution – the special fund was set up outside the regular budget through a constitutional amendment (Streeck, 2022). With the creation of this fund, the government in Germany also announced it would aim to increase defence spending to the level of 2% of GDP. In this way, the SPD and the Green Party, whose current leaders support the militaristic turn (the increasingly criticised Foreign Minister Annalena Baerbock has become the face of the ‘conversion’ to faith in the ‘military power’ of the German Greens) disturbingly resemble the German Social Democracy leaders and French socialists who turned towards nationalism and voted for war credits in August 1914 (Prezioso, 2022). The phenomenon of militarisation applies not only to Germany but also to other European countries. The nationalist populists ruling Poland have increased defence spending above the level of 3% of GDP, and all purchases of military equipment organised by the Law and Justice (PiS) government after the outbreak of the war in Ukraine were carried out in a hurry, without any tender process and any social or political control. The whole of Europe has switched to a global war economy, which ‘unleash[es] cycles of destruction and reconstruction and generate[s] enormous profits’ (Robinson, 2014) for the political and business establishment. However, this makes it possible to get rid of the remains of the welfare state under the pretext of sacrifices in the name of ‘defending security’. The contrast between military spending and social needs is particularly stark if we look at the anxiety and chronic social insecurity of the European public.

The risk of poverty and the spectre of crisis

The main social challenges indicated by the citizens of the EU countries in the Eurobarometer surveys in autumn 2022 differed significantly from the policies of the European power elites. The rising cost of living is the most important worry for EU citizens

(93%). It is followed by poverty and social exclusion (82%), climate change (81%), and the spread of the war in Ukraine (81%). More than seven in ten EU citizens are worried about the risk of a nuclear incident, in fifth place (Eurobarometer, 2023a).

Moreover, a survey was conducted to determine the main priority issues that the European Parliament should tackle. Its results indicate that citizens think the fight against poverty and social exclusion (37%) should be the main priority for the European Parliament to address, followed by public health (34%), action against climate change (31%) and support to the economy and the creation of new jobs (31%) (Eurobarometer, 2023b).

Inflation and the increase in interest rates have affected the costs of running businesses in many countries. According to the report of the Polish Economic Institute (*Polski Instytut Ekonomiczny* – PIE), as many as 44% of entrepreneurs in Poland believe the war has had a strong impact on the rising prices of materials and raw materials, and 42% indicated an increase in business costs (Dębkowska et al., 2023). Additional production costs are passed onto consumers (as higher prices for services and goods) as well as workers. Employers can save on employees thanks to the influx of cheap labour from Ukraine. According to the PIE report, the improvement in employment due to the influx of Ukrainians is most felt by those industries that use seasonal workers or those where work does not require specialist qualifications (accommodation and gastronomy, transport and storage, and trade) (Dębkowska et al., 2023, 21). The report says nothing about the poor quality of these jobs and the growing grey economy where Ukrainian refugees are employed illegally.

The socio-economic consequences of the war in Ukraine have spread far beyond the immediate vicinity of the countries bordering Ukraine and have affected the global economy. In addition to rising commodity prices and the energy crisis, regular supply disruptions have increased the existing socio-economic uncertainty. All of this has seriously jeopardised the 2030 Agenda for Sustainable Development Goals (Bin-Nashwan et al., 2022). In January 2023, the International Monetary Fund (IMF) alerted that ‘Winter comes to Europe’, indicating that at the end of 2022, ‘the manufacturing and services sectors are contracting’ and ‘consumer confidence and business sentiment have worsened’ (IMF, 2023). Ukraine and its residents have suffered the most. The IMF estimates assumed that in 2022 the war reduced the real GDP by at least one-third (over 30%), making Ukraine a new Syria in the middle of Europe. In Russia, on the other hand, the declines were much lower than assumed at the beginning of the war despite various sanctions. At the end of 2022, Russia’s GDP decreased by 2.2%. According to IMF forecasts, GDP, which grew by 3.5% in the Eurozone in 2022, will shrink to 0.7% growth in 2023 (IMF, 2023). Will these economic trends be reflected in a change of emphasis in the public debate?

On the need for the presence of the voice of the supranational left in the public space and breaking the narrative of neoliberal nationalism

Crisis situations and armed conflicts are always a pretext for flying the national flag to hide all the real problems and put aside critical public debate, limit democratic rights, and disturb the balance between citizens and the state. As a consequence, they are a reason to perpetuate the existing socio-economic practices without any social opposition. However, they can also be the beginning of empowerment and changes to the prevailing narratives in the public space. For this to happen, the debate must include the voices that have recently been pushed to the margins. In other words, it is time for the left across the world to speak up and come out of social niches. A fresh and critical perspective is needed today more than ever in the post-Eastern bloc period. The left scattered in various parts of the world should show its attitudes towards current challenges and build strategies of action where the forces of capital have been operating for a long time: on the supranational level.

Social security instead of neoliberal nationalism

The war in Ukraine is conducive to the spread of the ideology of ‘securitisation’. The argument of ‘security’ is used in the context of the fight against terrorism, limiting the so-called illegal migration and the threat of war (as is the case with the conflict in Ukraine). All this makes it possible to increase social control, limit civil rights and boost political authoritarianism. However, increased interest in ‘security’ does not mean greater ‘social security’ for citizens. That is to say, this term does not refer to the social security of citizens, but to the ‘national security’ of the state. These two concepts are often contradictory. In the context of Eastern Europe, the emphasis on ‘securitisation’ usually denotes a socio-political hybrid that combines nationalism with authoritarian neoliberalism (Stubbs & Lendvai-Bainton, 2020). However, similar processes are also taking place in other parts of the world: in Brazil under Bolsonaro, where far-right ideologies have been combined with neoliberal economic policies (Iamamoto et al., 2021), in Turkey under Erdoğan (Akçay, 2021; Tansel, 2018), and in the Philippines (Ramos, 2021). Therefore, this model, which is called ‘authoritarian developmentalism’ (Arsel et al., 2021) and combines the ideological superstructure in the form of nationalism and xenophobia with further social cuts and the consolidation of unjust socio-economic policy, may also cover other countries under the pretext of the war in Ukraine. Increased spending on armaments and social cuts may concern not only typical authoritarian countries but also a large number of European countries. More than any other event in the last 30 years, the war in Ukraine is suitable for restoring the old meaning of the term ‘social security’ in the public debate. This term denotes the general state of objective and subjective security of individuals and social groups that are free from constant economic uncertainty, financial pressure and the fear of living under constant stress due to the lack of funds for basic needs (housing, energy, food and healthcare). In other words, social security is the opposite of chronic insecurity, or what Guy Standing has called the process of *precarisation* (Standing, 2011). Neoliberal nationalism not only deprives society of ‘social security’, but also undermines the principles of democracy and, instead, using the banner of nationalism, tries to blame other nations, cultural and ethnic minorities, as well as the conspiracies of ‘internal’ and ‘external’ enemies for the crisis. The atmosphere of the war strengthened the ideology of neoliberal nationalism in Europe and gave the green light to the arms industry.

Anti-militarism and remembering the lessons of Rosa Luxemburg

Investments in armaments are the worst that can take place in the economic policy of a state. Even when huge amounts of taxpayers’ money are spent on the purchase of weapons, there is hope that the purchased products will never be used, that is, public spending will at best be thrown into the rubbish, and the purchased weapons will be scrapped and not harm anyone. However, the structural and capital function of arms expenditure should not be forgotten. In the context of the current wave of armaments, the words of Rosa Luxemburg, who drew attention to the close relationship between capitalist logic and militarism, sound particularly up-to-date, but also ominous:

For the latter [the capitalist class] militarism has become indispensable. First, as a means of struggle for the defense of ‘national’ interests in competition against other ‘national’ groups. Second, as a method of placement for financial and industrial capital. Third, as an instrument of class domination over the laboring population inside the country. In themselves, these interests have nothing in common with the development of the capitalist mode of production. What demonstrates best the specific character of present day militarism is the fact that it develops generally in all countries as an effect, so to speak, of its own internal, mechanical motive power, a

phenomenon that was completely unknown several decades ago. We recognize this in the fatal character of the impending explosion that is inevitable in spite of the complete indecisiveness of the objectives and motives of the conflict. From a motor of capitalist development militarism has changed into a capitalist malady (Luxemburg, 2008, p. 63).

This spirit of anti-militarism has been present in recent months among some European workers, who refused to load Russian arms in Belarus and provide additional armaments to NATO troops in Italy and Spain (taz, 2022). The right message for the left across the world in the face of further developments in Ukraine may be the attitude of Lula da Silva, the president of Brazil. Under pressure from the US political elites who asked him to send weapons to Ukraine, he replied: 'I don't want to join this war, I want to end it' (Nicas, 2023).

Farewell to fossil energy sources and the decentralisation of energy systems

Unlike any previous armed conflict, the war in Ukraine has shown the full military potential of energy. The energy crisis and energy blackmail can become political and military weapons at any time. While the dependence of modern societies on fossil fuels raises the legitimate concerns of ever-widening social groups, who recognise the risk of a climate catastrophe, many still do not see the problem of concentrating energy in the hands of those in power. However, as Richard Adams noted, when:

more energetic processes and forms enter a society, control over them becomes disproportionately concentrated in the hands of a few, so that fewer independent decisions are responsible for greater releases of energy (Adams, 1975, pp. 120–121).

In this sense, any centralised control over energy sources, infrastructure and energy flow networks can be a source of political power. It can be used both in a conflict with an external enemy and as a tool of supervision and control in relations between state power and society (Žuk & Žuk, 2022b). The war in Ukraine has also shown that centralised energy sources (large coal and nuclear power plants) can easily become the target of direct military attacks, and their destruction or capture can paralyse the functioning of large areas of the country.

The experience of the war will certainly change the functioning of energy systems and will also contribute to greater supranational coordination of energy policy in Europe (Osička & Černoch, 2022). It is also likely to increase public support for the phasing out of fossil fuels in the coming years (Steffen & Patt, 2022). It is important, however, that the 'just transition' is not only a matter of technological change and a move away from fossil fuels but that it is part of a social transformation that involves reclaiming ownership and management of energy systems and energy infrastructure (Stephens, 2019). In practice, this would mean socialising the energy sector and moving towards a more dispersed, locally controlled energy infrastructure managed by communities and civic initiatives. In the macro-social dimension, this would involve diminishing the importance and political and economic influence of private and state-owned energy companies in favour of the growing role of the community energy sector and civil energy society (energy social movements, energy communities, civic energy initiatives and energy cooperatives) (Žuk & Žuk, 2022a).

Regaining Europe's independence from American interests

The war in Ukraine and its aftermath have revealed the political weakness of Europe and the domination of European political elites by the American agenda. According to Nicolas

Guilhot and Antonio Negri, the main political risk of this war is not only the deepening division into the eastern and western parts of Europe but also the complete weakening of the EU project. In the economic dimension, the entire burden of the war in Ukraine falls on Europe, separating European interests from those of Washington. The authors noted:

The United States can afford to bet on a protracted conflict and to raise the stakes because the consequences of these decisions are born mostly by Europe: the resettlement of millions of refugees, the cost of sanctions that are devastating for European economies, and the need to scramble for new sources of energy. The increase of European defense budgets will further impact welfare systems already weakened by decades of neoliberal policies and the 2008 crisis, which are nevertheless central to the regulation of the social equilibria upon which the political stability of the Union is premised. Finally, should the conflict escalate, Europe would become its primary theatre (Negri & Guilhot, 2022).

By shifting the costs of the war in Ukraine onto European countries, the US also intends to weaken economic relations between the EU countries and China and involve Europe in the US-China conflict. This is not in the economic interest of Europe (particularly countries such as Germany and France) and is more difficult to implement than to subordinate the European economy to the war waged in Ukraine.

What is missing in the European debates about the war is the typical European scepticism towards prevailing and dominant narratives. Rare metal deposits in the Donbas are as attractive to Russia as they are to American companies. However, why should the Ukrainians and their destroyed cities pay the price? Why should European taxpayers make sacrifices in the name of the political and global rivalry of the empires that cannot accept their diminishing importance? The art of disbelief and the rejection of black-and-white visions of the world – which has always been the driving force of various progressive ideas in Europe – has now been put to sleep. As Bauman (2004, p. 126) wrote, “‘Really existing Europe’ being always some way behind the Europe that Europe craved to be, that belief made Europeans inherently critical and self-critical’. It is time for this attitude to reappear in the public space.

The struggle of the global left against the global right

The war in Ukraine cannot only be treated in terms of a local event. Regardless of whether we agree with the opinion that this is a manifestation of the rivalry between two imperialisms (Russian and American) to shape new geopolitics or that it is a proxy war (Foster, 2022) (similar to the wars in Vietnam and Korea during the Cold War) fought on a foreign territory by blocs of states with imperial ambitions, or whether we approach such judgements from a distance, it cannot be denied this is a continuation of the structural crisis of global capitalism. The war in Ukraine is a continuation of events that took place earlier: the global financial crisis in 2008 (Chowdhury & Żuk, 2018) and the growing importance of emerging economies the so-called BRICS (Brazil, Russia, India, China and South Africa). According to Wallerstein, these two elements were a manifestation of a structural crisis in the world-system, which could develop in two model directions:

The spirit of Davos calls for a new noncapitalist system that retains its worst features – hierarchy, exploitation, and polarization. They could well install a world-system that is worse than our present one. The spirit of Porto Alegre seeks a system that is relatively democratic and relatively egalitarian. I say ‘relatively’ because a totally flat world will never exist, but we can do much, much better than we have done heretofore. There is, in this sense, possible progress. Progress is possible; it is

not and never will be inevitable. We do not know who will win in this struggle. What we do know is that, in a chaotic world, every nano-action at every nano-moment on every nano-issue affects the outcome (Wallerstein, 2022, p. 28).

The current war in Ukraine against violence, nationalism and an attempt to return to the Cold War division of the world definitely belong to the spirit of Davos. It can also be argued that modern military clashes and wars are a sure way to expand a new form of global capitalism. This was also the case with the Iraq War. Just like the ‘war on terror’, the war in Ukraine, which may expand to the countries of Eastern and Central Europe, performs additional systemic functions: the war provides a seemingly endless military outlet for surplus capital, generates a colossal deficit that justifies the ever-deeper dismantling of the Keynesian welfare state and locks neoliberal austerity in place, and legitimates the creation of a police state to repress political dissent in the name of security (Bieler & Morton, 2018, p. 200). However, if the system tries to transform itself as a whole, becoming less social and more repressive, it may lead to social counteraction: individual protests in defence of social rights will evolve into anti-systemic movements. This is already happening in France, where trade union campaigns and workers’ demonstrations are increasingly taking on an anti-systemic character (Vail et al., 2023). In a sense, this is a return to the classic social class conflicts of the 19th and first half of the 20th centuries.

It is also worth noting that in the atmosphere of the New Cold War, the Non-Aligned Movement in the Global South regains its place – although it is overlooked in the corporate media – as an important voice for greater balance and peace in the world (Monthly Review 2023). Which way the world will go depends on every little action, every choice and solution to every little problem. Each small and seemingly microscopic change can expand and significantly change the direction of development. Hence, as Wallerstein (2022, p. 28) claimed, ‘It follows that our efforts as activists are not merely useful’; they are the essential element in our struggle for a better world. The odds are 55. But 55 is not little; it is a lot. However, this requires the perspective of supranational solidarity or internationalism – one of the key concepts for the labour movement in the nineteenth and twentieth centuries (Antentas 2022).

The threat of neoliberalisation of post-war Ukraine and the new kingdom of TINA (*‘there is no alternative’*)

Defending civilians against shelling during the ongoing armed conflict is always difficult and dramatic. However, defending against the forces of capital after the war in Ukraine could be equally difficult. Already by mid-2022, conferences planning the framework for the socio-economic policy of Ukraine’s reconstruction began to take place. In July 2022, the Ukraine Recovery Conference was held in Lugano, Switzerland, bringing together political leaders from the US, EU, Britain, Japan and South Korea as well as representatives of business and corporate circles. They called ‘to cut labour laws’, ‘open markets’, drop tariffs, deregulate industries, and ‘sell state-owned enterprises to private investors’ (Kallio & Norton, 2022). Everything indicates that the great construction site Ukraine will become after the end of the armed conflict, is to be another place where a hard neoliberal project known earlier in other parts of the world (whether in South America or Eastern Europe during the neoliberal transformation) will be implemented. Everywhere there was no room for any alternative and the kingdom of TINA reigned (Osiatyński, 2020). For example, in Poland in the 1990s, the framework for change was determined by two variables: shock therapy and debt pressure (Pluciński, 2020). The practices of the World Bank and other financial institutions are based on simple assumptions already implemented in Ukraine in 2014. They emphasise business solutions to economic and political problems; conflict-affected population is reimagined in terms of human capital, emphasising

entrepreneurship and resilience and finally private capital is presented as a saviour (Dolan-Evans, 2022).

Each time this leads to the instrumentalisation of the population and accelerates capital accumulation due to war damage. From this perspective, armaments and even greater destruction in Ukraine may give the impression of investments that will fully pay off after the war. The radical neoliberalisation of labour and social relations in Ukraine will certainly affect the whole of Europe and, as a consequence, will further reduce the bargaining power of workers on the European continent. For this reason alone, it is worth supporting all the social movements and initiatives in Ukraine and Russia that are willing to combine the fight for democracy with the fight for a more egalitarian society.

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This commentary does not provide hard and ready-made solutions to overcome the difficult and complicated situation that has emerged in Europe after the outbreak of war in Ukraine. Rather, it asks questions and argues with the myths of common knowledge. It also encourages more critical and independent thinking to see who may lose and who may benefit from this armed conflict and the socio-economic processes that are or may result from it. It shows that nationalism, militarism and neoliberalism form the same bloc that is at odds with sustainable and equal development, peace and a more democratic order.

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