

REVIEW PAPER

Economic Consequences of Geopolitical Conflicts for the Development of Territorial Communities in the Context of Economic and National Security of Ukraine

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ABSTRACT

The article examines peculiarities of the influence of geopolitics and geopolitical conflicts on territorial communities in Ukraine in a comparative and historical context. Particular attention is paid to the economic consequences of such influence. The importance of taking into account factors of the environment created by realities of the modern world the hybrid peace is emphasized. It is shown that the processes of internationalization and globalization are accompanied by processes of decentralization and autonomation, determining the inevitability of the influence of geopolitical conflicts specifically on territorial communities.

HIGHLIGHTS

- The article is devoted to the theoretical and case-based analysis of the transformation of the concept of modern geopolitics towards 'hybridization' and reflection of it at the level of local, territorial communities.
- The obtained results demonstrated the necessity of applying systemic and vector approach to the functioning of territorial communities in the conditions of geopolitical conflicts.
- The practical significance of the study lies in revealing latent factors influencing territorial communities of Ukraine in the conditions of both warfare and hybrid geopolitics.

Keywords: Geopolitics, Hybrid peace, Territorial communities, National security, International relations

According to the unanimous opinion of political scientists, we are witnessing a system-wide crisis in the modern political world. This means the transition of humanity from a previous era with obsolete production and social relations to a qualitatively new state of interaction, interpenetration of various

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spheres both between large communities and small ones (Chaliuk *et al.* 2021b; Chaliuk *et al.* 2023; Tiesheva and Smyrnov, 2023). That is, the current stage of the modern world covers entire continents and peoples, subjecting them to uniform changes. The emerging era is acquiring a planetary scale due to globalization processes, but at the same time involving both the level of regions within countries and the level of local (territorial) communities.

In general, it is acceptable to assert that after the Second World War, a dual process took place in the world, consisting of two powerful but opposite trends: centripetal, or integration, on the one hand, and centrifugal, disintegration, or decentralist, on the other. It can be compared to a two-way movement in one direction there is a process of internationalization and globalization, and in the other, there is a process of decentralization and autonomation (Simon, 2014).

Investigating the operation of the basic law of geopolitics in the context of globalization, scientists note that (Chaliuk *et al.* 2021a; Kumar, 2020):

- ♦ In the context of globalization, the world has not yet become united, and the economy is far from complete integration;
- ♦ Globalization as the socialization of economic and all social life in geopolitical space is itself its component and at the same time a process;
- ♦ Globalization is an objectively determined process, the basis of which is internationalization;
- ♦ Globalization is caused by global problems and at the same time is the reason for the emergence of some of them, which, in turn, requires the combined efforts of subjects of international relations to solve these problems;
- ♦ Globalization as an objective process requires the organizing intervention of a subjective factor, which should be expressed in appropriate policies;
- ♦ Solving global problems in the context of globalization is the subject of geopolitics-practice;
- ♦ In the context of globalization, the geopolitics of integration alone is not always appropriate; at a certain stage, in specific conditions, it can also be a geopolitics of differentiation and disintegration. This is especially confirmed by the example of globalization and regionalization.

The geopolitical order that emerged as a result of the Second World War and was legitimized by international treaties has collapsed. However, the most important issues of the world order continue to be discussed in terms of traditional paradigms. International political thought still remains a 'prisoner' of the bipolar world order, although the further complexity of relationships between countries and peoples, the interweaving of national and supranational principles, and the steady globalization of world processes raise many urgent questions that often remain unanswered.

Currently, world realities have changed so dramatically that they are simply impossible to analyze using methods developed in the realities of another era. It should be noted that geopolitics as a discipline, the focus of which is the fundamental problems of the modern world community, cannot abstract from the problems of territory, location and geography of a particular country, people and territorial communities (Arivzhagan *et al.* 2023). But this aspect must be analyzed in the context of the qualitative transformations that have taken place on the world stage.

It should also be taken into account that the multinational character constitutes the strength of the state, while simultaneously causing a number of significant difficulties in its development. Strength lies in uniting the efforts and potentials of all nationalities and peoples inhabiting the country in order to achieve common goals. But the vulnerability of a multinational country in the event of an explosion of 'parochial' sentiments fueled by external forces and the ineffectiveness of the national policy of the country's authorities has also been proven by historical experience.

In recent years, a significant number of regions of Ukraine have, to one degree or another, become involved in geopolitics. However, scientific understanding of the nature, scale, content, and effectiveness of this process is not yet noticeable (Shamne *et al.* 2019). These issues have not been sufficiently developed in Western social science, and they have been little studied in Ukrainian domestic science, although the relevance of such study is high, because the trend towards regionalization of the state is obvious and the political participation of regions will expand. It is important that it does not

go beyond preserving the integrity of the country and the unity of the people.

Moreover, geopolitical conflicts, which sharply escalated for the Ukrainian state during the Revolution of Dignity, during the hybrid war that began in 2014 and to an extreme extent during the full-scale invasion of the Russian Federation, have a direct impact on the regions and territorial communities in the country, including economic (which is felt first of all), which is directly related to the problem of national security of the country.

LITERATURE REVIEW

Geopolitical issues in relation to Ukrainian conditions take on a special meaning. Currently, many scientific and journalistic works have appeared offering various concepts for improving the country's geopolitical doctrine (Dibb, 2022). Most of them are methodologically based on the idea of European integration of Ukraine. Recognition of the European status of the geopolitical space of Ukraine is a unique methodological principle for identifying the economic, political, and sociocultural characteristics that define it, both of the entire space and its constituent parts.

Analysts rightly note that the geopolitical component of a regional strategy is to some extent a subjective value, depending on the configuration and dynamics of the regional political process. In particular, this means dependence: on the characteristics of parthenogenesis in the region, on the political activity of the population in general, on the ambitions of regional leaders, on their understanding of Ukraine's place in world geopolitics, on the inclination to innovative methods of managing the political process (Kang, 2020).

The challenge associated with an adequate way of representing our postmodern era is to formulate an understanding of world politics that corresponds to the need to move beyond the problematic of sovereignty, focused on geopolitical segmentation, stable actors, economic power; it should be a vision that takes into account the significance of the flows, networks, and identities found within them, but does not resort to simply introducing new levels of analysis or subjects. In particular, the analysis of territorial communities as new subjects of "hybrid" and "proxy" geopolitics and geopolitical conflicts represents a new direction of scientific research.

METHODS

The theoretical and methodological basis of the study is both the general scientific principles of studying socio-political processes and scientific approaches related to the characteristics of the chosen problem. The article employs historical and comparative methods, as well as modern trends in geopolitical theory.

RESULTS

Lack of attention to one aspect of the consequences of geopolitical conflicts for territorial communities may give rise to some completely new factors, the emergence of which cannot be predicted on the basis of past experience, and these new factors will give rise to new, more complex problems. The result will be a constant domino effect demonstrating the overall inefficiency of the entire system. For example, as the experience of the Pashtun territories of Pakistan shows, political instability in a country can have a detrimental effect on its economy, giving rise to many problems, such as unemployment, which, in turn, will cause an increase in crime, including drug trafficking. The end result of this could be the emergence of threats to the security of the country, its neighbors, the entire region and even the entire world. Negative factors tend to increase over time. In the early stages, they can create problems for individual territories, but in later stages, problems can cover the entire country.

In the 19th and 20th centuries, humanity was faced with the phenomenon of active rivalry between great powers in various regions of Asia and Africa. During the 20th century, the process of globalization has turned local conflicts and various insurgent movements in eastern countries into an important component of international relations. In particular, the Pashtun tribal zone continues to be one of the hot spots on our planet. The notorious "Durand Line" continues to be a bone of contention in regional (covering Central and South Asia) geopolitics. Constant tension and conflict deprive the northwestern provinces of Pakistan (the Pashtun tribal areas) of the opportunity for decent economic development.

As a result of the ill-conceived policy of the leadership of Afghanistan and Pakistan, numerous non-Pashtun parties with nationalist goals and

slogans were created in Afghanistan. In contrast to non-Pashtun nationalism in Afghanistan and Pakistan, the slogan "For Pure Islam" gained popularity among Pashtuns, which, in fact, called on all Pashtuns to join forces in the struggle for the purification of Islam everywhere and in the fight against infidels, especially representatives of non-Pashtun groups, as well as Shiites. Namely in connection with this, the Taliban agitated and armed everyone under the slogan of the purification of Islam and the victory of "Pashtunism" (Yousaf, 2020). "Pashtunism" became a new radical nationalist ideology. As a result, Pashtun nationalism appeared to be the main factor that divided the country along ethnic and tribal lines.

The instability in the region is caused firstly due to tribalism which has led to weakening of governance institutions leading to the propping up of warlords and militant organizations which have filled the vacuums in governance (Idris, 2013). Secondly, instability in this region also derived from the military and intelligence establishment in Pakistan which has sought to control Afghanistan as a vassal state for its campaign against India. The instability has had dire impacts in the form of transnational terrorism, exodus of refugees to neighboring countries such as Pakistan and Iran, increases in drug trafficking and black market (Idris, 2013).

It is noted in the literature that an important feature of the development of Afghan statehood was the active participation of the Pashtun nomadic tribes in the political life of the country (Siddique, 2014). This situation was due to socio-economic conditions, peculiarities of the evolution of the traditional tribal structure of the Pashtuns, the location of their areas of settlement, as well as their inherent deep traditions of the liberation struggle, socio-psychological characteristics, and the specifics of mass consciousness (Malik, 2016). All these factors together determined the complex and contradictory nature of the political role of nomadic tribes in the life of the state. In this regard, it should be noted that they took an active part in all three Anglo-Afghan wars (the colonial wars of England against Afghanistan in 1838-1842, 1878-1880 and 1919) (Yousaf, 2020).

The tribal zone, preserving its traditions, way of life and autonomy, has become the most economically backward and politically conservative

area (Byrkovych *et al.* 2023). Tribal territory has always been a stronghold of reactionary and anti-government forces; in the past, disgraced religious figures and representatives of the feudal nobility hid here. Opposition-minded politicians sought and found support from the Pashtun tribes that inhabited the eastern and southern regions, some of which later became part of Pakistan; so it was under Zahir Shah and Nadir, and during the periods when the People's Democratic Party of Afghanistan (PDPA) was in power, and during the reign of the Taliban, etc.

The destabilization of the situation in the Afghan-Pakistani border region is hampering the development of the economies of the countries of this region, since Afghanistan is located at the intersection of southwestern and central Asia. The unstable situation hinders the economic integration of the countries of the region and has a very negative impact on the economy of the Pashtun provinces of Pakistan.

Another country in the region India strives to become the pole of a multipolar world: the country intends to lead the Global South. However, one of the largest countries in the world has a lot of internal problems, one of which is several regions with high risks of separatism, one of the main reasons for which is geopolitical confrontation. Already after the first war in the province of Kashmir, a demarcation line was established based on the territories that were under the real control of the parties at the time of the truce, which actually took place under the dictates of the great powers that were members of the UN Security Council. As a result, today the region's economy is unstable, as well as its political situation. Kashmir has high unemployment.

Another significant example of the economic consequences of geopolitical conflicts for territorial communities is the Balkans, the territory of the former Yugoslavia.

Many factors geographical, historical, economic, national contributed, during the period of modern history, to the transformation of the Balkans into a knot of acute contradictions and rivalry between great powers. This rivalry also became one of the main catalysts for the military conflict. As a result of the conflict during the collapse of the SFRY in the early 1990s, tens of thousands of people died.

According to statistics, the number of tourists in Montenegro in the first decade of this century decreased significantly. While rich Germans and Scandinavians liked to relax on the coast of the former Yugoslavia, after the past turbulent events, the tourist flow to Montenegro has decreased almost tenfold, and now it is mainly made up of poor neighbors, former compatriots, deprived of the sea coast (Isaieva *et al.* 2020). And although there were no active military operations on the territory of Montenegro, the already not very developed tourism infrastructure, due to the lack of proper investment, went into a state of stupor. Due to the emergence of a stereotype of danger, the entire region has become unattractive for tourists, which has had a very negative impact on the economic situation of many territorial communities. In the second decade, the volume of the tourism market in Montenegro began to grow again, but the structure of tourist flows largely retained the “profile” of the post-war years. For comparison, in 2021 the number of tourists from America arriving in Montenegro amounted to 0.03 million people, while in Greece this figure was 1.2 million people. The number of tourist arrivals from Europe was 1.7 and 24.8 million, respectively (Anastasakis, 2022).

Moving on to the consideration of the direct economic consequences of geopolitical conflicts for the territorial communities of Ukraine, it should be noted, in particular, that Koch and Uzun, in their study of the diaspora of southern Ukraine in the system of regional geopolitical relations, write that the territory of Bessarabia was historically under the influence of great empires and their cultures (Vorobei *et al.* 2021). However, due to its remoteness from the political centers of large states, it was virtually autonomous. It became a ‘shelter’ for refugees from serfdom and absolutism both from the west (Danubian principalities) and from the east and north (Russia, Poland) (Koch and Uzun, 2012, p. 141). This territory still performs a similar “membrane” function today. After the collapse of the USSR, a Eurasian geopolitical schism emerged – a split in tellurocratic unity (Koch and Uzun, 2012). On the West-East geopolitical axis, the classic “limitrophes” were restored, separating the “Eurasian island” from the adjacent peripheries. The latter in this process are trying to take advantage of the chance to create geopolitical subjectivity,

through the formation of centripetal flows and ideologies that support them (Avedyan *et al.* 2023). Growing geopolitical claims are supported by the popular concept of borderline communicability, when in the natural sociocultural/civilizational borderland of any space they try to identify and measure the “hidden energy of borderline states” (Zhurzhenko, 2010). This was clearly observed in Odessa during the turbulent events in Ukraine in May 2014 pro-Russian social forces tried to “seize the initiative”, relying on narratives of the Little Russian status of Odessa, which led to a violent conflict, very unusual for a territorial community with an “apolitical” reputation.

Borderlands are not only symbolic in the history of the geopolitical development of super-ethnic communities, but also truly unpredictable.

After the collapse of the USSR, the region turned out to be “relaxed”, “inert”, “apolitical”, which turns it into the northern periphery of the Mediterranean space, where the economy turns out to be uncompetitive, and the historical functions of transit trade have been lost. Karl Haushofer, back in the 20s of the 20th century, paid attention to the fact that the entire space of the Balto - Black Sea arc - “Intermediate Europe” is surprisingly inert, and most importantly inert in the political sense. This is what distinguishes “Intermediate Europe” from “Middle Europe”, provoking the play of geopolitical actors (Arnason, 2019).

Also, the ideas of uniting the “Romanian provinces” (Pokuttya, Bessarabia, Bukovina and Transnistria the land between the Dniester and the Southern Bug) into a “Romanian state”, which were developed by N. Iorga, C. Giurescu, I. Nistor, were popularized among Romanian politicians and the population. For example, in 2006, Romanian President Traian Basescu condemned the Molotov-Ribbentrop Pact, according to which Bessarabia and northern Bukovina were “torn off” from Romania, noting that Romania is the only state and people that remained divided after the unification of Germany. At the same time, he promised that the unification would be restored within the EU.

Following world leaders, some influential regional players, for example, Turkey, are resorting to geopolitical means to implement and protect their foreign policy interests (Gaievskaya *et al.* 2023). One

way or another, before our eyes, the Eurasian expanses are turning into a grandiose metafield, within which a classic geopolitical confrontation is unfolding.

Although Turkey is far from the ideas of global dominance due to its own resource limitations, the immediate strategic goal for the Turkish Republic is the restoration of a dominant position in the regions adjacent to the territorial borders of the state, i.e., acquiring the status of a multiregional leader. Following this goal, the country's leadership formulated and began promoting a doctrine consistent with these plans. The doctrine involves the restoration of the power of Turkey which it had during the Ottoman Empire, that is why it received the code name "neo-Ottomanism" (Candar, 2021).

Turkey's orbit of geopolitical interests also include Ukraine. Since the beginning of the hybrid warfare development of the situation in the East of Ukraine, Turkey has supported the Ukrainian side (Deyneha *et al.* 2016). At the same time, the Turkish side emphasizes and focuses on the need for a peaceful resolution of the conflict in Ukraine.

Economic relations between Ukraine and Turkey are complementary. Turkey is the second most important country in the Ukrainian export market, while Ukraine had a positive balance before the full-scale invasion of the Russian Federation in 2022. The average for several years was about \$2 billion. USA. In 2014-2016, Turkey's share in the structure of Ukrainian exports was about 7%, imports 2.3%. Thus, statistics for 2014-2016 indicate that the average trade turnover between countries amounted to 4.6 billion U.S. dollars (Candar, 2021).

At the same time, the main priorities of official Ankara are to pursue a balanced foreign policy, aimed primarily at ensuring its own national interests, and not the interests of either Ukraine or Russia (Gupta *et al.* 2021). The development of the ambitious TANAP project, which can undermine Ukraine's transit capabilities, confirms this.

Of course, Turkey will not give up its fundamental support for Ukraine in certain issues related to contradictions in Russian-Ukrainian relations (Gaman *et al.* 2022). This political course is likely to continue in the future. However, the scenario still seems realistic in which Turkey will continue to pursue a cautious policy, considering deepening

cooperation with Ukraine as a line that should not be crossed so as not to cause unnecessary irritation to Russia. After the Russian invasion of Ukraine began, Turkey took the most friendly position towards Moscow among all NATO countries it did not impose sanctions, maintained air traffic, and continued close cooperation on many issues.

Of course, the security of the Black Sea region is also important for Turkish foreign policy (Gavkalova *et al.* 2022). However, Ankara is more interested in the stability of partner countries and neighbors and maintaining the status quo than, say, in their democratic transformations and the instability that accompanies this process.

In the last five years before the war, Turkish-Ukrainian relations developed very dynamically, because such cooperation fit well into the interests of the two countries. Ankara considered partnership with Kiev as one of the ways to solve the main task of President Recep Erdogan's foreign policy to turn Turkey into an influential regional power, into one of the poles of a future multipolar world order, as it was mentioned above. Ankara saw opportunities to convert its economic and political ties with Kiev into further expansion in Central-Eastern Europe and strengthening its position in the Black Sea basin.

In turn, for Ukraine, Turkey became one of the few partners who agreed to serious cooperation in the military-industrial complex, which was extremely important for Kyiv after 2014. After Russia occupied Crimea and part of Donbass, the issue of army modernization arose for Kyiv in full force for the first time since independence. Integration into the Western system of collective security was hampered by the inefficiency of the state apparatus, corruption and the reluctance of the West itself (Kalyayev *et al.* 2019). In this situation, Turkey, which became interested in Ukrainian engines for its drones, became a welcome alternative.

After the full-scale invasion of the Russian Federation, in the context of growing international tension, Ankara seeks not only to preserve its existing achievements, but also to use the Russian invasion to rise to the top of at least the regional order. The main tool is the role of mediator, which Turkey took upon itself from the very beginning of the war (Karpa *et al.* 2021). Mediation allows Ankara not to break ties with either side, and also

to participate in resolving the most important issues of war and peace.

In the foreseeable future, Turkey will remain one of the main advocates for a speedy settlement of the war in Ukraine, as well as one of the main mediators in the Ukraine-Russia-West triangle. Ankara will benefit from any agreement between Moscow and Kiev if it is concluded through Turkish mediation. After all, then Turkey will be included in the post-war order not as an outside observer, but as one of the architects of the new status quo and even, perhaps, one of the guarantors of Ukraine's security.

Therefore, it is not surprising that Erdogan is actively promoting peace negotiations and offering his services to organize them (Khomiuk *et al.* 2020). Thanks to the Istanbul Agreements on the export of Ukrainian grain, a precedent emerged when a compromise was reached. Russia is ready to make such small compromises, and it seems that it is satisfied with Erdogan in the role of a mediator, helping to break one big Ukrainian issue into small agreements in exchange for easing sanctions.

The signing of the grain agreement with the help of the geopolitical partner Turkey undoubtedly had a positive impact on the territorial communities of the port settlements of Odessa region (Klymenko *et al.* 2016). The corridor has significantly improved the financial condition of large farmers. Small farmers had less benefit: domestic grain prices were at cost levels, and the cost of export logistics from pre-war \$30–40/t sometimes reached \$200/t. Experts attribute the rise in transshipment prices to increased risks and difficult working conditions. However, all large stevedoring companies operating in open ports managed to end last year with a profit (Petrushko, 2023).

Port companies managed to create a liquidity reserve in case of downtime. For example, without shipping, TIS company will have enough funds for employee salaries for 10 months (Petrushko, 2023). "Before the war, the Danube ports were the "poor relatives" of the Ukrainian infrastructure. "It was unprofitable to develop the Danube ports, because it was closer to deliver cargo to Odessa," explains Ivan Nikakoy, commercial director of the logistics company Soul Marine. In the pre-war years, the Danube accounted for 2.5-4.2% of all transshipment. The Russian blockade of the Black Sea ports turned

the Danube coast into a Ukrainian Eldorado" (Petrushko, 2023)

Everyone was involved from hotel administrators, who for the last year have not had time to update their rooms due to the frantic influx of guests, to truck drivers who form entire cities on the roadsides and count how many daily allowances they will receive for standing in line. According to the Ministry of Infrastructure, 12 investment projects were being implemented on the Danube in mid-July. According to three market participants, it is even much more.

The Nikolaev agricultural company Nibulon has already invested about \$19 million in its river port terminal in Izmail. The export company Kernel planned to invest \$10 million by the end of 2023 in the construction of a transshipment terminal in the port of Reni. Also in the second half of the year, a container terminal was opened in the port of Reni previously the Danube ports did not handle containers at all.

Thus, the grain agreement became a catalyst for very rapid growth and development of port infrastructure and improved economic well-being of the relevant territorial communities.

However, on July 17, 2023, Russia ceased participation in the "grain agreement". Again, allegedly because of the attack on the Crimean Bridge, two days later, Russia began terrorizing Ukrainian port infrastructure. On July 19, a missile attack was carried out on the port of Chernomorsk. Five days later, the port of Odessa and the Danube port of Reni were attacked, and on August 4 and 16 the ports of Izmail were attacked.

For the first time in more than a year of war, the Danube region experienced such destruction. The main goal of the Russians is to completely block the export of Ukrainian agricultural products (Kostiukevych *et al.* 2020; Kryshtanovych *et al.* 2022). Even the Danube cluster, which worked for a year and a half without military problems, is now dangerous.

Thus, the Danube ports, which operated successfully before the signing of the grain agreement, now found themselves in a vulnerable position. Russian shelling can quickly neutralize all the benefits for the territorial communities of the port territories achieved thanks to the grain agreement (Kubiniy

et al., 2021). Moreover, the situation in the port areas may turn out to be worse than it was before the grain agreement, which is already observed now. Shelling of port infrastructure will likely affect the 2024 harvest. Farmers are already planning to reduce the volume of crops. Bloomberg has revealed that the IMC agricultural holding plans to sow one third less wheat and refuse to sow winter rapeseed. HarvEast also reduces wheat crops, and Astarta – rapeseed (Petrushko, 2023).

For the western regions of Ukraine, geopolitical conflicts also have a multidirectional impact.

According to the State Statistics Service, in 2022, due to the war, Ukraine lost 29.1% of GDP (Masters, 2023). Some enterprises ended up in occupied territories. Those that are located in Ukraine-controlled territories are partially destroyed or have obstacles in their work (due to the loss of supply chains, problems with light, water, etc.). To independently support the economy, Ukraine needs a large-scale restoration of industry. Ukrainian companies are already trying to develop and modernize their own production, but their resources are quite limited, so they are in dire need of foreign investment. At the same time, investors are trying to invest primarily in the safe western regions of Ukraine (Kulikov *et al.* 2022). For example, the American company Amsted Rail is preparing to launch production of bearings and railcar components in Lviv. Both cooperation with Ukrainian manufacturers and the construction of a new plant in the region are being considered (Panasiuk, O. *et al.* 2021). For now, the company is looking for territory, warehouse premises of one of the factories in the Lviv region, in order to transport equipment there. Onur Group invests in renewable energy. Now the company has a capacity of 150 MW and plans to develop a new project in the Transcarpathian region.

The Irish company Kingspan Group is one of the largest investors who came to Ukraine during the full-scale invasion of the Russian Federation. The company is a world leader in the production of high-tech energy-efficient building materials. Currently, the company is starting an investment project in the amount of more than \$280 million. It is planned to build a construction technology campus in the Lviv region, which consists of 6 production zones, including the production of advanced insulation materials and solutions for centralized heating (Lola

et al. 2022; Kussainov *et al.* 2023). The complex will focus on the production of construction products with high added value. In addition, the project provides for the creation of “green” production with a low carbon content, which will have a positive impact on the environment. The launch of production is planned for 2024.

The German building materials manufacturer Fixit, despite the war, is building a second plant in Ukraine. It will be located in Lviv. €5 million was invested in the plant construction project even before the Russian invasion. Now the Fixit company has received investment insurance from the German government and has invested an additional €7 million. Already in 2024, at the territory of the new plant in Lviv, it is planned to produce building materials to restore the destroyed infrastructure in Ukraine.

At the end of 2022, the Swiss company Nestlé began construction of a new plant in Smolygov in Volyn for the production of instant noodles. In total, about 40 million French francs (more than \$6 million) are going to be invested in the construction of the plant. They plan to start producing products there in the first quarter of 2024. These products will be supplied both to the Ukrainian market and to the markets of European countries.

Ukrainian experts write that “among the cities of the western region of Ukraine, Lviv is the undisputed leader. In fact, it is the only metropolis of this part of the country (Litvinova *et al.* 2020). The extraordinary infrastructure of the city, which is constantly developing, combined with the authentic European historical center, make it a core of investment attraction. In addition, during the period of the large-scale invasion, the city became almost the second capital of Ukraine, and having a duplicate office in Lviv actually became a must-have for both international and domestic institutions and companies” (Forbes, 2023).

Thus, even despite the war, Western Ukraine attracts significant investment from companies from all over the world. The region is becoming a rapidly growing industrial zone, and the large-scale arrival of foreign investors is promoting the development of service industries, including tourism and hospitality (Levytska *et al.* 2022). In addition, the flows of domestic tourism, due to

the dangerous situation in the southern regions of the country, which traditionally represented the “locomotives” of Ukrainian tourism, were also reoriented to western Ukraine. The combination of these factors undoubtedly has a positive impact on the economy of territorial communities in Western Ukraine. It may sound paradoxically, but Russia’s geopolitical ambitions played into the hands of Western Ukraine, which did not demonstrate much industrial potential before the war. If previously the main foreign investors in Western Ukraine were IT companies and financial companies, now this is a large business with large fixed capital and long-term prospects, which promises excellent potential for the economic and social development of territorial communities in Western Ukraine (Maksymenko *et al.* 2020). Increased employment, gentrification, improvement in the level of education and the “work” of social elevators are all quite expected prospects for local communities.

DISCUSSION

Currently, the ideas of transnationalists are becoming increasingly popular, defending the view that the concept of state borders in a globalizing world no longer plays the previous dominant role in international relations. To some extent this statement is true.

The end of the Cold War without an adequate “reset” of international law, the foundations of international relations, and the entire world order led to an increase in turbulence that engulfed almost all aspects of the life of the world community and threatened, in the absence of an appropriate response, with unforeseen consequences.

In efforts to ensure world order and peace, the weight of regional alliances and groups of states, especially the South, is growing, which account for an increasing share of the peacekeeping contingent to resolve modern conflicts (Mishchuk *et al.* 2020). The weight of not only the resource support for joint actions increases, but also their legitimacy and the participation of as many states as possible in them. The role of non-state actors, capable of producing significant both positive and negative impacts, both on the internal and external environment, is increasing. Fundamental changes in the world lead to painful processes of searching or revision by states of domestic and foreign political identity in the

modern world, the feasibility of participation and their place in international integration associations (Oliinyk *et al.* 2021; Novak *et al.* 2022). In some regions, in particular in Eurasia, there is a rivalry between integration projects, with Ukraine at the center. Together with negative consequences in interstate relations, these processes determine complex changes in the interstate associations: the weakening or collapse of old alliances, attempts to strengthen existing ones or create new ones.

Researchers note that on the territory of the modern state of Ukraine there are in fact three geopolitical territories Western, Eastern, and Southern Ukraine, which throughout history have been formed taking into account geopolitical and sociocultural characteristics (Falk, 2023). Throughout their history, these parts of the state not only developed along different trajectories, but also formed slightly different values among the population, and this fact also today influences the nature of the economic consequences of geopolitical conflicts for territorial communities (Panasiuk, I. *et al.* 2020). On the territory of Western Ukraine, the formation of the national mentality was significantly influenced by the traditions of Western European countries. Thus, the political traditions in this part of the country are characterized by a greater commitment to the ideas of liberal values (Omarov *et al.* 2022). The southern part of modern Ukraine and Crimea throughout history have been endowed with the functions of transit territories and, due to their geopolitical position, attracted the attention of actors in the international arena, causing territorial disputes.

In addition, due to the high dynamics and unpredictability of the development of international relations, effective transport communications, which can provide alternative routes for the supply of resources, are becoming increasingly important (Ortina *et al.* 2023). Today, the western border regions of the country are in the most favorable position regarding the transportation of goods by road. However, here too there is a negative geopolitical factor, which is, apparently, one of the deep, not visible “on the surface” reasons for blocking the border by Polish carriers.

The blocking of Ukrainian trucks in Poland may continue, because Polish carriers from a small association have received permission from local authorities to continue their action, and in turn,

as noted in the Focus publication, the old Polish government wants to earn political points for itself on this. “Before Russia’s large-scale invasion of Ukraine, this association was engaged in the transportation of goods in both directions to the Russian Federation and Belarus, so the interests of the occupiers are clearly visible here,” the publication writes (Boyko, 2023). Of course, behind purely economic interests, there is Russia’s geopolitical goal to quarrel between Ukrainians and Poles. Moreover, now, according to Focus experts, there is complete passivity of the Polish government towards this problem, although the Ukrainian authorities have repeatedly emphasized their readiness to work on these issues (Troschinsky *et al.* 2020). Local authorities also contribute to the continuation of the blockade by issuing permission to implement it, although blocking international routes is the responsibility of the Polish government, not local communities. The search for a compromise is complicated by the fact that Poland is forming a new coalition government after “disputed elections”. Experts believe that “Polish far-right groups,” including those historically associated with the Russian Federation, decided to take advantage of the situation (New Voice, 2023).

The non-governmental organization “Europe without barriers” conducted a sociological study on the impact of blocking borders on the lives of border communities (Lopushynskyi *et al.* 2021). The study covered Sheghini, one of the oldest and busiest checkpoints, and Ughryniv, the newest checkpoint where joint control is used. In addition to the communities located on the border itself, representatives of the organization also spoke with communities located a little further away these are Sokal and Mostyska as area centers, Lviv as a regional center that also feels the influence of the border (Europe Without Borders, 2023). The organization drew attention to the fact that a significant part of border crossings is petty cross-border trade, which is assessed as the only way to survive directly in the border areas and as a negative activity in cities further from the border. Tourism projects and other local initiatives can be an alternative to such ‘employment’ in the border regions. Experts also emphasize the need to open pedestrian crossings on the Ukrainian-Polish border, where only one such crossing is currently

operating, and to reconstruct the road infrastructure for the development of local communities, as well as to conclude agreements on joint control with neighboring countries.

It is obvious that we live in an era of hybrid politics, which is defined by political scientists as “the purposeful integrated use of political, diplomatic, economic trade, as well as information, propaganda and other activities of one state (or coalition of states) with the aim of subordinating the domestic and foreign policies of another/others” (Nadarajah and Rampton, 2015).

Thus, based on the definition and content of the concept of “hybrid policy”, it can be stated that this is a geopolitical category, since “hybrid policy” is aimed, first of all, at subordinating the domestic and foreign policies of another state (others) to one state with the help of a broad range of “asymmetrical” activities.

It should be noted that, as a rule, “hybrid policy” has a hidden, but offensive and generally aggressive nature in relation to another state (other states) both in the “near” and “far” abroad, as well as in common with adjacent countries economic, information, cultural and other spaces.

Ukrainian local government reform, which began in 2014, has become one of the most important post-Maidan transformation projects.

This fundamental restructuring of Ukraine’s political power and public finances is often referred to simply as decentralization (Yermachenko *et al.* 2023). The unpretentious name, the partially technical nature of the reform, as well as the provincial locus of transformation have led to the fact that this fundamental restructuring of the Ukrainian state often remains outside the field of view of many analysts.

Meanwhile, decentralization in Ukraine leads to beneficial consequences for the daily lives of citizens. Economic activity and interregional competition between local communities are facilitated. Decentralization makes Ukraine more effective as a state and nation in the sense that it reduces, suppresses, or at least limits the various post-Soviet pathologies of its governance and local development (Zilinska *et al.* 2022). This effect, in turn, has not only municipal, regional or national significance, but also indirectly international significance.

Meanwhile, in such conditions, territorial communities become “convenient” objects of geopolitics, especially hybrid one. In 2014, Moscow’s “hybrid” tactics consisted of capturing the southeastern regions of Ukraine and, first of all, their centers, with various agents or collaborators of the Russian state. The locus of planning and execution of these operations was either traditional regions and the Autonomous Republic of Crimea, or real or imagined macro-regions, such as Donbass and “Novorossiya”, covering the entire East and South of Ukraine. In 2014, the existence of powerful regional clans and the regional structuring of politics in the predominantly Russian-speaking East and South of Ukraine did open the door for the Kremlin to conduct its covert operations designed to foment anti-Kiev autonomism, pro-Russian separatism, and pan-Slavic nationalism.

Territorial political systems (TPS) in their correlation are conventional targets of political geography and regional political studies (Ramadhan, 2018). This notion is also studied by geopolitics, which treats this concept as a local geopolitical system.

The concept of territory in international relations and geopolitics changes, which is evident, in particular, in the latest concept of “geopolitical fault-line cities in the world of divided cities” (Gentile, 2019).

In the conditions of a hybrid peace, territorial communities become the direct object of influence of multicomponent geopolitics and very important components of national security, including its economic component, and Ukraine in the realities of geopolitical conflicts directly affecting it is a clear example.

CONCLUSION

In modern conditions, when the scale and influence of international relations both on the life of individual countries and on the development of humanity as a whole have increased unprecedentedly, geopolitics science widely uses various methods and techniques of interdisciplinary and systemic analysis. A correct understanding of the realities of the modern world requires taking into account and appropriate analysis of the direction and acceleration of their dynamics. This approach allows studying international relations comprehensively, in all their complexity and diversity, more fully identifying

the nature and forms of interaction of all elements participating in the system of international relations, the intertwining of their interests and goals, the nature and significance of conflicts arising between them, their real content and significance with points of view of world politics, ways and methods of solution. Today geopolitical conflicts take place in the landscape of hybrid peace, and the vectors of these conflicts’ influence became extremely complex, touching directly local territorial communities as objects and, to some extent, subjects of geopolitics, experiencing corresponding consequences, first of all, in economic plane.

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