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EDITED AND REVIEWED BY
Shigeyuki Hamori,
Kobe University, Japan

*CORRESPONDENCE
Fiza Qureshi,
✉ fqureshi83@gmail.com

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Editorial: Ripple effects of the Russia-Ukraine conflict on the global climate initiatives and sustainable development goals

Fiza Qureshi^{1*} and Muhammad Abdul Kamal²

¹Southampton Malaysia Business School, University of Southampton Malaysia, Iskandar Puteri, Johor, Malaysia, ²Abdul Wali Khan University Mardan, Mardan, Pakistan

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Editorial on the Research Topic

Ripple effects of the Russia-Ukraine conflict on the global climate initiatives and sustainable development goals

Global markets and the business climate are propelled by political and economic uncertainty. The tense bilateral or international relationships, global integrations and dependency, natural catastrophes, and war-related events have been the major contributors to risks and uncertainty around the world. The ongoing Russo-Ukrainian War is exacerbating the existing climate initiatives, protectionism, diplomatic ultimatums, inordinate sanctions, and geopolitical frictions. After the recent full-scale Russian invasion of Ukraine commenced on 24 February 2022, the ongoing worldwide conflict and disruption started to deteriorate. As a result, confrontation has wider, unprecedented effects on the global, environmental, and economic realms.

Numerous bilateral and global agreements have been abandoned, and economic ties and climate-related projects and goals have been disrupted. The global transformative climate measures such as the green energy phase and the EU's carbon border adjustment mechanisms could be hampered and would, otherwise, require combined endeavors from major nations to play a pivotal catalytic role in implementation. In addition, global financial markets are sternly exposed and vulnerable to climate change Research Topic. Since Russia is the third largest oil producer in the world and is a major supplier of crude oil and gas to Europe, this current ongoing war crisis could hamper the bilateral and multilateral relationships between Russia, Europe, and other world economies. The contagion effect of it would imply substantial jolts to commodity markets, Climate-related initiatives, business cycles, industries, and economies.

This Research Topic provided empirical analysis on identifying the climate risks and environmental consequences arising from the Russia-Ukraine war episode and its possible consequences on major economies. The objective was to identify the various consequences, beneficiaries, payers, contributors, receivers, crisis-induced spillovers, and other effects arising from the war on international climate initiatives, renewable energy investments, prominent markets, and economies.

This topic drew attention from various stakeholders across the world and received positive responses. Since its inception in October 2022, there were 7,121 total views; 5,600 article views;

470 total downloads; and 1,521 topic views as of 7 November 2023. Five articles were published on this editorial topic. The articles can be accessed at: <https://www.frontiersin.org/research-topics/50423/ripple-effects-of-the-russia-ukraine-conflict-on-the-global-climate-initiatives-and-sustainable-development-goals#articles>.

The first paper on this Research Topic is authored by Tang et al. The purpose of the study was to examine the impact of key variables such as the economic crisis, infrastructure, trade sanctions, and energy investment as mediating variable for green energy transactions in the context of Ukraine. To achieve this objective, they collected data from the general population of Ukraine and tested hypotheses using structural equation modeling via the Smart PLS 3 version. The research revealed that the transition towards clean energy is viable for the Ukrainian government if the government focuses on sustainable developmental goals to manage the economic turbulence and accelerate investments in the power sector. In addition, the study suggested that Ukrainian policymakers should consider key variables in future policies to improve green energy transitions in Ukraine's economy.

The second study by Dincă et al. examined whether the Environmental, Social, and Governance (ESG) ratings of the companies were affected by their decisions to stay doing business or withdraw from continuing business with the invading country Russia during the war conflict. The study applied panel regression models to examine ESG ratings while considering other factors such as firm size, debt, profitability, and market-based indicators. The researchers collected ESG data from several firms before and after the war crisis. The study found no significant impact on organizations' aggregate ESG or Social Scores on the companies' decision to remain within or leave the Russian territory. The inferences drawn from this research provide guidelines and understanding of various corporate choices to the ESG rating providers, regulators, and asset managers during war situations.

The third paper on this Research Topic is authored by Enescu and Szeles and they investigated energy price fluctuations and instability due to the Russia-Ukraine war. To achieve research objectives, the generalized autoregressive conditional model was applied. The findings of this research confirmed escalated price volatility in energy markets due to worsening geopolitical tensions arising from the Russia-Ukraine conflict. The study provides policy recommendations for efficient energy policies, climate change initiatives, and technological frameworks to address greenhouse gas emissions.

The fourth paper was by Negri and Dincă. The authors explored the economic output of the EU Member States in the aftermath of the Russia-Ukraine war. The researchers applied a difference-in-difference and panel data econometric model using the post-pandemic period to analyze war impacts. The authors conclude that defense and military spending, inflation, limited trade openness, and energy dependencies hindered EU economic development. The study provides recommendations to EU nations to pay attention to restructuring public spending, investments, optimal energy use, and better governance. These suggestions may reduce the conflict's harmful effects and aid EU nations in achieving economic recovery.

In the last paper by Ozturk and Faizi, the impact of war-induced food prices on the Turkish economy is investigated. By applying a Computable General Equilibrium (CGE) model, the authors found considerable impacts on agricultural imports and local food prices

which cause food inflation within the country. The analysis concluded the rise in trade deficit of services, manufacturing, and forestry sectors. The study emphasizes proactive strategies to resolve trade interruptions, food price inflation, energy prices, and foreign direct investment in the economy.

This topic provides important implications for policymakers, economists, and practitioners. The policymakers must consider the adverse effect of geopolitical tensions on international trade, financialization, and sustainable initiatives by countries across the world. While making policies to stabilize the markets and economies, the market practitioners and economists have to understand the complexities of interdependence and growing market integrations that could hamper climate initiatives and may affect sustainable development goals in the long run. Because the implications of war are practical and wider, there is a need for studies to address the academic research gap by identifying the adverse effects on various sectors and economies and providing possible solutions to deal with the crisis.

Besides, the Research Topic can be applied in practice by economists in understanding the complexities of global integrations, and international relationships. The topic provides information on risk management and risk mitigation strategies to cope with geopolitical tensions arising from War situations. Based on the findings of studies, the NGOs, Government, and international organizations should launch country-level Programmes and initiatives to support the country's agenda for reforms and economic recovery. This will provide vital support to affected countries during the war while ensuring the best use of development aid to promote economic advancement and the welfare of citizens.

In addition, the topic provided empirical evidence on identifying risks and challenges arising from the Russia-Ukraine war episode and its possible consequences on major economies, particularly Europe. The current studies provide directions to policymakers to consider key economic variables to facilitate green initiative measures at the company and economy levels. The information provided may facilitate asset managers in making efficient asset allocation decisions in times of market turmoil and crises due to war situations. Moreover, the findings by studies confirmed intense price fluctuations in energy markets. This is due to the fact that Russia is one of the top exporters of oil, gas, and coal. Hence, the tension arising from the Russia-Ukraine conflict has a significant adverse impact on the renewable energy sectors. Thus, the present study advances the understanding of geopolitical tensions and provides recommendations for efficient energy policies, technological advancement, restructuring public spending, investments, optimal energy use, and better governance to cope with challenges. The proactive strategies could be developed to counter trade interruptions and their implications on key economic variables such as inflation, energy prices, and foreign direct investment.

In Summary, the studies illustrate the economic, environmental, and social effects of the Russia-Ukraine conflict on EU countries and other economies. The researchers call for paying heed to proactive policy measures to counter negative repercussions arising from geopolitical tensions and conflict. The studies provide strategies and solutions to overcome the turbulent situation arising from invasion and

escalating tensions that could benefit policymakers, practitioners, investors, and portfolio managers in achieving sustainable development goals and climate-based solutions.

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Conflict of interest

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