

## Original Paper

# How Could the Israel-Hamas Conflict Affect Ukraine?

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### **Abstract**

*It has been almost two years since Russia launched its illegal, large-scale invasion of Ukraine—the second such incursion after the annexation of Crimea in 2014. Ukraine currently finds itself in a protracted war of attrition, with a counteroffensive aimed at reclaiming territory in the South and East. However, it has encountered formidable obstacles presented by Russia’s network of fortifications and minefields. These challenges have been witnessed by the resilient Ukrainian people, who continue to face the complexities of wartime.*

*Amid these difficulties, the international community has now been distracted by the Israel-Hamas conflict. Some analysts suggest that Russia could benefit from this regional conflict and that military and financial resources could be diverted from Ukraine to the Middle East.*

*Recognizing the importance of unified support, there is a strong commitment by the US to consolidate assistance packages for both Ukraine and Israel, in order to mitigate potential logistical challenges. NATO has reaffirmed its commitment to providing support to Ukraine, underscoring its high priority. The EU has meanwhile become somewhat divided; in countries where populists are in government the Israel-Hamas conflict is being used as an excuse to reduce support for Ukraine, a tendency which previously existed clandestinely, due to lingering ties with Russia. The upcoming US elections also present a significant concern for Ukraine, as the political landscape has an impact on support and realignments.*

*Regarding Ukraine’s economy, positive developments are evident in certain sectors. However, the state budget for the upcoming year relies heavily on international financial assistance to cover social expenditures and public sector expenses, since domestic revenue alone falls short of meeting critical needs. Anti-corruption efforts also depend on internal political will and expectation of becoming a*

*member of the EU once the war has ended. In the meantime, Ukraine has taken steps to maximize its domestic defense production, further enhancing its self-reliance during these challenging times.*

**Keywords**

*Wars in the new world order; humanitarian and military help, conditions for support, geopolitical role of Europe*

**1. Outline of the Paper**

This policy paper is grounded in political economy methodology. In the first section, we address threats to managing the protracted war in Ukraine. Section two provides an assessment of the state of the Ukrainian economy, while section three outlines the military budget for the next period. We then shed light on concerns regarding future rebuilding efforts and requirements within the context of evolving international dynamics in section 4. The depopulation of Ukraine and overpopulation in the Palestine region is briefly mentioned in section 5. Section 6 draws preliminary conclusions for international assistance in these very different conflicts.

**2. Introduction: Is the Israel-Hamas War a Cause for Concern for Ukraine?**

Amid the backdrop of Russia's ongoing war with Ukraine, the recent clash between Hamas and Israel in the Middle East presents several significant and complex challenges. Ukraine and Israel both seek international support, closely monitored by the global community, as they grapple with issues of condemnation and support for the involved parties (Glantz, 2023). However, the Gaza conflict threatens to divert global attention and resources from Ukraine's defense efforts, potentially affecting economic and military assistance to the embattled nation.

There is also a danger that the Israel-Hamas conflict will serve the Kremlin's interests by diverting attention from the Ukraine crisis, straining US military resources, and reinforcing Russia's anti-Western narratives. Europe's help is necessary to solve both conflicts—less by means of power or weapons than by using its knowledge on how to resolve big conflicts, seen in the way the EU has managed a war-ridden continent, demonstrated by the Nobel Prize for Peace in 2011 (Note 1).

Despite this, maintaining strategic support for Ukraine remains a priority for the United States, at least under the current presidency of Joe Biden. However, the invasion of Israel by Hamas, which has been designated a terrorist organization by the US and the EU, has disrupted Middle East stability, resulting in a conflict with global implications (Prince, 2023).

In this new area of global tension, Ukraine's President Volodymyr Zelenskyy's careful diplomacy and alignment with the US position while maintaining relations with Arab nations is essential for Ukraine's global standing. The challenge lies in sustaining this balance and ensuring continued international attention for Ukraine (Glantz, 2023).

However, an escalation of the Israel-Hamas war could also jeopardize Russia's carefully cultivated relationships in the Middle East (Prince, 2023). Over two decades, President Putin has sought to regain

Moscow's influence in the Muslim-majority Middle East. He has nurtured ties with Israel, but also deepened relations with Syria and Iran, which are both seen as threats by Israel. Putin has expanded Russia's presence in Syria and increased defense collaboration with Iran (Borshchevskaya, 2023).

The repercussions of Hamas's invasion on October 7, which resulted in the deaths of over 1,400 Israelis, marking the deadliest attack in the nation's history, are evident. Notably, Putin took several days to issue a statement on the attack. In contrast to the widespread condemnation of Hamas by Western nations, Putin attributed the conflict to the United States' failure to facilitate a two-state solution in the long-standing Israeli-Palestinian conflict (Prince, 2023).

Potentially, relations between Israel and Russia will have changed after Moscow's perceived weak reaction, naming one of the worst crimes against humanity as an "event" and "tension." It should be noted that Israel has refrained from aligning with US and EU sanctions against Russia, while allowing the transfer of US ammunition to Ukraine. However, Israel did not directly express support for Ukraine in the war and refrained from sending its own ammunition to Ukraine (Cancian, 2023). This could be considered a detrimental factor in Israel-Ukrainian relations, reflecting a policy of non-confrontation with Russia.

At the start of the armed conflict in the Middle East between Israel and Hamas, America's media outlets significantly reduced their focus on the war in Ukraine. Public events at the State Department, the White House, and the Pentagon are now increasingly centered on developments in the Gaza Strip, with less attention paid to those in the Donbas and Zaporizhzhia regions.

The issue of providing aid to Ukraine has also become a subject of political debate. Unlike aid to Israel, which is almost unanimously supported by both parties in Congress, some Republicans, including the newly elected Speaker of the United States House of Representatives, Mike Johnson, have advocated the separate consideration of funding for Ukraine and Israel, which could mean less aid for Ukraine.

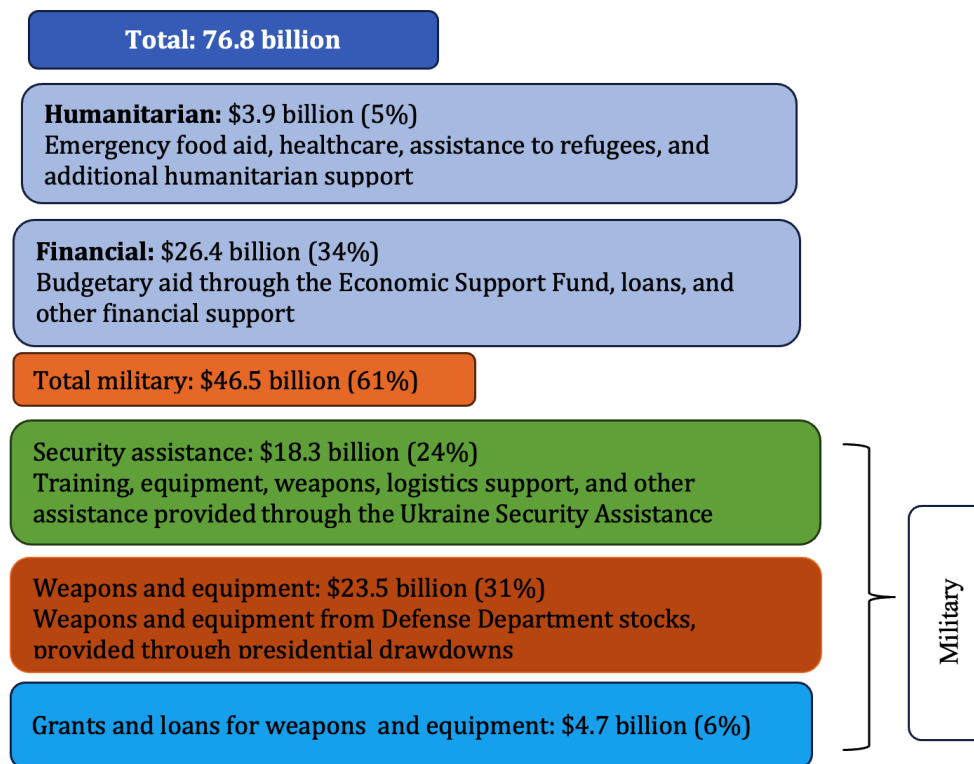
Over the past two years, US assistance to Ukraine has been significantly larger than that provided to Israel. However, unlike Ukraine, which only began receiving funding at the start of the full-scale conflict, Israel has been receiving support from the US for decades and is perhaps the country with the largest support in the long run—without any condition to maintain peace or follow international law (Wolf, 2023).

In a concise summary, Mark Cancian from CSIS addresses the question of whether the United States can supply both Israel and Ukraine (plus Taiwan) simultaneously. Israel's requirements are expected to be modest compared to the substantial needs of Ukraine. But, given its historically closer relationship with the United States, Israel is likely to receive priority (Cancian, 2023).

Since the start of the Russian invasion, the Biden administration and US Congress have allocated over \$75 billion in aid to Ukraine, covering humanitarian, financial, and military assistance, as reported by the Kiel Institute for the World Economy, a German research institution. This substantial funding, excluding additional US spending on war-related efforts like aid to allies, has significantly benefited various sectors in Ukraine, encompassing refugees, law enforcement, and independent radio broadcasters,

with a predominant focus on military support. Additionally, numerous countries, including the majority of NATO and EU members, have been contributing extensive aid packages to Ukraine (Masters & Merrow, 2023).

Cooperation between the United States and Israel has deep and long-lasting historical roots. The United States has played a crucial role in shaping relations between Israel and its neighboring Arab countries. As a permanent member of the United Nations Security Council, the United States vetoes resolutions that condemn Israel's actions in Palestine. The US is also the first and so far, the only UN Security Council member to recognize Jerusalem as the capital of Israel, even though the UN considers Israel to have occupied Palestinian territory, including East Jerusalem (Landler, 2017). The US has never vetoed additional settlement in Palestinian territory. The UN believes that Israel has occupied the territory of Palestine, with a particular focus on East Jerusalem (United Nations, 1997; Borys, 2023; Note 2).



**Figure 1. US Aid to Ukraine**

*Note.* Bilateral aid to Ukraine between January 24, 2022, and July 31, 2023.

Source: Trebesch et al. (2023).

Israel and Ukraine have had unique paths in developing relations with the United States. Support for both countries in America is essential, but faces challenges, including populism. Israel has enjoyed broad support in the US for many years, and this support has continued after the events of October 2023 (Borys, 2023).

Ukraine is also seeking support from the United States, but with a higher level of risk. Pro-Russian lobbyists are promoting populist narratives that could jeopardize Ukraine's national interests and its support from the United States.

Two voter groups sympathetic to Israel, American Jews, and evangelicals, have played a significant role in US politics. These groups support Israel and have a substantial influence on Congress and US public opinion (Borys, 2023).

Populism not only exists in political matters, but also in religious spheres, and this could harm support for Ukraine in its fight against Russian aggression. Scholars and lobbyists emphasize the importance of involving American religious organizations in the support for Ukraine, as well as support for Israel (Ibid). however, support for Israel is definitely higher among older US citizens; there is evidence that about half of younger US citizens are less unconditionally in favor of Israel and more in favor of setting conditions for this support or supporting poor Palestinians (Economist, 2023a).

Populist anti-Ukrainian narratives, including accusations of corruption, have some basis in recent history and cannot be attributed to similar tendencies in post-Soviet history. However, Ukraine has made significant progress in its fight against corruption, and its society demands honesty and effectiveness in governance, especially during wartime. This was recently confirmed by the European Commission in the 2023 Report on Ukraine (European Commission, 2023c). Ukraine has made progress in its anti-corruption efforts, establishing a comprehensive institutional framework, and undertaking reforms after it achieved EU candidacy status. Notable developments include the appointment of new heads for the Special Anti-Corruption Prosecutor's Office (SAPO) and National Anti-Corruption Bureau (NABU) by means transparent procedures, increased cooperation between the two agencies, and the restoration of the e-asset declaration system. However, potential weaknesses in data verification persist. Ukraine's parliamentary adoption of a law affecting administrative liability for e-asset declarations awaits the president's approval. To enhance anti-corruption efforts, Ukraine should focus on building a credible track record, implementing the 2023-2025 anti-corruption program, and addressing staffing and procedural issues in key institutions (European Commission, 2023b).

It is essential to emphasize that combating corruption is a priority for Ukraine and is supported by relevant US commissions. The international community has acknowledged Ukraine's resolute anti-corruption efforts. On January 24, 2023, US lawmakers praised Ukraine and advocated for continued military and humanitarian aid. Celeste Wallander, the US assistant secretary of defense, has affirmed the absence of credible evidence of misuse of US money or diversion from Ukraine. On January 31, the US Treasury Department expressed confidence in the appropriate use of funds in Ukraine, pledging continued collaboration for fund safeguarding (Minakov, 2023). The country's image in the US is vital, requiring unified efforts and an understanding of the challenges Ukraine faces.

Support can, however, be exploited by populists. Hungary's government has used the requirement of unified voting in the EU to extract national benefits and block support for Ukraine, thus obstructing the first steps of its accession process (Baczynska & Than, 2023). The same type of populism is on the rise

in Slovakia, which opposes supporting Ukraine's aspirations to join the EU and NATO, even issuing threats to halt military aid (Kyiv Post, 2023).

As far as Israel is concerned, assistance is related to Israel's occupation of Palestine, the use of Gaza residents as human shields by Hamas, anti-Semitic sentiments, and threats spread worldwide by pro-Palestinian Muslim populations.

Bilateral support for Ukraine will continue under the Biden administration. The main concern centers on the upcoming US presidential elections (Note 3), and whether assistance for Israel and Ukraine should be provided in a joint bill. President Joe Biden has vowed to veto a Republican bill that aims to provide aid to Israel without including support for Ukraine. This bill represents a significant amount of \$14.3 billion in aid. It is worth noting that this proposed bill separates the aid from Biden's broader request for \$106 billion in emergency funding intended to benefit Ukraine, Israel, and Taiwan, as well as bolster the southern US border (Ukrainian Business News, 2023). This bill would provide more than \$61 billion in support for Ukraine (Voice of America, 2023).

The vote on this matter took place on November 2nd. At the same time, senators from both political parties have voiced reservations about the Republican plan in the House of Representatives to exclusively provide aid to Israel. The leading Democrat in the Senate has expressed concerns that the Republican bill is unlikely to make progress in the upper chamber, even if it passes in the House of Representatives (Note 4).

There is big skepticism among some analysts, such as Chatham House CEO Bronwen Maddox, who suggest the US may prioritize Israel over Ukraine. He said: "Given a choice between Israel and Ukraine, the US would—in a heartbeat—choose Israel" (Drozdiak & McBride, 2023).

### **3. Ukraine's Economy Snapshot: Assessing the Economic Landscape**

Failing to achieve a rapid regime change, Putin has opted to eradicate Ukraine as a functioning country (Coker, 2023). Despite this, in 2023 the Ukrainian economy has gradually recovered, according to key macroeconomic indicators and changes in macroeconomic policy. The economy continues to exist, despite a macroeconomic shock amid the conditions of war, demonstrating that economic systems can be adaptive and resilient. Regarding the assessment of the macroeconomic situation in Ukraine, the main authoritative sources remain the National Bank of Ukraine (NBU), the Cabinet of Ministers of Ukraine (CMU) and its economic bloc, and the State Statistics Committee of Ukraine (SSSU). The NBU's inflation reports over the past year have generally shown improvements in the economy, influencing both the monetary policy of the central bank and the exchange rate regime.

The National Bank of Ukraine provides its macroeconomic forecast (Table 1) as follows: from 2025 it anticipates a significant reduction in security risks, the full reopening of seaports, boosted investments, and incentives for displaced individuals to return to Ukraine. In terms of inflation, a moderate trajectory is anticipated, with a temporary acceleration in 2024. The NBU has adjusted its end-of-2023 inflation forecast from 10.6% to 5.8%, driven by the substantial harvest's impact on food prices. Conversely, the

NBU has upwardly revised its 2024 inflation forecast, from 8.5% to 9.8%, influenced by a low base for food prices, ongoing business cost pressures, increased wages, and a faster rise in administered prices (National Bank of Ukraine, 2023c).

**Table 1. Macroeconomic Forecast of the National Bank of Ukraine  
(October 2023)**

Indicators	2019	2020	2021	2022	2023	2024	2025
				Actual estimate	Current forecast	Current forecast	Current forecast
Real Economy, 5 yoy, unless otherwise stated							
Nominal GDP, UAH bn	3977	4222	5451	5191	6625	7730	8900
Real GDP	3.2	-3.8	3.4	-29.1	4.9	3.6	6.0
Real GPD Deflator	8.2	10.3	25.1	34.3	21.7	12.6	8.6
Consumer prices (period average)	7.9	2.7	9.4	20.2	12.9	8.3	7.4
Consumer prices (end of period)	4.1	5.0	10.0	26.6	5.8	9.8	6.0
Core inflation (end of period)	3.9	4.5	7.9	22.6	5.7	8.6	3.0
Non-core inflation (end of period)	4.8	5/9	13.5	30.6	6.0	11.3	9.6
raw foods (end of period)	3.9	4.1	11.8	41.6	1.2	8.3	3.1
administrative prices (end of period)	8.6	9.9	13.6	15.3	11.4	15.6	18.8
Nominal wages* (period average)	18.4	10.4	20.9	6.0	17.7	15.8	14.0
Real wages* (period average)	9.8	7.4	10.5	-11.4	3.9	6.9	6.2
Unemployment rate (ILO, period av.)	8.2	9.5	9.8	21.1	19.1	16.5	14.2
Fiscal Sector							
Consolidated budget balance, UAH, bn	-87.3	-224	-187	-845	-1355	-1035	-1010
% of GDP	-2.2	-5.3	-3.4	-16.3	-20.4	-13.4	-11.3
Excluding grants from revenues	-2.2	-5.3	-3.4	-25.5	-28.7	-20.3	-13.3
Balance of payment (NBU methodology)							
Current account balance, USD bn	-4.1	5.3	-3.9	8.0	-7.3	-11.0	-17.6
Exports of goods and services, USD bn	63.6	60.7	81.5	57.5	51.7	54.6	59.0
Imports goods and services, USD bn	76.1	63.1	84.2	83.3	90.1	89.4	90.2
Remittances in Ukraine, USD bn	11.9	12.0	14.0	12.5	11.7	12.6	13.7
Financial account, USD bn	-10.1	3.3	-4.4	11.1	-18.2	-10.9	-18.4
BOP overall balance	6.0	2.0	0.5	-2.9	3.9	1.7	0.8
Gross reserves, USD bn	25.3	29.1	30.9	28.5	41.8	44.7	45.0
Months of future imports	4.8	4.2	4.5	3.8	5.6	6.0	5.7
Monetary accounts (cumulative since the beginning of the year)							
Monetary base, %	9.6	24.8	11.2	19.6	22.9	16.2	9.8
Broad money, %	12.6	28.6	12.0	20.8	23.0	13.0	7.9
Velocity of broad money (end of year)	2.8	2.3	2.6	2.1	2.2	2.2	2.4

*Note.* \*—the average nominal wages of full-time employees, since 2023—nominal wages in the compensation of employees according to the system of national accounts.

Source: NBU.

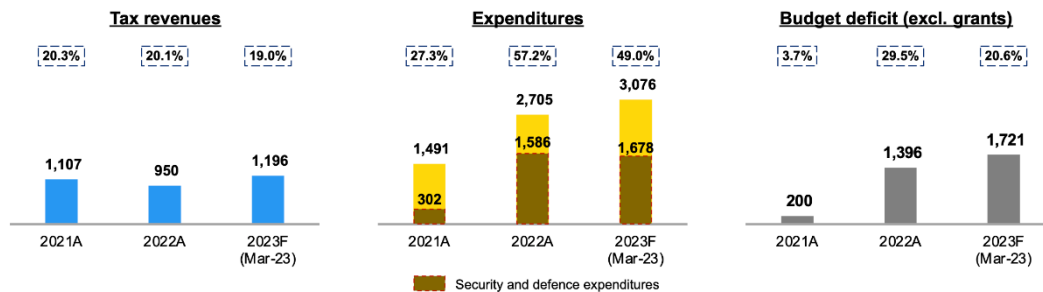
Economic growth is poised to resume and expand in 2023. The NBU has raised its real GDP growth projection for 2023 from 2.9% to 4.9%, citing heightened adaptability to wartime conditions, better-than-expected harvests, expanded alternative export routes, and increased budget spending. In 2024, the economy is expected to grow by 3.6%, with the NBU forecasting a further acceleration to 6% in 2025,

primarily due to the anticipated reduction in security risks (National Bank of Ukraine, 2023c; Verbyany, 2023).

It should be highlighted that the impact of the terrorist attack on the Kakhovka Hydro-Power Plant is expected to be minimal this year, after initially affecting regional businesses and causing crop losses. Logistical challenges and global price declines have lowered export prices for Ukrainian crops and products, despite ample domestic agricultural supply. Uncertainties in food transit through neighboring EU countries have also impacted prices, resulting in decreased prices for flour and cereals, with slowed increases in dairy products and sunflower oil. (National Bank of Ukraine, 2023a).

Economic growth is set to resume and expand in 2023. The NBU has enhanced its real GDP growth projection for 2023 from 2.9% to 4.9%, driven by heightened adaptability to wartime conditions, better-than-expected harvests, expanded alternative export routes, and increased budget spending. In 2024, the economy is expected to grow by 3.6%, with the NBU forecasting a further acceleration to 6% in 2025, primarily due to the anticipated reduction in security risks (Note 5).

With official financing, the NBU is positioned to maintain sufficient international reserves, ensuring foreign exchange (FX) market stability. These funds remain critical to addressing the significant state budget deficit (Ministry of Finance of Ukraine, 2023). Key State budget indicators regarding State Budget Law 2023 are presented in Figure 2.



**Figure 2. Key State Budget Indicators, regarding State Budget Law 2023**

Source: Ministry of Finance of Ukraine.

Supported by international partners, Ukraine has managed a substantial current account deficit, enabling the NBU to uphold robust international reserves and stabilize the FX market. This confirms the importance of macro-financial financing from international allies for macro-stability. Amid constraints on exports and limited foreign investments, a significant currency deficit persists. Instead of immediately transitioning to a floating exchange rate, the NBU, under managed flexibility, aims to address this deficit. This approach allows the exchange rate to respond to both increases and decreases in the deficit.

The NBU has accumulated considerable experience and record international reserves totaling USD 39.7 bn as of September 30th (National Bank of Ukraine, 2023c), in addition to enhancing the hryvnia's appeal as a savings instrument.



In the third stage, the NBU plans to gradually reduce currency restrictions to pre-war levels. The ultimate goal is to return to inflation targeting with a floating exchange rate, ensuring long-term price and financial stability while supporting sustainable economic growth (National Bank of Ukraine, 2023b).

The NBU Board has decided to set the key policy rate at 16% from October 27, 2023, aligning it with the overnight certificates of deposit rate. This adjustment is part of the NBU's effort to modernize its monetary policy operational design using a floor system (National Bank of Ukraine, 2023c).

On the fight against corruption. Ukraine and Israel, both currently find themselves in a state of war, but the causes and reasons for this are different. However, populist views are threatening national security and the existence of statehood in both countries. There are common present and potential enemies hiding their true faces. Populism is gaining momentum and poses a threat of triggering a third world war. Therefore, support for Ukraine must be maintained.

It is precisely the fear of a lack of transparency in the use of funds that is used by some American politicians as an argument against providing aid to Ukraine, though it is not founded in fact. Excessively highlighting the matter could empower critics of US assistance to Ukraine, particularly among Republican lawmakers seeking to impede such support. A report obtained by POLITICO details specific plans to reform Ukrainian institutions and warns that Western support may hinge on cutting corruption. The confidential version of the "Integrated Country Strategy" is about three times as long and contains many more details about US objectives in Ukraine. Many goals are designed to reduce corruption (Toosi, 2023). Moreover, the conclusions of relevant US commissions have repeatedly confirmed the absence of abuses in the use of aid or only insignificant violations. Furthermore, Ukraine is not a unique country in terms of corruption and the issue of abuses has been somewhat exacerbated in the public sphere, also by many Ukrainian organizations.

#### **4. Ukraine's 2024 State Budget and the EU**

The State Budget of Ukraine 2024 remains a defense-oriented budget, with the primary expenditure category being defense. In total, the state budget's revenues were set at UAH 1.768 trillion, with expenditures at UAH 3.35 trillion. The primary expenditure category is defense, allocating 22.1% of GDP or UAH 1.69 trillion to ensure security and defense forces.

The 2024 budget anticipates a reduction in the deficit to 20.4% of GDP, with debt repayment totaling 606.5 billion UAH, including both domestic and foreign components. The budget deficit will decrease by approximately 5% compared to the previous year (Economic Truth, 2023).

The revenue plan was increased by UAH 22.2 billion, primarily through higher value-added tax (VAT) on imported goods to Ukraine, as well as increased corporate income tax, import duties, and rental payments.

Funding for the national security and defense sector is covered exclusively by internal revenues, including taxes, customs payments, dividends from state-owned enterprises, privatization, and funds from the placement of government bonds.

The remaining expenditures contribute to the budget deficit, estimated at UAH 1.57 trillion. Financing for the state budget will come from external borrowing (UAH 1.67 trillion), government bonds placement (UAH 525.9 billion), and privatization proceeds (UAH 4 billion).

Approximately UAH 470 billion (14% of expenditures) will be allocated to social protection. Support for veterans will receive twice as much as the previous year, totaling nearly UAH 15 billion (0.44% of expenditures), including UAH 1 billion (0.02%) for the prosthetics of soldiers (Economic Truth, 2023).

The EU budget, political tensions, and economic repercussions. The EU budget for 2024, set at €189.39 billion in commitments and €142.63 billion in payments, reflects key policy priorities, including cohesion, resilience, the environment, the single market, and innovation, against a challenging geopolitical backdrop. The Council's position, outlined on July 12, establishes commitments of €187.008 billion and payments of €141.167 billion, with a focus on demonstrating solidarity with Ukraine and addressing crises. To address unforeseen needs, €360 million is reserved under the expenditure ceilings. The budget is guided by a commitment to realism, prudent budgeting, and adequate resources for EU programs. Highlighting the principle of solidarity, the Council emphasizes that effective budget utilization will enhance the EU's credibility. Moreover, the Council calls for collective measures to control administrative expenditures, which have surpassed initial projections due to high inflation and energy prices (European Council, 2023).

Therefore, the Israel-Hamas war could evolve into a significant crisis for Europe, revealing the EU's limitations in handling conflicts beyond its borders. The ongoing conflict poses various challenges for the EU, including a potential multi-faceted impact on the economy, climate efforts, and social spending (Tamma, 2023). The EU's diplomatic influence is questioned as the conflict escalates, raising concerns about racial, religious, and political tensions in Europe. Additionally, there are worries about increased refugees, higher energy prices, and potential distractions from other pressing issues, such as the war in Ukraine. It should be emphasized that the EU has struggled to become a geopolitical player and is still not able to give a joint answer to conflicts near its borders. This analysis underscores Europe's perceived failure of diplomatic efforts in the face of escalating conflicts.

The conflict between Israel and Hamas poses risks to support for Ukraine. Some suggest, in a style reminiscent of conspiracy theories, that the Hamas massacre was orchestrated externally to divert attention from the war in Ukraine. While these two existential wars for both nations are not directly linked, it remains evident that Ukraine urgently requires financial and military assistance in the short, medium, and possibly long term. This war of attrition, as desired by Putin's Russia, places Ukraine at a disadvantage, due to its smaller size and limited human resources. General Zaluzhny's interview with the Economist (Economist, 2023b) sheds light on why the war's progress is slow.

The General highlights the technological parity between the conflicting parties and emphasizes the need for innovation to break the deadlock. Despite sufficient armaments to sustain Ukraine, there is a lack of resources to secure victory. Hesitations among Western allies regarding the supply of modern ammunition and powerful weapons has allowed Russia to regroup, fortify defenses, mine territories, and

attack Ukrainian sovereign territories at a slow pace. The weaponry that became relevant last year is only being supplied this year, emphasizing the necessity for contemporary solutions. The war cannot be won with outdated methods and the weapons of the past generation.

Therefore, many experts argue that the strategy of gradually arming Ukraine, potentially driven by concerns about Russian escalation or expectations of Russian self-disintegration, has proven a strategic mistake. Despite the provision of new Western weapons, Russia has not escalated in response. The hesitance to fully support Ukraine has prolonged the conflict, leading to increased costs. Although Western allies have expressed their support, the strategy of slow assistance ensures an extended timeframe for help (Fedyk et al., 2023).

We completely agree with Ukraine's argument that changing course may still be possible (Economist, 2023b). Evidently, despite limited weaponry, Ukraine has adapted and achieved significant successes, including damaging Russian naval assets and degrading supply depots. However, the 21-month delay in providing effective tools has allowed Russia to fortify its positions, emboldening Putin and reinforcing the perception of Western weakness. This hesitancy has not only strengthened Putin's position but has global implications, as seen in conflicts like the Israel-Hamas war. Addressing the root problem, namely the delay in supplying necessary technology to Ukraine, is crucial. Instead of debating military aid amounts, allies should take prompt action. The stakes are high, not just for Ukraine but for the entire democratic world (Fedyk et al., 2023).

At the same time, Joseph Borrell, the EU's top diplomat, denies the failure of the EU's plan to supply one million shells to Ukraine. He urges manufacturers to redirect exports, affirming the EU's commitment to provide Ukraine with a million artillery rounds by March 2024. The EU completed the initial plan, redistributing 300,000 shells from its arsenals to Kyiv. However, potential challenges in transferring the remaining 700,000 shells have led Borrell to propose adjusting export plans. It should be noted that Dmytro Kuleba, the Ukrainian Minister of Foreign Affairs, has raised concerns about the EU fulfilling its promise due to defense industry conditions, warehouse status, bureaucracy, and synchronization challenges. The German Defense Minister Boris Pistorius has echoed a similar sentiment (Ukrainian Business News, 2023).

As an illustration of challenges in supplying arms to Ukraine, the Israel-Hamas conflict has led to delays in delivering 155mm caliber shells. In an interview with *Le Monde*, President Volodymyr Zelenskyy revealed the redistribution of aid between the US and Israel, emphasizing global shortages and the inadequacy of support from specific states. Despite these challenges, he has commended US efforts to increase ammunition production. Substantially, the EU has warned that victory over Russia will not be swift, and US assistance to Ukraine may decrease. Hence, EU countries must be politically prepared to continue supporting Ukraine in this context. Remarkably, on November 14, Germany stated that the EU's goal of supplying Ukraine with one million shells will not be achieved, citing limitations in EU ammunition production (Mykyshchyna, 2023).

In the aftermath of the start of the Israeli-Hamas war, Russia has exploited the situation to advance its anti-Western rhetoric, framing the invasion of Ukraine as a defensive response to perceived US-led threats. Despite facing accusations of war crimes in Ukraine, Russia has leveraged civilian casualties in the Israel-Hamas conflict to accuse the West of double standards, particularly when addressing audiences in the Global South (Prince, 2023).

Putin's potential success in Ukraine relies on reducing Western support for Kyiv, particularly in the supply of essential weapons. The Hamas attack on Israel has fueled Kremlin hopes that the US would struggle to provide arms to both Ukraine and Israel. While the United States, having supplied over \$45 billion in military aid to Ukraine since February 2022, is reportedly running low on some munitions, a recent analysis suggests that, at least in the short term, there will not be a significant problem. About a dozen of the 100 military items sent to Ukraine are in short supply, but key systems needed by Israel, such as High-Mobility Artillery Rocket System (HIMARS) launchers, artillery, and 155-millimeter shells, are not immediately required (Trebesch et al., 2023; Economist, 2023c).

President Biden asserts that the US has the military resources to support both Israel and Ukraine simultaneously. While there may be trade-offs over time, the current supply aligns with the immediate needs of Ukraine and Israel (Prince, 2023; Tait, 2023).

## **5. Depopulation of Ukraine, Overpopulation in Israel plus Neighborhood**

### *5.1 Depopulation of Ukraine*

Currently, Ukraine's population is estimated to be around 33.1 million (International Monetary Fund, 2023b), but a labor shortage of 5 million people may occur during the recovery stage (Note 6). As of January 2023, around 5.3 million people were internally displaced in Ukraine, and approximately 7 million had sought refuge abroad, with 4 million seeking refuge in the EU—constituting 25% to 30% of the country's total population affected by displacement. Pre-existing demographic challenges, including low birth rates, high mortality rates, and significant emigration have worsened the situation. A recent Joint Research Centre (JRC) report projects a potential loss of over a third of Ukraine's population by 2052, with a 31% decline in a pessimistic scenario and a 21% decline in an optimistic scenario (European Commission, 2023a).

This discussion is not only about labor; it also pertains to how many people in Ukraine can actively participate in it. A significant number of individuals are engaged in military actions. Therefore, there is a need for a technical solution that can break through the slow counteroffensive and assist Ukraine in shortening the war.

### *5.2 Population of Gaza and Israel*

By comparison, the Israeli-Palestinian region, marked by ethnic conflicts, has a complex history, contributing to disparities in quality of life. Gaza, covering about 140 square miles, houses over 2 million people, with 40% under 14 years old and a median age of 18. The West Bank's median age is 21.9, with

a limited elderly population. Both regions have a notable percentage of Palestinian refugees (Wolf & Haines, 2023, Nov. 14).

In 2022, Gaza faced significant economic challenges, with over 60% of its population experiencing poverty, and an unemployment rate of 44%. The West Bank had a lower poverty rate of 19%, and an unemployment rate of 12% (International Monetary Fund, 2023a). Gaza's economic struggles are compounded by Israel's blockade, supported by Egypt, since Hamas took control of Gaza in 2007. This led to substantial foreign aid, particularly from the United States since 2021, following aid cuts in the later years of the Trump administration.

Prime job opportunities for Gazans are often located in Israel, requiring coveted work permits. The conclusion of the Israel-Hamas War will have a significant impact on the region, raising critical questions about Gaza's reconstruction, political governance, and the refugee issue. The combined GDP per capita of the territories in 2022 was approximately \$5,700, significantly lower than Israel's \$44,300 and less than one tenth of the United States' GDP per head of about \$64,700 (Wolf & Haines, 2023, Nov. 14). The population of Israel is 9,228,968 people as of November 2023 (Worldometer, 2023a) with unemployment rate of 3.5%, Israel is the richer country, with low regional extension Its neighbors need work not warfare.

### *5.3 Israel's Other Neighboring Countries*

Jordan is also a low-income country. Its GDP per capita is \$4,850 per capita (International Monetary Fund, 2023a). Jordan faces significant challenges as one of the most water-scarce nations globally, relying on over 90% of energy and national grain consumption through imports. The population has more than doubled in the last two decades, reaching 11 million, intensifying pressure on already limited natural resources. Despite a population boom, real GDP growth between 2016 and 2019 averaged just 2%, which is insufficient for providing ample employment opportunities, especially for the burgeoning young labor force. The country has grappled with various external shocks, including regional conflicts and the arrival of approximately 1.3 million Syrian refugees, constituting nearly 13% of the total population. Situated in a volatile region, Jordan plays a crucial role in maintaining regional stability and contributes globally by hosting refugees and fostering cross-border cooperation and trade. For Jordan's economic transformation, the key lies in identifying opportunities to expand the economy's external orientation and implement essential reforms to stimulate private-sector-driven growth and job creation (World Bank, 2023).

Jordan's population is estimated to be 11,337,052 people as of mid-year 2023. This figure corresponds to approximately 0.14% of the total world population. Jordan is not considered overpopulated (Worldometer, 2023b).

The reaction in Jordan to the October Hamas attack on Israel was demonstrative. For instance, it was "celebrated among segments of the Jordanian public." Jordanians have protested Israeli strikes, attempting to storm the embassy in Amman after the Gaza hospital attack. Al-Safadi has recalled Jordan's ambassador to Israel amid escalating tensions. Jordan fears an expansion of the conflict, coordinating

with Egypt to prevent mass Palestinian transfers. Israel's actions are viewed as a "declaration of war," having strained Jordan-Israel relations since 1994.

A widespread adoption of " Hamas ideology " in the region has threatened Israel's security and may reshape the Middle East's political landscape, having an impact on alliances, Saudi-Israeli relations, and Iran's influence (Carnegie Endowment for International Peace, 2023).

## 6. Conclusions for Further International Help and Peace

The world is being confronted with two conflicts—the war between Russia and Ukraine and that between Hamas and Israel. Both regions would like more attention; the countries under attack are demanding military assistance and are supported by different countries worldwide. The US is called upon for assistance as a past world leader, but there is now a multipolar world, with a rapidly developing "Economic South" and China striving for the lead.

There are important differences between the two conflicts; we stress those referring to the causes, past assistance, economic and military power, and the fight against corruption.

- With respect to the causes, it is clear that Russia is the aggressor against the Ukraine, in the short as well as long term. Russia wants to return to its former status as a superpower. As far as the Hamas-Israel war is concerned, Hamas started the latest conflict, but Israel previously did not follow UN resolutions on a two-state solution, it has not granted free access for Muslims to parts of Jerusalem highly important to them, and it has not set limits to the permanent extensions of Jewish settlements in Palestinian territory. Palestine applied for UN-membership in 2011, a move supported by the majority of UN member states, but not the US and most EU countries. US officials expressed Washington's disapproval of the Palestinian bid at the UN, stating that the United States considered it a mistake and would actively resist the initiative. The US conveyed the belief that taking this step would not contribute to bringing the Palestinian people closer to achieving statehood (McMahon & Masters, 2012). These developments partly encouraged the radical parts of the Palestinian population and must be addressed in peace talks.
- As far as past help from Western countries (mainly the US) is concerned, Israel has historically received an extraordinary large share of support (and weapons). And all its actions have been defended by US vetoes against resolutions at the UN, preventing any monitoring of sticking to past pledges or international rules. After Hamas has attacked Israel, the US immediately committed to support of Israel; in the case of Ukraine, this was much slower and dependent on rules.
- Israel is a country much richer than its neighbors. It is ranked fourth by the Economist among developed countries. GDP per head is 54,000 US\$, compared to 4,000 US\$ in Jordan and 3,300 US\$, in Lebanon. Israel is a country with high military spending and power.
- Ukraine is a low-income country. It has a GDP per capita of 4,000 US\$, which is only a quarter of that of Russia (15,000 US\$) or its eastern European neighbors (Romania has 15,000 US\$ per capita). Ukraine's military expenditure had been far lower than that of Russia, and without being a NATO

member its defense has to be financed nationally with help coming in slowly. Conditions for later EU-membership require fighting corruption, but also more investment and new rules (International Monetary Fund, 2023b).

- Israel and its neighborhood are overpopulated, which is a long-run cause of hostilities. In Gaza, more than 2 million people live on about 140,000 square meters, and young Palestinians have to look for work in Israel. Ukraine is undergoing a depopulation process, making it increasingly difficult to spend a lot on defense or provide wheat exports to Africa.
- International support for Ukraine is already fading. Populists (in government in Hungary, Slovakia, or present in parliaments like the Republicans in the US) try to limit or postpone assistance whenever new problems arise. A fact that has not received much attention is that younger American citizens may think differently; they are much less pro-Israel and much more critical of its territorial aspirations in neighboring countries (see Economist, 2023a). They are critical of different rules for “faithful Jews” (less work, less military services) and they oppose a government strongly influenced by religious Jews (which can also prevent the current prime minister from facing judicial consequences).
- The slogan “From the river to the sea, Palestine will be free!” sparks controversy in the Israeli-Palestinian conflict, carrying both an idealistic vow of liberation and an undertone of threat. Another slogan, “Silence is violence,” is seen as akin to appeasement by some on all sides. Institutions face criticism for wording or silence. Supporters of Israel and Palestine draw parallels with Ukraine, highlighting perceived hypocrisy. Growing Muslim populations in the West, including in Germany, influence views with global solidarity. Despite stronger overall US support for Israel, younger Americans, especially Democrats, exhibit a widening sympathy gap, as seen in Pew and Quinnipiac University surveys (Economist, 2023a).
- Fighting internal corruption is a precondition for help; assistance should not be diverted by special groups and lobbyists, whether it be in Ukraine, Israel, or Palestine. This could be a common stance for all nations and organizations delivering assistance. Peace will only be possible with external help in both conflicts and innovative temporary solutions that focus on restructuring, rebuilding, reducing extreme poverty, and shifting non-solvable problems into the future. Palestine has to be accepted as a sovereign state and become a member of the UN. The UN will be needed as a co-broker of peace, assisted by countries in the region, and innovative solutions may be found to reach peace settlements—probably step by step, as is usual in heavy conflicts.

Europe could deliver a rational view in a complicated world with growing conflicts. The EU or a wider Europe that includes Switzerland and Norway could be of assistance when domestic solutions in war-torn areas are not feasible, but it should also demand that international and humanitarian rules be followed. Any solution must monitor the past and present behavior of governments and make assistance dependent on governance. This is not easy, but it is Europe’s duty. It can help both regions, Ukraine and Israel Plus Neighbors, achieve long-term peace, dependent on the knowledge of past conflicts and today’s benefits

of peace. A new geopolitical role for the EU will require internal reforms and lead to greater welfare and peace for its neighbors.

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## Notes

Note 1. The Nobel Peace Prize 2011 was awarded jointly to Ellen Johnson Sirleaf, Leymah Gbowee and Tawakkol Karman “for their non-violent struggle for the safety of women and for women’s rights to full participation in peace-building work.”

Note 2. Israel received substantial assistance from the United States following the Six-Day War when the US saw it as an ally in the Cold War against the Soviet Union. This helped solidify and strengthen relations between the two countries.

Note 3. There are expectations of what a Trump victory in 2024 would mean for the rest of the world. See Economist (2023d): “Mr. Trump judges that for America to spend blood and treasure in Europe is a bad deal. He has, therefore, threatened to end the Ukraine war in a day and to wreck NATO... , Mr. Trump is likely to back Israel without reserve, however much that stirs up conflict in the region.”

Note 4. Simultaneously, the Pentagon has disclosed that they have slightly more than \$5.4 billion available for military aid to Ukraine (Ukrainian Business News, 2023). The initial significant legislative effort in Congress to assist Israel in the conflict falls well short of Biden’s request for almost \$106 billion. This funding was not only intended to support Ukraine against Russia but also to contribute to broader US efforts in countering China and addressing border security with Mexico (The Times of Israel, 2023). The US Department of Defense has announced another military aid package for Ukraine on November 20, coinciding with Minister Lloyd Austin’s visit to Kyiv. This marks the 51st tranche provided by Washington during President Joe Biden’s term (Radio Liberty, 2023).

Note 5. The NBU has upwardly revised its real GDP growth forecast for 2023, as mentioned above. However, despite improved incomes, the fiscal deficit is widening, reaching 29% of GDP this year, funded by international assistance and domestic borrowing. The consolidated budget deficit is expected to remain significant, in particular in 2024 due to high security and defense spending, and in 2025 due to substantial reconstruction needs (National Bank of Ukraine, 2023c). This will necessitate considerable international assistance and increased domestic funding, leading to a higher debt-to-GDP ratio which is 88.1% according to the IMF Data (International Monetary Fund, 2023a).

Note 6. The war in Ukraine may lead to a migration loss of approximately 5 million individuals, including returnees. The toll of casualties, encompassing both military and civilian populations, will further strain the labor market. The direct impact of the war primarily affects the working-age population (Ukrinform, 2022; National Institute for Strategic Studies, 2022).