

This first part addressing the impact of the war goes into the main body of my argument (which is not here). Further below you'll see an Addendum which presents more detail on the impact of the war. It will have footnotes when finished

FIRST PART

The Russia-Ukraine war has been a disaster for the entire world, not just for Ukraine. The conflict, and the sanctions and blockades it involved, driven up food and energy prices worldwide, disrupted world trade, helped stall and reverse post-pandemic economic recovery, and drawn scarce resources away from other humanitarian crises and economic development efforts. As a result, more have died due to the conflict outside the country than inside, as summarized below. The collateral effects of the war mean not only years of additional acute hardship for a billion global citizens and lowered living standards for billions more, but also reduced action on other global calamities including climate change and pandemic.

An evidence based estimate of Russian military fatalities is 35,000+ (as of March 2022). Ukrainian combatant fatalities probably exceed 25,000. A very rough initial estimate of Ukrainian civilian fatalities is 20,000 dead due to the war's direct effects (such as bombardment) and another 20,000 due to indirect effects (such as lack of health care). Outside Ukraine, the war's broader effects have caused the deaths of ~200,000 people.

So far, the average level of monthly fatalities due to this war has been 25,000 people. Twenty-five thousand dead - every month: 4,500 combatants, 3,500 Ukrainian civilians, and 17,000 non-Ukrainian civilians.

As outlined in the Addendum, the financial expenditures associated with the war for Russia, Ukraine, and nations supporting Ukraine has been \$28 billion a month. Longer term costs include reconstruction - presently estimated at \$413 billion - and a step-up in the base-level annual global military spending of \$200+ billion. Already, this is a trillion dollar war.

ADDENDUM

Due to the war the volume of global trade has declined 3.4%, energy prices have doubled, food prices grew by 14% in 2022 - more than that for poor countries (25%) - and a pervasive global economic slowdown has set in: The IMF forecasts a 2.8 trillion loss in global output for 2023. This reflects a sharp contraction in global growth from 6% 2021 to 2.6% in 2023

Due to the energy cost increase, the number of people living in extreme poverty increased by 75-141 million, by various measures - mostly in the Global South. These are households already living on the edge, who cannot accommodate sharp price hikes. Energy price inflation has also effected Europe, however. The Economist research unit calculated that, given the rise in energy costs, even a mild winter such as 2022-2023 would produce at least 32,000 excess deaths in Europe. The example of Germany bears this out: It suffered 8,000 excess deaths in December 2022, compared to Dec 2021. Inflation affecting fuel and food consumption is not a marginal inconvenience for those living on the edge. It is a matter of life and death.

The rise in food prices had an incomparable negative impact on the Global South. There the rise was 25%. Also affecting access was reduced supply and disrupted international transport. The UN estimates that as a result the number of people suffering acute food insecurity jumped from 282 million at the end of 2021 to a record 345 million in 2022 - an increase of 63 million (which is about 18% of the total). How many collateral deaths might this imply? In 2022 about 2.2 million people died from starvation. The 2022 increase in severe malnutrition cannot be entirely due to the war's effects, but even if only half the increase in acute hunger is due to the conflict, the associated number of excess deaths would be 180,000 people.

International support for humanitarian assistance increased from \$20 billion in 2021 to \$30 billion in 2022, largely to address the global impact of the Ukraine war. But it wasn't enough. Total funding fell short of assessed need by more than \$20 billion. This "aid void" was worse than the previous year. And it wasn't uniformly felt. Half the 2023 increase was allocated directly to Ukraine. This met 82% of Ukraine's assessed need. For the rest world, 54.5% of assessed need was met. This difference is not due to fatality rates being higher in Ukraine than anywhere else. They were not; Ethiopia and Yemen faced comparable humanitarian disasters in terms of lives lost.

There was also a substantial redirection of Official Development Assistance (ODA) in accord with war policy. Formally, the standing rationale for ODA is to assist the development of less developed economies (along capitalist lines, of course). In Europe and the United States about \$35 billion in development assistance is now being used to support in-country refugees, mostly displaced Ukrainians. This is about 20% of available ODA. (The previous high-point of in-country donor use of ODA came in 2015 due to the surge in Syrian refugees.)

In addition to humanitarian aid, direct support to Kyiv's economy and war effort - about \$200 billion in a single year - has far outpaced other recent international initiatives. It is equal to the total of global ODA and humanitarian aid. (And in terms of previous US support to Moscow's opponents in war, American aid to Ukraine is nearly 100 times the annual average of the aid given the Afghan Mujahideen between 1979 and 1990, corrected for inflation).

Western support for the Ukrainian war may continue at a rate of \$17 billion or more per month until the conflict ends. Postwar reconstruction will require additional funds. Kyiv and the World Bank currently estimate the cost of reconstruction and recovery to be \$414 billion. One measure of the extent of material destruction suffered by Ukraine is the number of residential buildings damaged or destroyed: ~150,000.

The war cost Moscow more than \$110 billion in excess spending in 2022 with as much as \$60 billion of this excess being allocated to the military and security services. And these figures do not account for the depletion of Russian war stocks, including the expenditure of thousands of missiles and millions of artillery rounds as well as the confirmed loss of 1900 tanks, 4000 other armored vehicles, 750 artillery pieces, 78 combat aircraft, and 80 helicopters. These and other material expenditures and losses add tens-of-billions of dollars to Moscow's war bill.

Ukraine's financial costs include a greater than 30% reduction in its G.P. (down from about \$200 billion in 2021 to \$140 billion in 2022) and a government expenditure on defense of approximately \$42 billion. Notably, Ukraine's total government expenditure in 2022 was about \$75 billion with \$32 billion of this sum either borrowed or granted by allied governments.

A final financial burden that the world will carry for years to come is a 2023-2024 real increase in baseline global defense spending of \$200 billion. Given likely inflation, expect \$2.5 trillion in global military spending by 2025.