

# European Economy and Institutional Liberalism: Post-War Reconstruction of Ukraine

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## ABSTRACT

**Institutional liberalism, despite the strong criticisms it has received, has emerged as an important hermeneutic theory, especially in the periods of Post-War Reconstruction. The intense activity of the World Bank, the IMF, the EBRD, the UNDP, the European Investment Bank, the BSIC, but also of individual states, Britain, Italy, Poland, and others, in direct cooperation and coordination with international and European organizations for the reconstruction of Ukraine, confirms the explanatory value of institutional liberalism, since the policies of international and European organizations strengthen future expectations, build partnerships and useful connections between actors, and create incentives for further actions. Against the realist version of international relations, where states behave arbitrarily, the logic of post-war reconstruction comes to affirm the social utility of institutional liberalism, with hope for a society of reconciliation and cooperation. European economic integration, a historical product of a long process of cooperation and development, offers, once again, the model of post-war reconstruction.**

**Keywords:** Institutional liberalism, Russia, Ukraine, war reconstruction.

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## I. INTRODUCTION: TWO GREAT INTERPRETIVE TRADITIONS IN THE THEATRE OF WAR

The Russian military intervention in Ukraine in February 2022 and the multidimensional crisis that followed and continues to shake the country, with multiple consequences for neighbouring countries (migration, energy crisis, lack of basic raw materials and food, pollution of the natural environment) and at the level of international law and democracy (killings, human rights violations, repression of minorities, disregard for the rule of law, destruction of democracy), once again brings the two major interpretive paradigms into conflict: the realist view, in which violence becomes a key instrument of state power in a world devoid of international principles and rules, and liberal institutionalism, or institutional liberalism, in which state violence is abandoned as immoral and ineffective in favor of international cooperation that benefits not only the states that embrace it but also the non-state actors that are chronically marginalised by modernist theory (Keohane & Nye, 1977, p. 24).

Historically, institutionalism, which focuses on the role of international organisations, has shaken international relations theory with the formulation of principles and norms for the Responsibility to Protect (R2P) (Thakur & Weiss, 2009) and humanitarian intervention (Evans, 2008, p. 52). Institutional liberalism does not deny political power, but treats it as a product of legitimate choice in a democratic society (Ruggie, 1982, p. 382) and justifies the use of power in building institutions based on this notion of "social purpose" (Keohane, 2012, p. 126) within a framework of principles and rules in which institutions contribute to transnational cooperation aimed at improving social welfare, maintaining security, and, of course, protecting freedom. This theoretical development acquired enormous practical value during the post-war reconstruction, tentatively from the end of the 19th century and boldly after the two world wars of the 20th century, with the emergence of the role of international organizations in international relations. Since the 1990s, despite the strong criticism (Grieco, 1988; Mearsheimer, 1994; Hoffman, 1999, Von Stein, 2005), the legal protection of international organisations, combined with the emergence of the political society, strengthened the role of institutional realism (Abbott *et al.*, 2000). We recall the famous quote by Stanley Hoffman: "international affairs have been the nemesis of liberalism" (Hoffman, 1999, p. 162) under the weight of the "ineffective" (sic) policies of the United Nations and the World Bank to address the great challenges of our time: nuclear proliferation, poverty, and the destruction of the natural environment.

Nevertheless, rapid technological progress and unbridled globalization have fostered interconnectedness and network formation. Institutional liberalism has resurfaced, projecting the undeniable benefits of cooperation, while ongoing regional wars have accelerated the momentum of this trend: Alongside domestic politics, international organizations and global movements have claimed a leading role in post-war reconstruction (Donahue & Nye, 2000).

## II. WHEN EVERYONE WAS AGREED

The wise always plan for the next day! This was also the case during the World War II, when the President of the United States Franklin D. Roosevelt and Prime Minister Winston S. Churchill, representing His Majesty's Government in the United Kingdom, accompanied by officials of their two governments, including senior military, naval, and air force officers, met at sea (HMS Prince of Wales, Placentia Bay, Newfoundland) on August 14, 1941, and agreed on the following joint declaration (Brinkley & Facey-Crowther, 1994):

1. Prohibition of territorial and all types of claims by states.
2. Possible territorial claims must be reconciled with the expressed will of the peoples concerned.
3. Respect for the right of peoples to choose the form of government they desire, but also the restoration of sovereign rights and self-government to those who have been forcibly deprived of their rights.
4. Equal access for all states (small and large, victors and vanquished) to the raw materials and trade relations necessary for their economic prosperity.
5. Economic cooperation among all states for social and labour security and economic development.
6. Restoration of peace, without fear and poverty.
7. Freedom of navigation for all people on all seas.
8. Renunciation of the use of force and disarmament of those states which show aggressive intentions.

(U.S. State Department, 1941). The fourth clause (international trade) stressed that all (winners, and losers) would have access to the market "on equal terms"! Until then, the losers were punished even more with the conditions of peace (see WWI, Paris Economy Pact).

At the meeting of the Inter-Allied Council in London on September 24, 1941, the governments-in-exile of Belgium, Czechoslovakia, Greece, Luxembourg, the Netherlands, Norway, Poland, and Yugoslavia, as well as the Soviet Union and the representatives of the Free French Forces, decided unanimously to endorse the common principles established by Great Britain and the United States. The position of the Soviet Government was stated by its Ambassador Ivan Maisky as follows: "The Soviet Union defends the right of every nation to the independence and territorial integrity of its country and its right to establish such social order and choose such form of government as it deems expedient and necessary for the better promotion of its economic and cultural prosperity He added that the Soviet Union supported the need for collective action against aggressors and that "the Soviet Government proclaims its agreement with the basic principles of the declaration of Mr. Roosevelt and Mr. Churchill" (U.S. State Department Bulletin, 1941).

In practice, the distrustful Stalin treated the Marshall Plan as a Trojan horse for Soviet influence after the war and took two steps: he condemned the Marshall Plan and created a similar financial program against the anti-Soviet bloc: the Molotov Plan (Parrish & Narinsky, 1994).

In both cases, postwar reconstruction was entrusted to international organizations, confirming the theory of institutional liberalism:

- two organizations implemented the program, the U.S.-led Economic Cooperation Administration (ECA) and the European-led Organization for European Economic Cooperation (OEEC, April 16, 1948), which brought together 18 countries to develop policies to promote trade and increase production,
- on the other hand, the implementation of the Molotov Plan required the creation of a system of bilateral trade agreements, which led to the establishment of COMECON to create an economic alliance of socialist countries.

Winners and losers confirmed the role of the international society not only in international relations to maintain peace and security, but also within states to promote economic development and social welfare. As Hedley Bull aptly put it, "An international society exists when, according to Hedley Bull (1932-1985), "a group of states, conscious of certain common interests and values, form a society in the sense that they feel bound by common rules in their relations with one another and participate in the work of common institutions" (Bull, 1977, p. 13). The post-war world was shaped with the idea of cooperation between states for common goals and interests, as there is not only the danger of arbitrary behavior of states, but also multiple benefits from their harmonious coexistence and cooperation, ceding part of their sovereignty to create "integrated communities" that promote economic growth and respond to regional and international security issues (Lamt, 2005, p. 213).

## III. AN UNPLEASANT DEVIATION

Although the Brezhnev Doctrine was the official decision to change course in 1968, it was preceded by two decisive military interventions with the Soviet intervention in Czechoslovakia (Ouimet, 2003):

- The Soviet Union's involvement in the Korean War (1950-53), where it provided war materiel and services (training and information) as well as Soviet pilots and aircraft, primarily MiG-15 fighter jets, to support North Korean and Chinese forces against United Nations forces;

- The military invasion of Budapest and other regions of Hungary in 1956 (UN General Assembly Special Committee on the Problem of Hungary (1957). Chapter IV. E): about 200,000 Hungarians fled Hungary, about 26,000 Hungarians were tried by the new Soviet-appointed government of János Kádár, and 13,000 of them were imprisoned.

From 1968, the Brezhnev Doctrine now officially defined the foreign policy of USSR, with the sole aim of identifying any kind of threat to “socialist rule”. A possible secession from the Soviet bloc legitimized the direct intervention of the Soviet Union and the states that sided with it (Glazer, 1971).

In the years that followed, Soviet military interventions continued throughout the world. As history shows, the doctrine was effective: no state succeeded in seceding from the Eastern bloc, at least until Brezhnev's death in 1982. His successor, Mikhail Gorbachev, recognizing the fundamentally changed conditions both within the Soviet Union and internationally, abandoned the Brezhnev Doctrine in 1985, ushering in a period of political and economic reform in Russia. The dissolution of USSR as a sovereign state led to the republics gaining full independence on December 26, 1991.

Russia's military interventions changed international perceptions that had emerged after 1991 and gave the international community unpleasant surprises, most recently the invasion of Ukraine (Charap *et al.*, 2021). Despite Russia's relatively low economic importance (Russia ranks 11th with a GDP of \$1.48 trillion in 2022, while the United States, China, Japan, Germany, the United Kingdom, India, France, Italy, Canada, and South Korea rank in the top ten (World Bank, 2023)), Russia has conducted more interventions since the end of the Cold War than any other competitor to the United States. In its report *Russia's Military Interventions. Patterns, Drivers, and Signposts*, Samuel Charap, Edward Geist, Bryan Frederick, John J. Drennan, Nathan Chandler & Jennifer Kavanagh examined when, where, and why Russia conducts military interventions by analyzing the 25 interventions Russia has undertaken since 1991, including detailed case studies of the 2008 Russia-Georgia War and Moscow's involvement in the ongoing Syrian civil war (Charap *et al.*, 2021).

#### IV. RUSSIAN INVASION OF UKRAINE: DESTRUCTION & COSTS

In December 2021, Russia deploys troops to the Ukrainian/Russian border. Russian President Vladimir Putin publishes an article claiming Russians and Ukrainians are “one people,” and on February 24, 2022, Russia invades to annex the “breakaway” regions of Ukraine (Donbass). The invasion is approved by the UN General Assembly (UN General Assembly, 2022: GA /12407) and was immediately condemned worldwide, including in Russia (the first demonstration took place on 24 February 2022 and since then protests of all kinds have proliferated, with an uncertain outcome, and caused the largest refugee crisis in Europe since World War II. More than 8 million refugees from Ukraine have been registered across Europe, 6.5 million have been displaced within Ukraine, and 12 million people are trapped in a war zone (UNCHR, 2023).

What is the cost of the disaster to Russia, which caused it? Russian journalist Boris Grozovski told *Newsweek* that the total military cost of the Russian invasion in 2002 was \$346 billion, including \$46.1 billion in direct military spending and \$36.9 billion in police and security spending. Sean Spoonts, editor-in-chief of the *Special Operations Forces Report (SOFREP)*, told *Newsweek* that Grozovski's figures were probably too optimistic: By the third month of the invasion, Spoonts estimated that it cost Russia as much as \$900 million a day to maintain its military effort. It depends on how the numbers are calculated, he added. “If Russia spends \$1 million to build a missile and then fires it, we think it has spent \$2 million: \$1 million to build it and another million to replace the missile,” Spoonts said. “I think that's a very good estimate. I think most estimates only consider the initial cost. If you have a \$50,000 car that burns up in a fire, you are out the \$50,000 plus everything you spend to replace it because you need a car” (Mordowanec, 2023). Russia is estimated to have lost more than half of its tanks in Ukraine—a total of 1,769 vehicles—according to *Oryx*, a website that monitors military losses in the war-torn country. Ukraine's Defense Ministry reported in early February that Russia has lost nearly 130,000 troops, more than 6,300 armored combat vehicles and nearly 300 military jets since Feb. 24, 2022. Sergei Aleksashenko, Russia's former deputy finance minister, wrote on *Al-Jazeera* in December that the 2022 budget item “General national affairs” had increased by 50 percent to 2.629 trillion rubles (\$42 billion). This spending generally comes from the administrative activities of all branches of the government, he said. “Assuming that the surplus funds in this item are related to the war, that's an additional 869 billion rubles (\$13.8 billion) in defense spending,” Aleksashenko said. The budget deficit of 3 trillion rubles that Russia is expected to have from 2022 to 2024 is equivalent to about 2 percent of GDP, he noted. For Putin, however, this is not a cause for concern, as state-owned banks will continue to buy government bonds. The scheme will slightly increase inflation but maintain funding for the war. The cost of the sacrifice has been incalculable in terms of human lives and enormous in terms of severe damage to Ukraine's infrastructure and most productive industries.

Recent estimates by the Kyiv School of Economics put the value of the damage caused by the invasion now at \$138 billion (Kyiv School of Economics, 2023), and President Zelensky has announced that rebuilding the country could cost over \$1 trillion (Siang, 2023).

## V. INSTITUTIONAL LIBERALISM IN PRACTICE

### A. WTO

The Russian Federation has been a member of the WTO since August 22, 2012. The five permanent members have the right to veto the original resolution. The five permanent members are China, France, Russia, the United Kingdom, and the United States. The war in Ukraine is causing immeasurable human suffering. At the same time, it poses another major challenge to the global economy (WTO (a) 2023). The war has reduced trade growth, but to a much lesser extent than we originally feared. In October 2021, the WTO projected that trade in goods would grow by 4.7 percent in 2022 (WTO, 2023b). The worst-case scenarios predicted for food prices and security at the outset of the war have not yet materialized. Instead, the initial impacts have been contained, thanks in part to the openness of the multilateral trading system and the transparency and commitments it requires of its members. This demonstrates that resilience is ultimately best ensured by promoting deeper and more diverse international markets based on open and predictable trade rules" (WTO, 2023a).

### B. World Bank

According to the World Bank, Ukraine's GDP shrank by 35% in 2022, and it is projected that by October 2023, the share of the population with income below the national poverty line will rise to nearly 60%. To date, the World Bank has mobilized over \$23 billion in emergency assistance to Ukraine, of which \$20 billion has been disbursed. This includes grants, guarantees, and related parallel financing from the United States, the United Kingdom, European countries, and Japan. According to recent World Bank estimates, the cost of reconstruction and recovery in Ukraine has now grown to \$411 billion, more than twice the size of Ukraine's prewar economy in 2021 (The World Bank, 2023).

### C. IMF

On Tuesday, February 21, 2023, IMF Managing Director Kristalina Georgieva said after her visit to Kyiv, "I saw an economy that works, despite enormous challenges." (IMF, 2023). On March 31, 2023, the IMF Executive Board approved \$15.6 billion under a new Extended Fund Facility (EFF) for Ukraine as part of an overall \$115 billion support package. Ukraine's program, supported by EFF, aims to anchor policies that maintain fiscal, external, price, and financial stability and support economic recovery, while improving governance and strengthening institutions to promote long-term growth related to post-war reconstruction and Ukraine's path to EU accession. Approval of the EFF is expected to mobilize substantial concessional financing from international donors and Ukraine's partners to help resolve Ukraine's balance of payments problem, achieve medium-term external sustainability, and restore debt sustainability on a forward-looking basis in both a baseline and downside scenario (IMF, 2023).

### D. UNDP

In April 2022, UNDP Ukraine and the Restart Ukraine consortium launched a joint initiative to collect and analyse innovative solutions for post-war reconstruction:

- analysing different local housing solutions
- cooperation with the rubble management
- documenting intangible impacts
- exploring forward-looking approaches to community development
- joint planning programs for planning
- mapping and assessment of tangible and intangible damage
- temporary infrastructure for the displaced
- removal, recycling, and reuse of debris
- provision of improved living conditions in towns and villages,
- cooperation on the tangible and intangible heritage of the pre- and post-war period,
- rethinking urban and rural planning of destroyed settlements to make them more resilient and, above all, to put people first,
- funding by building on existing mechanisms and creating new ones,
- involving all stakeholders and civil society to ensure a people-centered approach in all phases of post-war reconstruction.

### E. EBRD

According to recent EBRD estimates, Ukraine's recovery will require an additional \$50 billion per year from abroad, mainly foreign private investment (EBRD, 2023; Bennett, 2023). Historical experience confirms this: At least 7 out of 10 war-torn countries needed to be at peace for at least 25 years after the war to achieve long-term growth, and only 3 out of 10 countries achieved satisfactory growth rates (i.e., at least as much as before the war) within 5 years of post-war recovery (Mac Sweeney, 2009; Mills & Fan, 2006); Peschka, 2011). The EBRD report is clear: to achieve Ukraine's recovery target within five years of the ceasefire, a growth rate of more than 14% would be required, i.e., an average GDP of about \$225 billion (in constant prices), starting from \$150 billion in 2022. Private investment would certainly be the most important source. Before the war, investment was essentially financed by savings, and in 2010-21 capital inflows amounted to 3% of GDP. One of the first things the war hits is credibility, i.e., foreign direct investment. Experience shows that Central and Eastern European countries, which suffered from investment weakness in the early 2000s, were boosted by FDI. However, the question is how to absorb higher levels of investment without the necessary governance structures that translate into efficiency, speed, transparency, and control of procedures. Only foreign financing can narrow the gap between needed investment and weak domestic savings, estimated at 20% of GDP or \$50 billion per year (EBRD, 2023; Kappner *et al.*, 2022). Moreover, the private sector provides not only the inflow of capital, but also expertise, know-how, and cost efficiencies, in all areas of infrastructure: from the primary sector (agricultural machinery) and energy to transport, energy, and municipal infrastructure. One thing is the *sine qua non*: the shielding of political and economic institutions, because bureaucracy and corruption thrive in an institutional vacuum. As it turns out, the EBRD's pledge of more than EUR 3 billion in additional investment in Ukraine over the 2022-2024 period is just the beginning (Chupkin & Kóczán, 2022; Gorodnichenko *et al.*, 2022; Kappner *et al.*, 2022, World Bank, the Government of Ukraine, the EU and the UN, 2023).

### F. European Commission

- The European Commission's actions are supported by various national and international stakeholders (European Commission, 2023). A call for proposals for three projects has already been announced: two for the reconstruction of Ukraine and one for skills development in sustainable construction. The calls for Reconstruction of Ukraine are part of the 'Phoenix' initiative announced in February by Commissioner Virginijus Sinkevičius and are funded by the LIFE programme. The aim of 'Phoenix' is to tap into and make available to Ukrainian cities the cutting-edge expertise of the New European Building Community (NEB) in the field of affordable and sustainable reconstruction. The initiative also brings Ukrainian cities together with like-minded cities in the EU to share experiences on their path to carbon neutrality and greater energy efficiency. Two LIFE projects will support cities in identifying and implementing a holistic, sustainable city planning approach, including innovative effective solutions and support for the rapid reconstruction of destroyed or damaged infrastructures and facilities. They will focus on sustainable and circular (re)construction including waste management, the reuse of debris resulting from damage and destruction, or the management of hazardous waste. They will also cover water treatments, including decontamination. They will build on mappings and strategies previously financed by European funds.
- In parallel, another LIFE project will contribute to the NEB Academy, which aims to develop, foster, and increase skills for sustainable construction. The project will contribute to mapping skilling initiatives on sustainability in the construction ecosystem, with a focus on bio-based materials and circularity, test pilot projects on using sustainable materials for construction (focusing on wood and other biomaterials) and promote skill-sharing initiatives. This call was particularly relevant in the context of the European Year of Skills. It will help develop the NEB Academy and develop training on sustainable construction, circularity, and bio-based materials to accelerate the transformation of the construction sector.
- At the same time, there is a call by the New European Bauhaus to map already existing learning materials and possible contributions to the NEB Academy. This call was opened until 25 April. The New European Bauhaus (NEB) is an environmental, economic, and cultural project launched by President von der Leyen in the State of the Union in 2020. NEB focuses on community building and bottom-up approaches to implement the European Green Deal by promoting beautiful, sustainable, and inclusive places, products, and services. Only two years after its launch, the NEB has grown into a movement with an active and growing community of more than 1,000 members from a wide variety of sectors (e.g., education, construction, and fashion) operating across all EU Member States and beyond. Since the start of the Russian war of aggression against Ukraine, the NEB community has shown readiness to support Ukrainians, always with the approach of combining, as much as possible, emergency actions with longer-term needs in the country. A total funding of €3 million is available

for the projects announced today, in addition to €8 million under existing LIFE funding for the NEB, for which similar proposals could also be eligible.

#### G. European Investment Bank (EIB)

According to Gelsomina Vigliotti, Vice President of the European Investment Bank (EIB), \$14 billion is needed as Ukraine's most urgent priority in 2023, and we need to focus on investments that cannot wait until the end of the war. We must address these needs and support the economy to avoid further damage. So far, the EIB has lent €2 billion to utilities and infrastructure projects, such as hospitals and educational facilities, and is ready to support Italian partners looking to invest in reconstruction. There will be roads and railways to be reopened, actions for drinking water, sanitation systems, and resources to ensure private-sector development. We need to ensure a continuous flow through Ukraine' (European Investment Bank, 2023).

#### H. Black Sea Economic Cooperation (BSEC)

A similar assessment by the Black Sea Economic Cooperation (BSEC): The Ukrainian grain crisis changed everything, and the Russian blockade of Ukrainian grain exports highlighted the importance of the region in the agricultural (food) sector. In the field of trade, Turkish trade with Russia and Ukraine alone is estimated to exceed 40 billion dollars per year. For the BSEC, Ukrainian reconstruction is not a limited focus of economic strategy, but a pole of expanded economic cooperation, which in turn will boost economic growth and reduce conflict. Strong economic cooperation refers to the stability, security, and strength of institutions, that is, society, involving not only the countries of the region, but also the European Union and the United States (Aligica, 2023; Józwiak *et al.*, 2023).

#### I. International Ukraine Recovery Conference

On 21-22 June 2023, the international Ukraine Recovery Conference -one of the most important initiatives, which had set, from its very first session, the Lugano Principles for the reconstruction of Ukraine in four key areas of reforms—economy, environment and energy, society, and governance—will address the issue.

According to the Lugano Principles, the recovery process must have seven characteristics to sustain and enhance the mobilization of the private and public sectors (, URC 2022):

1. should be based on cooperation of the Government of Ukraine with international organizations and states, based on needs and priorities assessment, rational planning, accountability for financial flows, and effective coordination (partnership),
2. should focus on faster and deeper reforms in a broader context (reform focus),
3. be characterised by transparency and accountability to Ukraine's society, with strengthening of the rule of law (fair & transparent funding),
4. should be a product of collective effort with democratic participation of society (democracy),
5. should encourage the participation of all stakeholders: private sector, public sector, local government, academia & local government,
6. should encourage the participation of both genders, respecting human rights and aiming at reducing all kinds of discrimination (inclusive & gender equal process)
7. and should be sustainable, as defined by the UN principles.

#### J. J.P. Morgan

On February 9, the Prime Minister of Ukraine Denys Shmyhal and representatives of the Ministry of Economy of Ukraine met with partners from the United States banking holding J.P. Morgan. The main topic of the meeting was to discuss the most prospective investments in Ukraine. Results of the meeting between the Ministry of Economy and J.P. Morgan was signing a Memorandum of Understanding (Ukraine Invest, 2023). During the meeting, Denys Shmyhal noted that Ukraine needed investment for reconstruction and post-war growth, and the government did everything possible to create a favorable investment environment. 'The Cabinet of Ministers of Ukraine has a special office "UkraineInvest," which is currently supporting eight major projects for USD 1.35 billion to the following areas: the agricultural sector, digital technologies, energy, natural resources, and of course, infrastructure reconstruction (JP Morgan, 2022).

#### K. Italy-Ukraine Bilateral Conference

According to Italian Prime Minister Georgia Meloni, investing in the reconstruction of Ukraine is not a foolhardy investment but one of the most prudent and far-sighted investments that can be made at this time. Italy will play a leading role as it takes over the rotating presidency of the G7. Reaffirming her commitment to Ukraine, Meloni also proposed that Italy host the Ukraine Recovery Conference in 2025. "Italy has played a key role in supporting Ukraine's accession to the EU. We will remember this", said Denis Shmyhal, Prime Minister of Ukraine, while Foreign Minister Dmytro Kuleba stressed that contacts between the Italian and Ukrainian governments are "more dynamic than ever".

On the Italian side, Foreign Minister and Deputy Prime Minister Antonio Tajani said that "Italy wants to be at the forefront, to lay the foundations for reconstruction." Approximately 600 Italian companies were present at the event to share their expertise with their Ukrainian counterparts. The idea of the Italian government involved as many companies as possible in the preliminary phase. Of course, Kyiv must continue with REFORMS to ensure its legality and transparency. Economy Minister Giancarlo Giorgetti announced Italy's contribution of €100 million to the EIB's EU for Ukraine guarantee fund.

#### *L. 2nd International exhibition & conference ReBuild Ukraine*

On 14-15 November 2023, the 2nd International Exhibition & Conference ReBuild Ukraine is expected to take place, for funding recovery projects, materials, technologies, equipment, and investments required to rebuild Ukraine's war-torn economy, with an emphasis on infrastructure, industry, energy, and housing. The general trend is to provide housing and reconstruction solutions quickly to meet the immediate and urgent needs of the population. At the same time, there is also a need to fully engage all stakeholders in the recovery process to make it more sustainable, and to ensure that all material and immaterial dimensions of recovery are included, such as those related to trauma, people's hope for their future homes, as well as environmental aspects (e.g. green recovery, zero waste cities). Failure to fully integrate could lead to 'temporary' unsustainable solutions and the opportunity for people-centered reconstruction could be missed!

## VI. CONCLUSION

In the case of the Post-War Reconstruction of Ukraine, all four characteristics (as described by Robert Keohane and Joseph Nye in the 1970s) that differentiate institutionalism from realism apply to Post-War Reconstruction:

- a. complex linkages that create channels of interconnection between actors and non-state actors, as in any development activity of international and European institutions,
- b. there is no hierarchical preference for issues under negotiation on the basis of state interests (contrary to what realism advocates), since all issues are equally important for Post-War Reconstruction, as is confirmed by the UNDP's categorization of projects under funding,
- c. there is no distinction between high and low politics, contrary to what realism advocates with its emphasis on security issues,
- d. Of course, the limitation of military force is the means by which a policy is determined.

Using logic from historical institutionalism, John Ikenberry argues that institutions may be highly durable, in particular to rebuild order after wars, for at least five reasons:

- a. They strengthen their expectations of future behavior.
- b. They build coalitions, routines, and connections between actors, creating incentives for continuity.
- c. They lead to spillovers, as other forms of cooperation are built around existing institutions.
- d. High start-up costs prevent actors from setting up challenging institutions.
- e. Learning effects create incentives for actors to stick with existing institutions (Ikenberry, 2001, p. 23).

In this sense, the functioning of the institutions is "the sum of available best practice. It awards societies the opportunity to have integrated peacebuilding that connects the ending of violence with wider social, political, and economic developments. Moreover, it offers ideas (democracy, pluralism, and liberalism) that should guard against conflict recidivism" (Mac Ginty & Richmond, 2007, p. 497).

"Nothing great in the world has ever been accomplished without passion." The reconstruction of Ukraine is based on the passion of people of many nationalities, which is why it will succeed, largely with the help of international and European organisations.

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## CONFLICT OF INTEREST

Author declares that they do not have any conflict of interest.

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