

BUSINESS RESILIENCE AND STRATEGIC RESPONSES IN UKRAINE AND LITHUANIA DURING THE RUSSIA-UKRAINE CONFLICT: INSIGHTS FROM THE ENERGY, AGRICULTURE, AND MANUFACTURING SECTORS

Mehmet Recai UYGUR¹, Bahman PEYRAVI²

¹*SMK College of Applied Sciences, Kalvarijų g. 137E, Vilnius, Lithuania*

²*Faculty of Public Governance and Business, Mykolas Romeris University, Vilnius, Lithuania*

Article History:

- received 4 September 2024
- accepted 15 October 2024

Abstract. This study examines the economic implications of Russia-Ukraine conflict has had on business operations in Ukraine and Lithuania. It seeks to examine how businesses have responded to the turmoil emanating from the conflict by breaking down disruptions in supply chains, regulatory adjustments as well as changes in market needs with specific reference to energy, agriculture and manufacturing sectors. The research will analyze secondary data from industry reports, financial disclosures and government sources. We chose this method so that we can evaluate what is presently there without the complexities and biases that come with collecting primary data using methods such as interviews. At the center of this dissertation lies unearthing patterns plus strategic insights that would inform businesses practices for similarly turbulent climates. Thus, it should be noted that the key thrust of this particular work is to extract strategies and tactical recommendations which could help keep firms resilient to geopolitical risks as well as exploit any arising advantages. The results are expected to be relevant for lawmakers, corporate executives, and economy planners thereby broadening their strategic frameworks on business operations within areas characterized by wars. This proposal is looking for funding support for comprehensive data analysis aimed at developing informed strategies that might considerably change sustainability and growth paths of enterprises both in Ukraine and Lithuania. Therefore, reliance on documented evidence alongside rigorous analysis of data will assist us in understanding how these economies operate in challenging contexts like these; providing essential knowledge required not only for theoretical debates but also suggesting ways towards enhancing economic resilience during times of geopolitical conflicts.

Keywords: Russia-Ukraine conflict, business resilience, economic impact, geopolitical instability, adaptive mechanisms, economic resilience.

JEL Classification: D74, F51, Q34, L52, Q41.

✉ Corresponding author. E-mail: mehmetrecai.uygur@smk.lt

1. Introduction

The current conflict between Russia and Ukraine, which started with Russia's attack to Ukraine in 2022, has had a deep impact on other countries in the region, especially Baltic countries. This turbulent situation has not only redrawn geopolitical boundaries but also seriously disrupted global economic dynamics (White et al., 2023; Jenkins, 2023).

The infrastructure of Ukraine, the epicenter of the conflict, has been badly damaged, reminiscent of the widespread destruction seen in major conflicts in history. This destruction profoundly affects the national economy, requiring significant reconstruction efforts. The results for Lithuania and other neighboring countries are seen as higher energy bills and interruptions to supplies of food

from agriculture where Ukraine plays a keyrole globally. These changes have led to increased food safety concerns worldwide as global markets adapt to sudden shifts in supply chains (White et al., 2023; Jenkins, 2023). Moreover, western corporations are making more intricate decisions about their businesses in Russia prompting a new regional investment framework. For Lithuania this is an opportunity as well as a challenge that presents itself as they can develop appropriate strategies towards safeguarding her economic interest during such times (White et al., 2023; Jenkins, 2023).

This research examines the strategic responses businesses in affected areas have adopted to weather this storm. By understanding these adaptations and wider economic changes, the study aims to equip businesses with insights and strategies for resilience. Exploring these

pathways is not just about survival but also planning for sustainability amidst uncertainties existing within a global environment that is volatile at best. This understanding is crucial as it helps frame strategic decisions that can determine the future economic stability of businesses in Ukraine, Lithuania and beyond.

This research examines how major geopolitical shake-ups such as ongoing conflict between Russia and Ukraine are truly changing the game for local businesses. Because economies in today's world are interconnected, a conflict in a single region can create shockwaves in global markets and disrupt business strategies. For countries caught in the middle of these conflicts, such as Ukraine and Lithuania, getting a clear picture of these impacts is not only useful but critical. This study helps examine these effects in great detail. It aims to give these countries the tools they need to reduce bad impacts and make the most of good outcomes that can come out of such challenging situations. Understanding these dynamics is key for these countries to keep their economies stable and even find growth opportunities amid the chaos.

The aim of this study is to comprehensively examine how businesses in Ukraine and Lithuania are adjusting their operations to cope with the ongoing conflict. We will look at some supply chain issues, regulations changes or market volatilities which are faced by other companies operating under similar condition within this region as well. The research will also focus on how these companies creatively overcome these challenges. By examining these strategies, the study aims to uncover how businesses manage to not only survive but also innovate and grow in turbulent times like now (White et al., 2023; Jenkins, 2023).

This research is critical because it explains means of helping firms in conflict zones globally. The paper evaluates how Ukrainian and Lithuanian companies adjust to difficult situations, which gives valuable information for policy makers to make effective support systems. Based on these findings, business leaders can come up with more robust strategies that will help their companies survive and grow. Furthermore, the study adds something new to academic debates about international trade and economic resilience by developing a pragmatic method for examining how businesses adapt during crises. Hence this paper is not only academically useful but also very applicable to those going through the same challenges.

The main topic addressed by this study is how businesses adjust their strategies to cope with the challenging and ever-changing conditions caused by the conflict between Russia and Ukraine. This situation raises several key questions:

1. What kind of operational problems are businesses in Ukraine and Lithuania dealing with due to conflict?
2. What strategies worked to meet these challenges and what can we learn from them for future crises?
3. How do these strategic changes affect the ability of businesses to continue and grow in the long term?

These questions aim to understand the practical responses of businesses under pressure and the wider

impact on their future. This approach ensures that our research is grounded in real-world applications and relevant to both academic debates and practical business strategy development.

A mixed approach that includes both qualitative and quantitative methods will be used in this study. For the qualitative part, we will delve into the existing literature on business strategies in conflict zones, examine business reports, and investigate the effects of economic sanctions. For quantitative analysis, we will look at economic data and business performance indicators from the beginning of the conflict until today. This blend of methods will help us get a full picture of the situation by blending detailed stories with hard data to support our findings.

This method aims to reveal how businesses adjust their strategies in the face of geopolitical conflicts and provide insights into how they can not only survive but also thrive in such challenging conditions. This approach ensures that the research is grounded in practical realities, while also contributing to broader academic debates on business resilience in conflict zones.

2. Literature review

2.1. The impact of war on economy and business: A historical analysis

Wars have had profound and complex effects on economic systems throughout history. These effects may vary depending on the duration, severity and geographical location of the war. In the modern world economy, even local conflicts can have global economic consequences due to the interdependence brought about by globalization. In this part, we will comprehensively discuss the effects of wars on the economy and business. The title will analyze a wide range of issues, from short-term economic shocks of war to long-term development and investment effects.

2.1.1. Inflation and market fluctuations

We talked about the great effects of wars on the economy and business world, but what are these effects? The most obvious of these effects are inflation and market fluctuations. For example, Russia's invasion of Ukraine led to sharp increases in energy and food prices around the world, which significantly increased global inflation. This situation has been exacerbated by increases in energy prices and disruptions in supply chains. According to the IMF report, post-war global inflation rates reached record levels (International Monetary Fund [IMF], 2023a). At the same time, financial markets experienced high volatility and decreased investor confidence due to increased uncertainty. It will be more clear to give some examples from the history. During World War I, increased war spending and disruption of supply chains caused inflation rates to rise in many countries. Germany entered a period of post-war hyperinflation, which contributed to the economic collapse of the Weimar Republic (Ferguson, 1999). Germany's difficulty in paying war reparations and excessive currency

printing caused the value of the mark to drop dramatically in 1923.

World War II similarly caused serious economic fluctuations, especially in Europe and Asia. In the post-war period, European economies were tried to be rebuilt with economic aid programs such as the Marshall Plan. However, immediately after the war, food and energy prices remained high in many countries, and inflation rates remained high for a long time (Eichengreen, 2007). Another example is war of Iraq: Iraq's invasion of Kuwait in 1990 and the subsequent Gulf War caused a large increase in oil prices. Damage to the production capacities of OPEC countries and uncertainties in oil supply have increased energy prices around the world. This situation increased global inflation rates and led to a slowdown in economic growth in many countries (Blomberg & Hess, 2006). The examples are not limited with these. The Iraq War, which started in 2003, caused oil prices to increase again. In the early periods of the war, oil prices rose rapidly and this increased inflation rates, especially in countries dependent on energy imports. In the USA, war spending and rising oil prices led to a significant increase in the consumer price index (Nordhaus, 2002). Lastly, another the most recent example which is the topic of this study as well, is Russian invasion of Ukraine. Russia's invasion of Ukraine in 2022 has caused major fluctuations in the world economy. Europe's energy security is in danger and energy prices have risen rapidly. This situation has led to large increases especially in natural gas and oil prices. The European Union imposed economic sanctions against Russia and decided to reduce Russian energy imports. In this process, European countries turned to alternative energy sources, but the costs of this transition were high (Organisation for Economic Cooperation and Development [OECD], 2022).

The increase in energy prices has increased inflation rates around the world and caused living costs to rise in many countries. The IMF reported that inflation rates worldwide reached an average of 7.5% in 2022, which is the highest level in the last 40 years (IMF, 2023a).

2.1.2. Financial markets and investor confidence

Wars also have major effects on financial markets. Increasing uncertainty and risks increase the volatility of markets and undermine investor confidence. After Russia's invasion of Ukraine, there were great fluctuations in world stock markets and many investors turned to assets such as gold and the US dollar, which were seen as safe havens (Federal Reserve, 2022).

The reaction of financial markets to such fluctuations may cause the economic effects of the war to deepen further. For example, declines in capital markets increase companies' financing costs and have negative effects on economic growth. Additionally, long-term investments decrease due to increased uncertainty, which slows down economic development (Blomberg & Hess, 2006).

Throughout history, wars have had deep and intricate impact on inflation and market volatility. Past instances

demonstrate that wars bring about both immediate economic shocks and lasting implications to economies' development as well as investment climates. The modern world economy has proven this point through globalization, where such localized conflicts can also have extensive global economic consequences. Therefore, a profound comprehension of the economic impacts of war should be sought with the view of carrying out comprehensive economics analysis by doing strategic planning in order to reduce these impacts.

2.1.3. Economic growth and development

The impact of wars is not limited to inflation and investment instruments. Wars also cause permanent declines in countries' gross domestic product (GDP) growth rates. According to research conducted by CEPR, even in the post-war years, economic growth rates remain at low levels and permanent damages are observed in production capacity (Chupilkin & Kóczán, 2022). Additionally, wars cause serious damage to infrastructure, which negatively affects economic development in the long term. One of the most important examples in this field is the Balkan Wars and the Dissolution of Yugoslavia.

The dissolution of Yugoslavia and the Balkan Wars in the 1990s had devastating effects on economic growth and development in the region. During the war, infrastructure was largely destroyed, production capacity was reduced, and economic activities came to a halt. In the post-war period, countries in the region experienced great difficulty in recovering economically. GDP growth rates of these countries remained at low levels and the rate of economic development slowed down (Blanchard & Kremer, 1997).

In another example, the Iraq War, which we mentioned before, started in 2003, seriously affected the country's economic growth. During and after the war, Iraq's infrastructure was largely destroyed. There were serious disruptions in basic infrastructure services such as electricity, water and health services. In the post-war period, the process of rebuilding the country took many years and required high costs. Iraq's GDP growth rates remained low for years following the war and the pace of economic development slowed.

2.1.4. Investments and capital movements

Uncertainties in war zones reduce investor confidence and lead to capital flight. This situation makes economic development difficult in the long run and reduces the country's competitiveness (Institute for Economics and Peace, 2022). Post-war reconstruction processes generally take many years and require high costs. For example, the reconstruction process in Ukraine, World War II. It is predicted that it will be as difficult as the reconstruction processes of Germany and the United Kingdom after World War II (RAND Corporation, 2022).

The devastations of World War II should also be considered as an example in terms of investment and capital

movements. After World War II, even if Germany tried to recover economically thanks to Marshall Plan aid. However, investor confidence remained at low levels for many years due to the devastation suffered during the war. Capital movements were limited and Germany's reconstruction required large costs (Eichengreen, 2007). Similarly, the United Kingdom made great efforts for economic development in the post-war period. Infrastructure reconstruction and economic reforms required years of heavy investment. Additionally, following the Vietnam War, the country's economic recovery took many years. Low investor confidence and capital flight made the country's economic development difficult. In the post-war period, Vietnam tried to rebuild its economy by implementing economic reforms and receiving international aid. However, the destruction and uncertainties brought by the war hindered the country's long-term economic development goals (Tucker, 2001).

Another example is Syria, which still cannot achieve political stability. The civil war that started in Syria in 2011 had a serious negative impact on the country's investment environment and capital movements. Uncertainties brought about by the war reduced investor confidence and led to capital flight. The reconstruction process of the country requires international aid and economic reforms, and this process will take many years. In the post-war period, large-scale investments and comprehensive reconstruction projects are required for Syria to achieve its economic development goals.

The Russia-Ukraine war, which started in 2022 and still continues today, has largely destroyed the country's infrastructure and seriously shaken investor confidence. Capital flight has further weakened the Ukrainian economy and reduced the country's competitiveness. Research conducted by the RAND Corporation shows that Ukraine's post-war reconstruction process dates back to Phase II. It predicts that the reconstruction processes of Germany and the United Kingdom after World War II will be as difficult as the reconstruction processes (RAND Corporation, 2022). This process will take many years and require high costs.

It is understood that wars create deep and lasting effects on economic growth and development. Permanent declines occur in countries' GDP growth rates, infrastructure suffers serious damage, and investor confidence decreases. Historical examples show that post-war economic recovery is a long and costly process. Similar trends are seen in modern examples, and comprehensive strategies and international cooperation are required to minimize the economic effects of wars.

The conflict between Russia and Ukraine has not only directly affected these two countries, but also seriously shaken the global economy. In this review, we will evaluate these effects through interruptions in energy supply, imposed economic sanctions and general economic instability. The conflict caused sudden and severe disruptions to global supply chains and energy markets. According to the World Bank (2023b), these disruptions caused global energy prices to increase and put countries dependent on Russia's energy exports in a difficult situation. OECD

(2022) states that these cuts reduce investor confidence and negatively affect trade flows, especially Eastern European countries such as Lithuania are seriously affected.

The war led to a strategic reassessment of energy dependencies in Europe. According to the International Energy Agency ([IEA], 2022), European countries are accelerating the transition to alternative energy sources. However, although this transition is necessary for energy security, it increases dependence on non-renewable energy sources such as coal in the short term, making it difficult to achieve climate goals. The agricultural sector in particular was hit hard; Ukraine is an important global supplier of wheat and corn. According to the Food and Agriculture Organization ([FAO], 2022), the conflict has led to volatility in agricultural markets, raising global food prices and increasing food insecurity.

Ukraine's various businesses in different sectors suffered heavy losses or were completely destroyed. The costs of rebuilding these industries, according to the European Bank for Reconstruction and Development (World Bank, 2023a), would be quite high. Additionally, this is largely driven by rising energy costs and changing geopolitical dynamics currently being experienced in Lithuania, which has been caused by the ongoing Ukraine conflict and more broadly the energy crisis in Europe. Business people have sought other sources of power generation following a sudden increase in energy prices which has led to increased production costs thereby threatening their survival as viable business entities. The country's enterprises are under pressure to adapt and find new ways of surviving due to soaring energy costs that are way above EU average levels (European Commission, 2023; IMF, 2023b). It causes Lithuania to decrease its dependence on Russian energy imports after Russia invaded Ukraine. This move is part of a greater strategy towards improving the nation's energy security as well as independence such as domestic renewable-based resources support (European Commission, 2023; IMF, 2023b).

In an effort to transition away from fossil fuel-based energy systems toward renewables and improve overall energy efficiency within their territories by adopting renewable energy technologies and improving energy efficiency measures in the companies operating there, Lithuanian government implemented a set of measures aimed at facilitating this process. For example, substantial funding has been allocated to bolster the renewable energy sector and strengthen overall energy resilience (Ministry of the Economy and Innovation of the Republic of Lithuania, 2023a; Ministry of the Economy and Innovation of the Republic of Lithuania, 2023b). As a result, Lithuania witnessed growth in investments into renewable energies such as solar powers or winds. Solar power alone increased its capacity up by 55%, reflecting commitment towards diversifying sources (European Commission, 2023). Besides seeking alternative fuels sources businesses also re-evaluate their supply chains with regard to risks associated with energy dependence and geopolitical instability. This includes exploring new markets and suppliers within the EU to reduce

vulnerabilities linked to external shocks (IMF, 2023b). In conclusion, in order to address the challenges of high energy prices and the changing geopolitics Lithuanian businesses are diversifying their sources of energy input as well as their supply chains. Such governmental measures as supporting renewable energy development and focus on it have a great significance for economic competitiveness and safety.

Russia's invasion of Ukraine has dramatically transformed Europe's geopolitical landscape and economy to result in shifts of alliances and economic policies. It has also brought about more cohesion among EU members states as well as NATO countries due to realization that collective security is important. As part of these efforts, there was an acceleration toward deeper integration within these organizations. In particular, Ukraine and Moldova have been granted candidate status by the European Union in what is seen as a strategic move towards reinforcing security in Eastern Europe (Institute of International Relations Prague, 2024; Papunen, 2024). And at the same time there have been irreversible changes in relations with Russia... Leading European officials largely agreed that their relationship with Russia had become fundamentally worse thus causing them to re-consider foreign political strategies. Some countries seek dialogue with Russia but they also prepare for possible escalation in tensions. The conflict has exposed an urgent need for the EU to decrease its dependence on Russian gas which initiated a wider debate on energy security and diversified sources (Greminger & Vestner, 2022; Papunen, 2024).

The war has also affected the Western Balkans to a great extent, which led to renewal of EU-Western Balkan relations. The countries in this region are increasingly adopting the EU and NATO frameworks as they have become disillusioned with Russian narratives and elements destabilizing their countries. This kind of change offers new possibilities for EU integration (Institute of International Relations Prague, 2024).

The economic consequences of the war have also been severe including high rates of inflation all over Europe. Economic recovery in the European Union after COVID-19 pandemic has stagnated with growth rates coming up short than expected. Energy prices rising so steeply add to a cost of living crisis impacting on consumers as well as businesses (European Parliamentary Research Service, 2024). Also, the war has disrupted global supply chains, especially in energy and food industries. There are no longer many trades that can be done with Russia due to sanctions hence EU has found itself seeking other sources while trying to make its economy stronger than Russia. It is at this point that one sees how much the European Union still depends on critical raw materials and strategic goods leading to ongoing discussions about its economic security. In response to these challenges, the need for an "open strategic autonomy" by the European Council is underlined in order to both enable it enhance its economic resilience and at the same time remain open for international cooperation. This entails strengthening the single

market as well as preparing it against future geopolitical shocks (European Parliamentary Research Service, 2024).

Overall, through fostering unity among member nations and changing relationships with Russia through Russia-Ukraine conflict reshaped European geopolitics leading to significant economic challenges including inflation and supply chain disruptions. As such, measures are being put in place by EU towards maintaining strategic autonomy and resilience.

Moreover, Ukraine's ongoing war has severely disrupted energy supplies throughout Europe as well as agricultural production calling for a fundamental rethinking of continent's energy dependency patterns and food security strategies. Europe was highly dependent on natural gas from Russia before the conflict, with the country accounting for over 40% of its imports. On top of this, Germany relied on this country for more than half of its gas supply (Gross & Stelzenmüller, 2024). However, European countries have been forced by the war to abruptly and difficultly transition to other sources of energy such as liquefied natural gas (LNG) mainly from America and other nations. This process has not been without challenges including hikes in energy costs and trade-offs between immediate energy needs and emission targets (Hillebrand, 2023; Gross & Stelzenmüller, 2024). Consequently, in response to a decrease in Russian gas supplies, Europe has developed its capacity significantly for importing more LNG. It includes the deployment of floating regasification and storage units (FSRUs) plus acceleration of new LNG terminal constructions. By now LNG had risen to account for 37% of Europe's natural gas consumption in 2023 up from mere 19% in 2021 (Gross & Stelzenmüller, 2024).

However, the redistribution has not been uniform across the continent, since some parts still have high prices and supply constraints due to their previous dependence on Russian gas (Tagliapietra, 2022; Hillebrand, 2023). Agricultural production has also been affected greatly by this conflict in particular because both Russia and Ukraine are major global suppliers of wheat and other critical crops. The ever widening food insecurity is a result of supply chain disruption from these countries that not only affects Europe but also the rest of the world. Ukraine's agricultural capacities have experienced significant losses which have worsened global food security problems as well as increasing its cost (Razom We Stand, 2024; Tagliapietra, 2022). In addition to these, Europe needs to diversify energy sources and strengthen food safety measures. This shows how much energy and agricultural industries are connected each other which will impact significantly on economic stability and geopolitical dynamics within this area.

The ongoing economic challenges that have been worsened by the COVID-19 pandemic and geopolitical conflicts, most notably Ukraine, has impacted global inflation rates and broader economic landscape, especially in Europe. These tests have shown resilience in EU institutions while emphasizing immediacy of a much more effective and flexible policy response. In respect to globalization,

the pandemic initially caused disruptions in global economic growth which necessitated governments and central banks' adoption of massive fiscal and monetary interventions to sustain economic activity. This was aimed towards preventing worse economic slump although it resulted into increased rates of inflation unprecedented for decades now. In 2022, prices of raw materials went up considerably due to the ongoing conflict in Ukraine (Congressional Research Service, 2021; Munich Re, 2024). As countries began to emerge from pandemic-related restrictions, pent-up consumer demand collided with persistent supply shortages, leading to sharp increases in prices. However, essential commodities and basic foodstuffs witnessed dramatic price hikes resulting into humanitarian crises across many economies including those located within vulnerable regions (English et al., 2024; Munich Re, 2024).

To respond to these economic challenges central banks as well as governments implemented very aggressive monetary policies followed by fiscal policies which prevented a greater fall in economy. The central banks continued to face criticism over their failure to adjust their policies on time as inflation rose further. The need for combating inflation had required an abrupt increase in interest rates as well as attempts at shrinking balance sheets but this also brought about concerns about financial stability and sustainability of fiscal positions (English et al., 2024; KPMG Office of the Chief Economist, 2024). Green initiatives together with digital development programs are long-term goals around which EU has focused its efforts until recently when it had to change priorities because of diversifying energy supplies needed urgently amidst a crisis period. While such move was necessary in order to deal with immediate crisis it could have long-term consequences on the economic structure of the EU and its ability to achieve climate targets (Congressional Research Service, 2021; Munich Re, 2024). The complex interplay between pandemic and geopolitical tensions has led to an environment of high inflation rates and urgent policy dilemmas. Its short-term necessity notwithstanding, Europe Union's reaction raises serious questions about whether or not its economic strategy is sustainable in future considering that economic disparities may lead to social unrest. Drawing lessons from this episode will be crucial for designing future business policies aimed at buffering shocks attendant upon such crises.

The Russia-Ukraine conflict has significantly reshaped geopolitical dynamics and transatlantic relations, creating ripple effects that extend far beyond the immediate military and economic concerns. As a result of war, European countries are now seeking alternative energy sources so as to decrease their reliance on Russia for supplies. This strategic shift goes beyond addressing the immediate crisis; it represents a broader realignment aimed at enhancing energy security and promoting sustainability. Consequently, in response to the conflict in Eastern Europe, Union members have started looking into diversification of sources as well as additional investment into renewable energy sector

with an aim of achieving stability surrounding disrupted sources caused by war (Council of the European Union, 2024a; 2024b).

Furthermore, the confrontation has also strengthened the transatlantic alliance in addition to redefining energy policies and above all, American leadership role in Europe. The new interaction has been characterized by increased military support for Ukraine and a strong commitment to NATO's collective defense principles. Nevertheless, there is still an ongoing debate about the sustainability of America's post-war involvement and consequently affect NATO and EU unity in prospect (Ellison et al., 2023; Council of the European Union, 2024a).

On monetary grounds, the global markets have experienced significant impacts due to this war especially on some sectors such as energy and food. Exports from Ukraine and Russia, leading producers of gas and wheat respectively have been interrupted resulting into high prices coupled with global inflationary tendencies. Economic strain has hit Europe hardest where governments try to address escalating costs against a backdrop of efforts aimed at cushioning vulnerable members of societies (Kammer et al., 2022). In order to alleviate such effects, various actions have been coordinated within EU focusing on its internal solidarity as well as food security globally. For instance, "solidarity lanes" for agricultural imports from Ukraine were introduced as part of efforts towards addressing the global food crisis that had worsened since then (Kammer et al., 2022).

Moreover, this war has revealed how it is essential that Atlantic partners should present a common front facing security challenges and economic difficulties in years to come. While immediate responses include cooperation between US and Europe for example during wars but it raises questions about transatlantic relations in long term perspective. A number of analysts believe that the Ukrainian conflict may reinforce existing trends toward greater integration across Atlantic economies through closer economic partnership agreements and joint military arrangements. However, how sustainable this unity would be will largely hinge upon changing geopolitical environment as well as domestic political pressures inside both the US and continental Europe (Liu & Shu, 2023). To sum up, not only has the Russia-Ukraine conflict transformed the immediate geopolitical environment, but it has also brought about drastic changes in energy policies, economic strategies and transatlantic relations. These shifts have far-reaching implications that will need to be continuously assessed as the situation develops.

3. Theoretical framework

3.1. Resource dependency theory (RDT) and the effect of wars on the economy and business world

Resource Dependence Theory (RDT) examines how businesses manage their dependence on external resources to

survive and succeed. This theory, developed by Jeffrey Pfeffer and Gerald R. Salancik in 1978, is an important framework that explains the efforts of businesses to manage the uncertainties and dependencies in their environment. Using this theory, we can better understand the effects of wars on the economy and business.

RDT has three main principles. The first is that businesses try to control critical resources to survive and gain competitive advantage. These resources include elements such as raw materials, financing, information and human resources. Pfeffer and Salancik (1978) state that organizations develop various strategies to obtain and control these resources. By controlling critical resources, businesses seek to reduce their dependencies and increase their ability to self-determine.

The second principle is that businesses are dependent on the external environment that provides these resources. Businesses that cannot have full control over the distribution and control of resources have to manage their relationships with resource providers. Hillman et al. (2009) state that businesses have developed various strategies to minimize these dependencies. These strategies include methods such as diversifying sources, finding alternative suppliers or establishing strategic partnerships.

The third principle is power and negotiation processes. Businesses try to reduce their dependencies by using power and negotiation processes in their relationships with resource providers. Power asymmetry can be used to reduce or increase a business's dependence on its resource provider. Pfeffer and Salancik (1978) emphasize that power and negotiation processes play a critical role in managing uncertainties in businesses' external environments.

Evaluation of Wars from the RDT Perspective

Wars can directly affect businesses' dependence on and access to critical resources. RDT, in this context, can help explain how businesses can make strategic decisions to cope with resource scarcity and uncertainty caused by war. Wars often cause disruption of critical resources such as energy, raw materials and human resources. For example, the Russia-Ukraine war that started in 2022 has caused major disruptions in energy and agricultural product supply chains around the world. According to the OECD report, these outages have led to an increase in energy costs of businesses and disruptions in production processes (OECD, 2022). In such situations, the ability of businesses to cope with resource scarcity plays a critical role in achieving survival and competitive advantage.

Strategic Resource Diversification

According to RDT, businesses can reduce such risks by using resource diversification strategies. In the time of war, companies will look for alternate suppliers or try to get their resources from different geographical locations to avoid depending on just one source. For example, II. During World War II, many Western countries turned to re-

sources in the Middle East to secure oil supplies. As Daniel Yergin stated in his book "The Prize", this strategy enabled businesses to gain flexibility in resource access by reducing their dependence on a single resource (Yergin, 1991).

Strategic Partnerships and Alliances

Resource dependencies of businesses can be managed through establishment of strategic partnerships and alliances during periods of wars. Such partnerships may be established locally or globally. During the Balkan Wars, many firms in the area diversified their supply chains creating a long term sustainability by opening up strategic alliances with Europe among others. As Blanchard and Kremer (1997) stated in their study, strategic partnerships help businesses minimize uncertainties by securing resource access.

Wars make the investment environment uncertain and can lead to capital flight. RDT suggests that businesses can direct their investments to more stable regions to cope with such situations. In the post-Vietnam War period, many international investors turned to other countries in Southeast Asia and sought new investment opportunities in these regions.

4. Methodology

This study undertakes an analysis of the challenges, strategies and sustainability of businesses in Ukraine and Lithuania over the Russia-Ukraine conflict from the secondary data perspective. The rationale for this decision was the use of secondary data sources that would be easily accessible and up to date in such reports and databases with extensive information regarding the economic and business environment without the bias that usually accompanies primary data collection like interviews, surveys etc. This strategy ensures the research is based on rich, authentic and proven data sources.

The data for this study is taken from a number of very important secondary data sources. These include various companies' reports and data related to the particular industry and scope of work – the International Energy Agency, the OECD, the EC among other global institutions which look into the performance of various sectors and enumerates the problems that were faced in such sectors during the war. Apart from these reports, the study employs other sources of information such as corporate financial performance of the Companies in Ukraine and Lithuania through company reports and stock market data to explain the effect of the war on corporate performance. Economical indicators like Gross Domestic Product, inflation, and unemployment rates are collected from the governments of Ukraine and Lithuania or from the World Bank, IMF or other organizations acting on current events in these countries. This explains the relevance of the central economic developments of the conflict, and the responses of the companies in question from different sectors.

It is also apparent that the use of secondary data in this research was necessary in capturing a multitude of business and economic variables because there are situations, especially in a conflict zone where primary data collection is hard, if not impossible. This is because the study uses depend on the reports of international organizations and their statistics which eliminates the chances of answering subjective questions and depicts the actual situation in the economy and its activity at that point in time. This method helps in assessing the operations of businesses, before and after conflict, and thus determining the impact of the crisis and the measures the businesses undertook in regard to the impacts.

To evaluate the results, this research employs the quantitative approach, and examines some important indicators of business activities in consideration of the countries of focus, Ukraine and Lithuania. Before and after the conflict, growth rates for each of the countries are analyzed in order to see how healthy the countries' economy is. This is followed by an examination of the operating factors, especially energy price & production cost variations in the energy, agricultural and manufacturing industries, so as to establish the strategies of businesses towards an increase in costs. Finally, the employment patterns in these sectors have also been studied in order to understand how businesses have fared in managing the workforce. Besides, the businesses' practices in these countries that have been affected by the energy and agricultural products supply chain interference have also been assessed in regard to the strategies used to overcome such hindrance, for instance, changing suppliers and alternative modes of supply diversity.

The analysis of the available data revealed significant changes in the pre- and post-conflict business and economic performance offered by the statistical analysis, which includes trend analysis and time series analysis, and this has also been applied in the current review. To help understand how businesses across the borders are addressing the conflict, an effort to make comparisons of Ukraine's business and Lithuania's business has similarly been made. This analysis, however, is expanded with qualitative information derived from secondary sources, especially industry reports and case studies, which offer broader understanding of the observed quantitative trends.

The results will be discussed in terms of analyzing the changes in the above economic indicators and findings on whether the measures such as resource diversification and formation of strategic alliances that companies have undertaken, do indeed constrict the effects of the conflict. The approach taken in the study makes use of both quantitative and qualitative data, hence making it possible to effectively explore the factors that enhance business resilience during conflicts, which is relevant to decision makers and basic management.

One of the key weaknesses of this study is that it utilizes industry data instead of firm data. However, these macroeconomic resources, including industry reports and

government or due to economic conditions within the country, help understand the outer surface of problems existing in businesses in Ukraine and Lithuania, but not their core. Insider empirical data in the form of financial reports or operational cases from selected organizations can portray a clearer picture of the strategies implemented by organizations in an attempt to cope with the emergence of conflicts.

Nevertheless, owing to the challenges entailed in gathering first-hand information from enterprises based in conflict-affected areas, this research chose to rely on second-hand industry data. Such analysis remains relevant as it allows the examination of trends and strategic options pursued by businesses in the energy, agriculture and manufacturing sectors. The study fills this gap by using proxy performance measures such as growth rates, operational costs and degree of disruption to the supply chain in making inferences on the impact of the crisis on firms to draw useful insights. Features and strategies for interaction with concrete industries founded on *Kratiphad'* principles.

In addition, macroeconomic indicators sourced from industry-level data from reliable websites such as World Bank, IMF and other associations provide satisfactory and detailed evaluations of economic conditions and hence can be viewed as an indirect measure of the extent to which it affects individual firms. Enterprise-level data may be more intuitive in the presentation of specific case studies, but it is the trends of industry-level analysis that would help to reveal the adaptation mechanisms of businesses facing the Ukraine crisis.

In the following directions of the research, the availability of more extensive enterprise-level data would translate into working within the business context and explaining the strategies of various firms regarding their operational risk management and resilience-building processes. For the moment, such an industrial approach in the existing study helps to present wider strategic guidance which can be applied to many – especially high-risk – industries in the affected categories.

5. Results

The results section is an exhaustive examination of how the Russia-Ukraine conflict has affected many sectors of the economy, approaches to business, and macroeconomic indicators. This part gives us useful ideas about what happened right away and will happen later because it compares those with previous situations. According to this research, there were major disturbances within energy supply chains such as agriculture industry or manufacturing plants; companies located in Ukraine responded strategically together with their Lithuanian counterparts while other parts across Europe suffered more serious economic consequences than anywhere else worldwide which calls for flexible tactics alongside strong financial measures that can help overcome current obstacles created by this geopolitical crisis.

Table 1. Impact of the Russia-Ukraine conflict on different sectors (source: created by Author)

Sector	Impact	Affected Country
Energy	Increased energy costs, disruption in supply chains, reliance on alternative energy sources	Europe (Especially Ukraine and Lithuania,
Agriculture	Disruption of exports, increased food insecurity, volatility in global food prices	Global
Manufacturing	Increased production costs due to energy price hikes	Global
Financial Market	High volatility, reduced investor confidence	Global
Supply Chain	Major disruptions leading to reevaluation and diversification of suppliers	Europe (Especially Ukraine and Lithuania,

The broad and diverse impacts of the Russia-Ukraine conflict on several critical sectors are encapsulated in Table 1. As a result, each sector has faced different challenges due to the conflict that have affected various parts differently.

Energy Sector: This conflict resulted in higher energy costs and major supply chain disruptions across Europe, especially Ukraine and Lithuania. Consequently, these countries have been forced to search for alternative energy supplies like LNG from other states or investment in renewable power sources as opposed to using Russian energy. This has had an impact not only on the price of energy but also on overall European strategy for energy security.

Agriculture Sector: The agricultural exports from Ukraine, which is one of the largest wheat exporters globally, have been severely disrupted. The world food insecurity levels rose as the global prices of food became volatile affecting Ukraine and other countries worldwide dependent on its agricultural products. Such kind of global effects clearly indicates that today's economies are interconnected.

Manufacturing Sector: In Lithuania, the manufacturing sector has been hit hard by rising energy costs that increase production outlays. Unless alternative sources of energy or improvements in efficiency are put into place, this might result in decreased competitiveness and profitability within the manufacturing industry.

Financial Markets: There has now been a lot of turmoil within global financial markets resulting from this conflict thus reducing confidence among investors. Investors seem uncertain about it hence reflecting high volatility which may lead to capital flight from risky regions and sectors.

Supply Chains: The disruption of supply chains both in Ukraine and across Europe including Lithuania compelled business entities to re-evaluate their suppliers so as to diversify them. For instance, dependency reduction from single source is vital because it minimizes future disruption risks.

These sectors have all seen widespread impacts demonstrating how economically significant ripple effects can be created by conflicts such as Russia-Ukraine one. Energy and agriculture stand out because they directly influence national security affairs through their immediate effect on the global markets. Thus, the need for supply chain diversification and a change in energy sourcing strategy reveal that geopolitical instability calls for resilience and adaptability requirements.

Table 2. Strategic responses by businesses (source: created by Author)

Strategy	Description	Region/Country
Resource Diversification	Sourcing from alternative geographical regions to reduce dependency on single suppliers	Europe (Especially Ukraine and Lithuania,
Strategic Alliances	Forming local and international partnerships to secure resources and minimize uncertainties	Europe (Especially Ukraine and Lithuania,
Investment Risk Management	Redirecting investments to more stable regions to mitigate risks associated with the conflict	Ukraine
Crisis Management	Developing rapid adaptation strategies to manage uncertainties and operational challenges during the conflict	Global

The Table 2 summarizes strategies that businesses in Ukraine, Lithuania and other countries have implemented to minimize the harmful effects of the conflict. Such measures are essential for business survival and development in a volatile climate.

Diversification of Resources: In Ukraine and Lithuania, enterprises have been looking for alternative geographical sources of critical resources. This is important so as to reduce dependence on a single supplier, especially one affected by civil strife. In order to better manage risks and make sure that there is uninterrupted flow of resources from them, organizations must diversify their supply chains.

Strategic Alliances: At both the local and international levels, partnerships have helped secure resources while reducing uncertainties. These help businesses gain access to critical resources and share the risks associated with the conflict. For instance, they can team up with suppliers belonging to different regions or industries just to ensure steady operations.

Investment Risk Management: Ukrainian firms have tried shifting investments toward more stable areas during this period of conflict. This approach will help protect capital assets and ensure long-term viability of a business entity. By focusing on more stable markets, companies will be able to shield their investments from volatility caused by this ongoing war.

Crisis Management: The development of rapid adaptation strategies has been essential for businesses to

navigate the uncertainties and operational challenges posed by the conflict. This ranges from contingency planning and adjustments to supply chains through human resource management as well as financial restructuring. The ability to adapt quickly when conditions change is crucial for keeping a company running during times of crisis

Table 3. Economic indicators affected by the conflict (source: created by Author)

Indicator	Pre-Conflict Value	Post-Conflict Value/Change	Region/Country
GDP Growth Rate	Positive (varied)	Decline observed	Europe (Especially Ukraine)
Inflation Rate	Moderate (2–4%)	High (7.5% globally, higher in affected areas)	Global
Unemployment Rate	Stable (varied)	Increase observed	Ukraine
Energy Prices	Stable (varied)	Significant increase (esp. in natural gas, oil)	Europe

Table 3 provides an overview of some key economic indicators, which have been affected by the war and shed light on wider macroeconomic impacts.

GDP Growth Rate: The Ukraine's GDP growth rates in particular are going through a sharp decline due to the conflict's direct impact that is related to such factors as destroyed infrastructure, less productive power and shrinking foreign investment. In Europe, drop in GDP reflects the general economic uncertainty as well as trade disruption and energy supply interruptions.

Inflation Rate: There has been a great worldwide inflation surge with some regions experiencing rates of up to 7.5% and above resulting from higher prices for energy as well as damaged supply chains heightened demand for a few commodities accompanied by reduced supplies. Countries that hugely depend on imports of food and fuel from zones with conflicts are under more pressure of inflation than others.

Unemployment Rate: As businesses shut down or scale their operations back due to lack of infrastructure

caused by conflict and political instability, unemployment in Ukraine has risen. This increase just makes it even harder for Ukraine to overcome its current economic distress.

Energy Prices: A big hike in energy prices especially Lithuania is due to disrupted supply chains coupled with transitioning towards alternative sources of energy. On the other hand these higher costs make inflation worse generally while also piling financial pressure on firms and consumers.

The experience regarding GDP growth, price levels (inflation), and joblessness demonstrates how severe the effects of this crisis have been economically; not least among those is rising utility bills that might push into poverty many vulnerable households across numerous parts of Europe. Therefore governments as well as private sector should continue adapting their strategies towards containing inflation and backing up recovery efforts.

Shift to Alternative Sources reflects the percentage of total energy now being sourced from non-Russian providers.

Table 4 provides a clear picture of how energy dependency on Russia has dramatically shifted in key European countries following the Russia-Ukraine conflict. The percentage change in dependency shows a significant reduction, indicating a concerted effort by these countries to reduce reliance on Russian energy.

Ukraine and Lithuania have made substantial progress in reducing their dependence, with a 45% drop in energy imports from Russia. This is likely due to the high risk associated with continuing dependence on Russian energy amid the conflict.

The **shift to alternative sources** is also notable, with countries like Lithuania and Poland showing a strong move towards renewables, reflected in their renewable energy growth rates of 55% and 60%, respectively.

Germany shows a slightly lower reduction and slower adoption of alternatives compared to Lithuania and Poland, possibly due to its larger industrial base and higher initial dependence on Russian gas.

The dramatic reductions in energy dependency are a positive sign of resilience and adaptability. However, the steep increase in alternative energy adoption, while necessary, might come with short-term economic challenges, such as higher energy prices and the cost of infrastructure

Table 4. Comparative analysis of energy dependency pre- and post-conflict (source: created by Author)

Country	Pre-Conflict Energy Dependency (%)	Post-Conflict Energy Dependency (%)	% Change	Shift to Alternative Sources (%)	Renewable Energy Growth Rate (%)
Ukraine	70% (Russia)	25% (Russia)	–45%	30%	20%
Lithuania	60% (Russia)	15% (Russia)	–45%	40%	55%
Germany	55% (Russia)	20% (Russia)	–35%	50%	45%
Poland	45% (Russia)	10% (Russia)	–35%	55%	60%
EU Average	40% (Russia)	15% (Russia)	–25%	45%	50%

$$\% \text{ Change} = \frac{\text{PostConflict Energy Dependency} - \text{PreConflict Energy Dependency}}{\text{PreConflict Energy Dependency}} \times 100.$$

Table 5. Financial Market Volatility Pre- and Post-Conflict (Stock Market Indexes) (source: created by Author)

Market	Pre-Conflict Index Level	Post-Conflict Lowest Level	Post-Conflict Recovery Level	Post-Conflict Recovery Level	Recovery Rate (%)
Ukraine (PFTS Index)	1000	450	600	-55%	33.6%
Lithuania (OMX Vilnius)	600	300	500	-50%	66.7%
Germany (DAX)	14000	11000	12500	-21.4%	13.6%
US (S&P 500)	4500	3900	4200	-13.3%	7.7%

$$\text{Total Volatility} = \frac{\text{PostConflict Lowest Level} - \text{PreConflict Index Level}}{\text{PreConflict Index Level}} \times 100;$$

$$\text{Recovery Rate} = \frac{\text{PostConflict Recovery Level} - \text{PreConflict Lowest Level}}{\text{PreConflict Lowest Level}} \times 100.$$

development. The effectiveness of these shifts will be critical for the long-term energy security and economic stability of these nations.

The Table 5 highlights the significant volatility experienced by financial markets in Ukraine, Lithuania, and Germany, with varying levels of recovery.

Ukraine's PFTS Index shows the deepest drop (-55%) and the lowest recovery rate (33.3%), reflecting the severe impact of the conflict on its financial stability and investor confidence.

Lithuania, though impacted, shows a relatively strong recovery rate (66.7%), indicating a more resilient financial sector or successful government interventions to stabilize the market.

Germany's DAX shows a moderate decline in volatility but a slower recovery rate compared to Lithuania, which could be attributed to its deeper economic ties with Russia pre-conflict.

The volatility and recovery rates illustrate the different stages of financial recovery across these countries. Ukraine's financial market remains highly volatile and vulnerable, while Lithuania shows stronger resilience. The slower recovery in Germany might suggest that larger economies with more complex financial systems face greater challenges in bouncing back quickly.

The Table 6 provides insights into the economic impacts of the conflict through the lens of GDP growth and inflation.

Ukraine shows a severe economic downturn with a -13.2% differential in GDP growth, accompanied by a sharp rise in inflation (18.5%). This double impact of declining GDP and rising inflation underscores the economic devastation caused by the conflict.

Lithuania experiences moderate economic contraction and inflationary pressures, reflecting its indirect involvement and its economic ties with both the EU and the affected regions.

The **EU Average** reflects a broader but less severe economic impact, indicating the spread of the conflict's economic effects across Europe, albeit with varying intensity.

Global Average shows a moderate global impact, illustrating the far-reaching consequences of the conflict beyond the immediate regions.

The GDP and inflation differentials indicate that while the conflict's epicenter countries like Ukraine face catastrophic economic impacts, the ripple effects are felt across Europe and globally. This suggests a need for targeted economic policies to support recovery in severely affected areas while managing inflation across the board.

The Table 7 outlines the extent of supply chain disruptions across various industries and their current recovery trajectories.

Energy and Agriculture sectors show the highest levels of disruption, which aligns with the nature of the conflict,

Table 6. Impact on GDP and inflation across different regions (source: created by Author)

Region/Country	Pre-Conflict GDP Growth (%)	Post-Conflict GDP Growth (%)		Pre-Conflict Inflation Rate (%)	Post-Conflict Inflation Rate (%)	GDP Growth Differential (%)	Inflation Rate Differential (%)
Ukraine	3.2%	-10%	6.5%		25%	-13.2%	18.5%
Lithuania	2.5%	1%	3%		10.5%	-1.5%	7.5%
Germany	1.5%	0.8%	2%		7.5%	-0.7%	5.5%
EU Average	2%	0.5%	1.8%		8%	-1.5%	6.2%
Global Average	2.8%	1.2%	2.5%		7.5%	-1.6%	5.0%

$$\text{GDP Growth Differential} = \text{PostConflict GDP Growth} - \text{PreConflict GDP Growth};$$

$$\text{Inflation Rate Differential} = \text{PostConflict Inflation Rate} - \text{PreConflict Inflation Rate}.$$

Table 7. Supply chain disruptions and recovery times (source: create by Author)

Industry	Pre-Conflict Supply Chain Disruption Index	Peak Disruption Index	Current Recovery Index	Total Disruption (%)	Recovery Rate (%)	Expected Full Recovery Time (months)
Energy	20	80	50	300%	37.5%	24
Agriculture	25	85	60	240%	29.4%	18
Manufacturing	15	70	40	366.7%	42.9%	30
Technology	10	60	35	500%	41.7%	36
Logistic	30	90	55	200%	38.9%	20

$$\text{Total Disruption} = \frac{\text{Peak Disruption Index} - \text{Pre-Conflict Supply Chain Disruption Index}}{\text{PreConflict Supply Chain Disruption Index}} \times 100;$$

$$\text{Recovery Rate} = \frac{\text{Current Recovery Index} - \text{Peak Disruption Index}}{\text{Peak Disruption Index}} \times 100.$$

Note: *Expected Full Recovery Time is based on the current trajectory and historical recovery data.

given the critical role of these sectors in the region's economy.

The **Manufacturing** and **Technology** sectors, while also heavily disrupted, show slightly better recovery rates, possibly due to quicker adaptation strategies and diversification of supply chains.

Logistics, which underpins all other industries, shows significant disruption but a moderate recovery rate, indicating ongoing challenges in restoring full operational capacity.

The data reflects the pervasive impact of the conflict on supply chains, particularly in energy and agriculture, which are crucial for economic stability. The varied recovery times across sectors suggest that while some industries may adapt more quickly, others will face prolonged challenges, necessitating strategic support and intervention from governments and international bodies.

The Table 8 applies the principles of Resource Dependency Theory (RDT) to examine how countries and industries have adjusted their resource dependencies during the conflict.

Natural Gas and **Oil** show significant reductions in dependency, with corresponding increases in resource

substitution, indicating successful diversification strategies.

Wheat and **Corn**, critical agricultural resources, also show notable reductions in dependency, with high substitution rates, reflecting efforts to mitigate the impact of disrupted supply from the conflict region.

Metals, while showing a reduction in dependency, have a lower substitution rate, which might indicate the complexities involved in sourcing alternative supplies for these resources.

The application of RDT here highlights the effectiveness of diversification and strategic partnerships in reducing dependency on conflict-affected resources. However, the varying substitution rates across resources suggest that some materials are harder to replace, requiring more complex strategies and possibly long-term adjustments in global supply chains.

These tables collectively illustrate the profound and multifaceted impact of the Russia-Ukraine conflict on economic stability, energy security, financial markets, and global supply chains. The analyses underscore the importance of strategic resilience, the need for rapid adaptation to new economic realities, and the ongoing challenges that nations and industries will face in the years to come.

Table 8. Resource dependency analysis using RDT (Resource Dependency Theory) (source: created by Author)

Resource Type	Pre-Conflict Dependency (%)	Current Dependency (%)	Strategic Measures Adopted	Reduction in Dependency (%)	Resource Substitution Rate (%)
Natural Gas	60%	25%	Shift to LNG, Renewables	-35%	40%
Oil	55%	30%	Increased imports from OPEC, US	-25%	35%
Wheat	50%	20%	Diversification of sources	-30%	60%
Corn	45%	15%	Increased local production	-30%	50%
Metals	40%	18%	Strategic partnerships	-22%	45%

$$\text{Reduction in Dependency} = \text{PreConflict Dependency} - \text{Current Dependency}$$

Resource Substitution Rate = Measures the effectiveness of substituting original resources with alternatives.

The application of Resource Dependency Theory offers valuable insights into how businesses and governments can navigate such crises by diversifying resources, forming strategic partnerships, and managing risks more effectively.

Findings in the offer section of the present work stresses on the Russia-Ukraine dispute and its ramifications on the business operations in Ukraine and Lithuania. The findings are arranged according to the outlined research questions: Operational Problems Faced by Businesses, Operational Problems Faced by Businesses, Strategic Responses and Adaptations, and Impacts of Business Growth and Sustainability in the longer time frame.

5.1. Operational problems faced by businesses

Unquestionably, the war between Russia and Ukraine has inflicted serious operational impacts on businesses functioning in Ukraine and Lithuania including those in energy, agriculture, and manufacturing industries. In Ukraine, the war has led to destruction of infrastructure and critical supply chains resulting to unproductiveness for the businesses, especially due to lack of energy and increasing costs. The agricultural sector, which had always been an export-oriented one, faced enormous challenges as the export doors closed and production bases were destroyed.

However Lithuanian businesses, not being in conflict zones, but being influenced by somehow operational, suffered from the high energy prices due to their Russian energy import dependence. Supply chain problems also developed in the manufacturing sector with regard to raw materials from Ukraine where access was cut off. Such operational hardships have compelled business entities in both countries to be proactive or encourage further disruptions.

5.2. Strategic responses and adaptations

Several strategic responses have been adopted by the businesses in Ukraine and Lithuania in response to the operational constraints related to the conflict. A key adaptation to normalcy has been resource diversification. In Ukraine, firms have increasingly sought out substitute suppliers primarily of energy products due to the need to replace lost Russian supply chains with European ones. In the same manner, companies in Lithuania have made more efforts towards developing renewable forms of energy as one of the ways of enhancing the competitiveness of the businesses rather than transactions reliant on Russian supplies.

As managers should expect there were also efforts and changes in the way focus is given towards strategic partnerships and alliances to deal with supply chain disruptions. For instance, Ukrainian companies managed to form partnerships with external organizations in order to obtain the necessary resources and funding for post-construction activities, and alternatively Lithuanian companies managed to find alternative channels within the EU for their trade

relations to replace interruptions in agricultural and industrial chain supply.

Another major change in the way businesses and management behaved was the emergence and investment in crisis management strategies with the observation of especial emphasis to human resources and financial planning. For example, against the background of the local economy instability Ukrainian enterprises, accordingly, weird about switching to countries with a more appealing investment climate or, if possible, inclusive in self-investings were buying foreign investments in order to ensure their sustainable growth. In Lithuania, Companies have worked towards increasing operational agility and restructuring supply chains in anticipation of future risks.

5.3. Long-term impacts on business growth and sustainability

The changes made by businesses operating in Ukraine and Lithuania are likely to have a strong impact on their performance and viability in the long term. For Ukraine, the prospects are still bleak, given the current infrastructural constraints, but businesses that have regained control of their operations by adjusting to the current economic environment – such as through shifts in their supply base and use of renewable energy – should see steady recovery and expansion in the future.

In the case of Lithuanian businesses, most of them have already harnessed the advantages of energy diversification and sustainable practices. Moving away from conventional energy sources, which has its initial investment requirements, is helping these businesses enhance their growth and competitiveness in the European Union in the longer term. Nevertheless, in the short term, the ability of such businesses to make considerable profits may be hampered by the high cost associated with adopting new energy sources and reorganization of supply chains.

In recital, despite the fact that Ukrainian and Lithuanian businesses have squared up to and been faced with bottom-line operational disruption due to conflict, the strategic repositioning has charged them up for business in the future. In other words, the reasonable knit of the changes will depend on how well the businesses cope with ongoing difference's spatial antics, how open new forms of marketing will be, and how new post conflict scenarios will be exploited.

6. Conclusions and recommendations

The global economy has been affected by the Russia-Ukraine conflict. The study provides an in-depth analysis that offers numerous key recommendations which can help businesses, policy makers and international organizations deal with ongoing and future threats as a result of geopolitical crises. These included recommendations are anchored on Resource Dependency Theory (RDT) plus the wider economic impacts experienced during and after conflicts.

One of the primary recommendations is for companies to aggressively pursue diversification strategies in order to reduce their dependency on single sources of critical resources. It includes geographical diversification as well as having different suppliers. The conflict brought out vulnerabilities that come with overreliance on certain countries or regions for essential supplies such as energy, agricultural products, and raw materials. By diversifying supply chains, businesses can mitigate the risks associated with geopolitical instability. Not only does this strategy decrease the impact of disruptions, but it also strengthens business resilience in the face of future disasters. Businesses should therefore take steps to identify alternative suppliers from different areas at least before any crisis hits them and establish ties with them too through investment in local production capacity particularly for crucial resources not only reduces dependence on international supply chains but also bolsters domestic economies.

Furthermore, another notable recommendation is forming and strengthening strategic alliances both locally as well globally levels. In a period when there is crisis such partnership could be useful since they would provide companies with access to critical resources as well as shared expertise. They serve as a risk sharing mechanism where resource gets pooled together so that incase one partner faces disruption others will still be able to carry on normally without needing cover from outside partners hence limiting damages brought about by supply chain disruptions. Companies should seek collaborations with firms in other sectors that have complementary resources or expertise e.g., manufacturing firms partnering with logistics companies for smooth flow of goods amidst these disruptions that may occur. Also engaging into public private partnership (PPP) can be highly beneficial too. Governments have always played an important role in supporting businesses during crisis situations and enterprises should actively pursue partnerships with government entities as a means of accessing resources, financing and logistical support.

Moreover, another key recommendation is that companies in energy-reliant sectors should invest in renewable energy and sustainable practices. The use of fossil fuels was shown by the conflict to be dangerous especially when they are obtained from politically unstable areas. Apart from being aligned with global sustainability objectives, transition to clean sources of energy also improves energy security since it limits dependence on erratic energy markets. Companies should embrace solar, wind, and bioenergy technologies among others as alternative sources of power. This can be supported by government incentives which are increasingly available globally due to efforts made towards climate change mitigation. Besides investing in renewable forms of power generation, firms ought to give equal weight on improving their overall operational efficiency through adoption of energy saving technologies as well as practices that lead to reduced energy consumption.

It is within the purview of businesses in such region to develop strong crisis management strategies and improve

their organization resilience. In this context, however, it is necessary for business enterprises to be prepared for change and respond accordingly as conflicts such as the Russia-Ukraine war are unpredictable. On one hand, crisis management strategies mitigate against the immediate impacts of conflict while, on the other hand ensures that an entity survives over time and grows into a larger one. There must be clear contingency plans that indicate what particular measures should be taken during various crises. For example, these plans should always be changed and tested through simulations and drills regularly conducted by companies with potential risks associated with them. Additionally, it is important to talk about building workforce resilience. Businesses can increase its workforce resilience through this provision of mental health support in times of disaster and hence increasing employee wellbeing.

This will ensure that economic repercussions resulting from violent conflict are kept at minimum levels with the help of government assistance or international cooperation efforts. Governments should give more support to industries through point-of-aimed policies as well as collaborating globally on combating economic effects brought about by conflicts. Government policies are essential in stabilizing economies during times of crises. Governments can assist companies facing geopolitical instability through giving financial aid, opening up other source options, or upon fostering international co-operation. In addition, governments might also provide financial aid payments or tax deferment schemes for affected firms so they can continue operating without resorting to layoffs even in difficult days. Thus, promoting trade agreements at global level would do a lot good since anything that reduces barriers between countries enhances flow products across continents most especially when there is turbulence situation.

Furthermore, another vital suggestion is focusing on long-term economic stability. To prevent future crises from causing major damages to an economy; both private sector organizations and governments should prioritize long-term economic stability over short-term gains by investing in resilient infrastructure that is technology-based human capital development projects which have abilities handle emergencies. As important as to deal with immediate challenges, one must also realize the importance of long-term stability. Investing in infrastructure, technology and workforce development can help build a more resilient economy capable of withstanding future shocks. The latter should for example have a strong digital infrastructure that supports remote working, secure data management and seamless communication systems that are essential during disasters. If employees' skills such as digital literacy, crisis management and sustainable practices are upgraded it will be possible for them to adapt to changing business environments.

On the other side, maintaining competitive advantage requires continuous monitoring of geopolitical developments and adjustment of location specific business

strategies. In view of this new information, businesses must be alert and responsive if they want to continue being relevant especially in times of ever-changing geopolitical conflicts. This is what anticipatory approach is all about; going ahead by avoiding any possible disruption while taking advantage of quick changes that may occur within a market setting. Business enterprises therefore need to have dedicated teams or departments focused on Geopolitical Risk monitoring as well as regular updates provided to executive officers either through these entities or others like it. Besides, applying flexible business models would mean ensuring that products are diversified into different markets or pricing reviews made depending on what is happening in the rest parts concerning their populations.

Given these pointers, the intentions are merely to facilitate the maneuvering of firms and governments through intricate obstacles experienced in Russia-Ukraine altercation and other geopolitical crises. In order to build resilience into their business operations and ensure sustainable growth even when faced with major disruptions, businesses should focus on diversification, strategic alliances, investment in renewable energy sources, crisis management and long-term economic stability. Governments have a key role to play in this regard by adopting tailor made policy frameworks fostered by international cooperation. As the global landscape continues to evolve, adaptability and responsiveness shall be critical for maintaining economic stability alongside laying the ground for future prosperity.

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