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## TRADE AND ECONOMIC POLICY IN THE CONDITIONS OF HYBRIDIZATION OF INTERSTATE CONFLICTS

*It is established that an important base for interstate confrontation and a promising direction for the development of the concept of hybridity are trade and economic relations between the opposing parties. Based on the analysis of the current state and dynamics of interstate conflicts of varying intensity, the priorities of trade and economic policy of the state in a hybrid confrontation are defined on the following aspects: macroeconomic, sectoral, international, foreign trade, force majeure. The necessity of active use of economic-mathematical methods and management tools for estimation and forecasting the economic losses of the parties of hybrid confrontation is indicated.*

*Keywords:* trade and economic policy, hybrid conflict, neo-protectionism, hybrid tools, asymmetry, foreign trade integration, escalation.

**Background.** The transformation of modern outlines of interstate conflicts is taking place in the direction of their acquisition of signs of hybridization with the possibility of escalation to a form of hybrid war, which allows to achieve the expected results in terms of minimizing military intervention or even its absence. Hybrid war as a modern form of interstate antagonism is disguised, it is characterized by the use of nonlinear tactics, it is aimed at gaining patronage over the state through the impact on trade and economic, informational, socio-political and humanitarian space.

The method of hybrid influences is based on the recognition of the key role of non-military measures in the formation of political and economic loyalty of the state through the use of advocacy tools, economic and energy levers, means of socio-psychological pressure, stimulation of internal conflicts on interethnic and interfaith grounds, historical appeals and manipulations.

The primary factor of hybrid influence in the socio-political context is reasonably considered to be the advocacy activities implemented through a controlled media resource, due to the support of political opposition and attack in cyberspace, etc. However, in the strategic perspective, the use of long-term instruments of financial, economic and trade confrontation has an undeniable impact on the economic development of the parties to the conflict. The trade and economic component of a hybrid war is carried out through the establishment of reciprocal discriminatory trade regimes, the prolonged use of which can deplete the economic system of the object state and cause significant damage to the economy of the aggressor state.

An illustrative example of a hybrid war is the current state of foreign policy and economic relations between Ukraine and the Russian Federation. At the same time, any interstate conflict today has signs of hybridity, even if its initiator does not seek to gain direct control over the other side of the confrontation and the formation of relations in the format of a political protectorate. Against the background of the spread of neo-protectionism, mutual discrimination of states in the trade, information, and legal spheres may be aimed at economic exhaustion in order to protect national economic interests. A recent example is US-China relations, in which, in addition to the classic tools of trade warfare, conflict hybridization tools are actively used, especially mutual accusations of spreading the global *COVID-19* pandemic and sabotaging coronavirus vaccine development, the infringement of intellectual property rights and access to personal data, as well as the introduction of restrictions on the entry of certain categories, the closure of consulates, etc.

Weak economies are particularly prone to the risks of conflict escalation against the background of neo-protectionism and its hybridization. The intensification of economic rivalry between leading geopolitical actors and their struggle for sales markets increases the vulnerability of economically weak states and creates additional threats to their economic sovereignty. The escalation of hybrid threats to the national interests of countries with weak economies, including Ukraine, necessitates the development of comprehensive measures to economic containment of the geopolitical expansion of states - initiators of hybrid conflicts and tools to counteract hybrid aggression in trade and economic sphere.

**Analysis of recent research and publications.** Theorists of the concept of hybridization of modern conflicts are M. Bond [1], R. Glenn [2], J. McQueen [3], N. Frier [4], F. Hoffman [5]. The doctrinal principles of the hybrid war were developed by American military and political experts on

the basis of an analysis of local conflicts in the late 1990s and early 2000s (the Second Lebanese War of 2006, the Chechen Wars of 1994–1996 and 1999–2000) and provided for its interpretation as the confrontation of non-state armed groups against sovereign states with a wide range of means of destabilization (guerrilla movement, terrorist activity, extremism, criminogenic component, communication operations, information sabotage, etc.). After the Russian annexation of Crimea in 2014 and the development of confrontation in eastern Ukraine in the Anglo-Saxon discourse, hybrid warfare began to be associated with the behavior of states as subject and object of aggression, the first of which aims to expand geopolitical influence through territorial expansion [6–9].

In general, a hybrid war is a conflict that arises at the junction of irregular and conventional war and it is characterized by a combination of military and non-military means with the achievement of a synergistic effect of its use. It is quite common expert opinion [10–12] that under such an interpretation, any interstate conflict in human history can be classified as a hybrid, and the first widely known hybrid operation should be considered the Trojan horse offered by the Danes. The debatable nature of understanding the essence, source and features of hybrid warfare is quite legitimate taking into consideration the complexity and multifaceted nature of this phenomenon. The statement of D. Sadowski and J. Becker that too narrow definition of hybridity loses important features of this phenomenon, and too wide – does not define anything is substantiated [13]. But, of course, it is worth noting the steady growth of the role of non-military means (diplomatic, legal, economic, ideological, humanitarian, etc.) in conducting hybrid wars as conflicts of the new generation, which are not inferior in efficiency, but often superior to traditional military ones. The combined and diverse nature of non-military means makes it possible to find signs of hybridity (Latin *hibrida*, *hybrida* – crossbreed, product of crossing genetically different forms) in any interstate conflict, even in the absence of military component, which, on the one hand, contradicts the common definition of hybrid warfare and on the other – later, more likely, will be reflected in the terminological plane of the field of research. Since non-military means are the core of the hybrid conflict, trade and economic relations between the opposing parties become an important base for interstate confrontation, and the study of financial and economic methods of its implementation is a promising direction for the development of the concept of hybridity.

In the Ukrainian scientific and expert community, modern hybrid conflicts are quite rightly considered in the context of the hybrid war of the Russian Federation against Ukraine. Since the course of events in this case involves a direct military conflict and annexation of territories, which were accompanied by active propaganda activities, this hybrid conflict is mostly considered in the military-political and information dimension, which is the focus of socio-political research [14–19]. However, the importance of Ukraine's response to hybrid threats and challenges in the trade and

economic sphere is undeniable. In his work S. Kulytsky [16], based on the results of systematization, identifies the main economic aspects of the current Ukrainian-Russian confrontation. Domestic economists thoroughly investigate the priorities of counteracting hybrid warfare on the basis of economic instruments through the prism of the threats it poses to Ukraine's economic security [20–22].

The guidelines of trade and economic policy that can minimize the economic losses of the state as object, ensure symmetry and proactivity of restrictive measures, promote consolidation of the international community in the containment of the aggressor state should become the focus of the study of the trade and economic component of hybrid aggression. Particular attention needs to be paid to the analysis of trade and economic conflicts, which are not marked as part of a hybrid war, but have signs of hybridity. The basis for these positions is: the recognition of the multifaceted (hybrid) nature of non-military (primarily informational and legal) means of pressure, by which the trade and economic confrontation between states are accompanied; the camouflaged idea of protection of national economic interests, that is at the heart of such conflicts, which hegemonic states see in the expansion of geopolitical influence; the transgression of modern interstate conflicts towards the use of non-military means of destabilization, the effectiveness of which minimizes or eliminates the need for military intervention.

The **aim** of the article is to determine the priorities of trade and economic policy of the state in the context of progressive hybridization of instruments for the protection of national economic interests.

**Results.** The scientist V. Onyshchenko [23] notes that the conflict of international economic relations is a logical consequence of the asymmetry of geo-economic entities due to the difference in their economic potential, goals and geo-economic strategies. Therefore, the key to effective trade and economic policy of the state – the object of hybrid aggression should be considered as overcoming (or at least minimizing) the negative consequences of the asymmetry of the parties to the conflict – as in the sense of applying a wide arsenal of so-called «asymmetric» (informational, culturological, financial, religious and ethnic, etc.) levers of influence by the initiator of the confrontation, so and the ratio of military, political and economic potential of the participants in the confrontation. Achieving this goal can be ensured in the case of the formation of a systemic trade and economic policy, the main directions of which are proposed to be considered in the following aspects of hybrid confrontation: macroeconomic, sectoral, international, foreign trade, integration, force majeure.

In the modern international space, which is characterized by the interconnectedness and interpenetration of national economies, the losses from the escalation of the hybrid war are inevitably reflected in the indicators of macroeconomic development of both states – parties to the conflict. Although the scopes and strength of the returned effect of discriminatory trade activities may be insignificant for the initiator, the onset of a «boomerang effect» is almost inevitable.

An example of trade and economic confrontation of a conditionally symmetric pair of opponents, which has signs of hybridity, is the conflict between the United States and China. China's proportionate response to the imposition of punitive tariffs by the United States as the initiator of the conflict has led to mutually significant economic losses. As of the beginning of 2019, China has imposed tariffs of 25 % on American products worth 110 billion US dollars and the total amount of sanctions imposed by the United States on Chinese products was 25 % and 10 % on goods worth 250 and 300 billion US dollars respectively. The deterioration of trade conditions indicates significant mutual losses of the parties to the conflict, which is reflected in the forecasts of economic growth of both the participating states of confrontation and the world economies as a whole. According to J. P. Morgan forecast, in 2019 the losses from the escalation of the conflict are estimated as a slowdown in GDP growth of China by 0.4 % and the USA by 0.5 % compared to 2018. Although the slowdown in economic growth cannot be clearly associated with foreign trade conflict of states, its escalation will certainly increase their material losses and affect the state of the world economy, whose losses, according to JPMorgan, are 0.2 %, which is equivalent to 170 billion dollars. However, the real «black swan» both for the United States and China, as well as for the world economy as a whole, was the corona crisis of 2020. The *COVID-19* pandemic will certainly have incomparably more tangible consequences for the economic growth of the states – parties to the foreign trade conflict compared to their trade and economic confrontation. According to preliminary estimates, in the first quarter of 2020 the US GDP lost 4.8 % against the same period in 2019, and in the second one – a record 32.9 %.

The results of the analysis of the dynamics of the confrontation between the United States and China show that the losses from the escalation of the trade and economic conflict are borne by both sides. Formalization of the presence of both positive and negative consequences of the introduction of trade restrictions [24] allows to assess its impact on the economy of the country - the party to the conflict by the formula:

$$E = \sum_{i=1}^n (A_i - B_i - C_i),$$

where  $E$  – an integrated assessment of the impact of the introduction of covert protectionism instruments on the country's economy;

$A_i$  – a cost assessment of the positive consequences of using the  $i$ -th tool of covert protectionism;

$B_i$  – a cost assessment of the negative consequences of the reaction of the other side of the conflict to the introduction of the  $i$ -th tool of covert protectionism;

$C_i$  – direct costs of introducing the  $i$ -th tool of covert protectionism;

$n$  – the total number of covert protectionism tools introduced during the trade confrontation.

The condition for obtaining the economic effect of the introduction of covert protectionism tools is the excess of positive effects over negative, as well as direct costs of their implementation. However, in the case of asymmetry of the hybrid confrontation, the degree of economic vulnerability of the object state increases many times over. This is the type of hybrid war of the Russian Federation against Ukraine, characterized by the effective integrated use of asymmetric hybrid tools and the disproportion of military-political and economic potential. Therefore, the emphasis of a balanced trade and economic policy of the state – the object of hybrid aggression should be to minimize the negative consequences of the asymmetry of the parties to the conflict in the economic sphere. Achieving this goal can be ensured in the case of an immediate «mirror» response to economic constraints by the aggressor state and the inclusion of its sanctions in the coalition format. However, the obvious limitation of an effective response to the actions of the enemy is the inability to act on prejudice, which is usually characteristic for the state – the object of hybrid warfare as the weaker party to the conflict.

In addition to the typical example of a hybrid war between Russia and Ukraine, we have a number of modern interstate and inter-bloc conflicts of varying intensity based on geopolitical interests and economic nationalism (US-PRC, US-EU, US-Mexico, US-RF), which do not involve military means. The use of hybrid tools of confrontation becomes even more important for the parties to such conflicts, primarily in the form of trade and economic restrictions, mutual discrimination in the legal sphere, information attacks in the media, and others. Trade and economic conflicts with signs of hybridity take place between relatively balanced partners, which reduces their asymmetry, but increases the importance of introducing effective hybrid tools in the socio-political and economic space, not related to the use of military means of confrontation.

A separate important problem is a substantiated quantitative assessment of the impact of discriminatory measures on the national economy, according to the results of which the priorities of trade and economic policy of the state will be determined. The classic restrictive tool of trade and economic confrontation are sanctions, the introduction of which should force the enemy to certain political actions through its economic exhaustion. As economic sanctions are reciprocal, its application should be moderate and guaranteed to affect the economy of the sanctioned country. The effectiveness of sanctions is directly affected by its depth, coverage, duration and prospects for preservation within the coalition format. O. Shnyrkov [25] notes the criteria for the effectiveness of economic sanctions, such as: significant economic losses of the sanctioned country (not less than 2 % of gross domestic product) provided that they have little impact on the economy of the initiating country; the presence of a significant difference in the size of the economies of the initiating country

and the country subject to sanctions (not less than 10:1); high dependence of foreign trade of the sanctioned country on commodity circulation with the country imposing sanctions (from 25 % of the total commodity circulation); speed in imposing sanctions and consistency with other trading partners on their long-term preservation.

Analyzing the effectiveness of EU economic sanctions against the Russian Federation in 2014–2018, O. Shnyrkov [25] concludes that the content, nature and conditions of their compliance with the above criteria are incomplete. As can be seen from *table 1*, EU sanctions cannot be considered effective on the key criterion of maximizing the economic losses of the Russian Federation as a state – the object of restrictive measures (less than 2 % of GDP).

Table 1

**Effectiveness of economic sanctions of the European Union  
against the Russian Federation in 2014–2018**

Criterion	Economic losses		The ratio of economies (in terms of GDP)	Interdependence in foreign trade		Speed, duration and coherence of sanctions imposition
	Object State	The initiating state		Object State	The initiating state	
Desirable assessment	From 2 % of GDP	Minimal	From 10:1	From 25 % of turnover	Minimal	Maximum
Actual assessment	From 0.75 % of GDP (2016–2017) to 1.5% of GDP (2014–2015, 2014–2018)	0.2 % with significant differentiation by EU countries	From 8:1 to 14:1 in 2014–2017 at the nominal exchange rate	Up to 45 % for certain groups of goods	Not more than 8 % with differentiation by goods and countries (excluding gas supply – up to 30 %)	Introduced in 2014 with permanent extension (last time on June 29, 2020) with the support of 28 EU members and only 14 other countries (in different years)
Fulfillment of the criterion	No	Mostly yes	Unable to determine	Yes	Mostly yes	Partly

*Source:* compiled for [25, с. 7–8].

The current fulfillment of the criterion of foreign trade dependence can be leveled in the case of successful completion of the construction of Nord Stream-2. The high probability of such a development is evidenced, in particular, by the granting of permission to complete the last section of the gas pipeline in Danish waters using new vessels by the Danish Energy Agency in July 2020. The situation with the construction of Nord Stream-2 clearly confirms the tendency to hybridize modern interstate conflicts. With the simultaneous imposition and extension of economic sanctions, European

countries are lobbying for the successful completion of Russia's energy project in the light of their own economic interests, but the biggest obstacles to its implementation are US economic sanctions as a «third» person concerned.

A fundamentally different (unfortunately, disappointing) assessment can be given to Ukraine's economic losses during the hybrid war with Russia. The high level of hybrid conflict and asymmetry of its parties led to the loss of recreational (AR Crimea) and industrial (Donbass) potential of Ukraine in 2014-2015 and led to direct losses of the national economy at 15–20 % of GDP (50–150 billion USD\$) in addition to UAH 85 billion of the residual value of state-owned real estate in uncontrolled territories. Therefore, the problem of minimizing the asymmetry of the parties to the conflict is becoming extremely important for Ukraine, including through the use of the potential of the coalition format of sanctions deterrence.

Economic confrontation in a hybrid war inevitably affects both the dynamics of macroeconomic indicators in general and the development of various industries and sectors of the economies of both countries. As expected, the gas sector has become one of the key links in the current conflict between Ukraine and Russia and an indicative sign of its hybridity. Ukraine's traditional dependence on Russia's energy resource has raised the issue of the country's economic security and led to the need to look for sources to compensate the import deficit (alternative fuel sources, reverse gas supplies, etc.). In turn, the current acute phase of the Ukrainian-Russian conflict in the gas sector has led to a negative chain effect in the domestic coal industry, nuclear energy, ferrous metallurgy and the military-industrial complex. On the other hand, the reduction in imports of Russian food products is more likely to be socio-psychological in nature and contributes to consumer sentiment. Prospects for overcoming the negative consequences of the Russian-Ukrainian conflict in the sectoral dimension are determined by the effectiveness of trade and economic state policy, which should be aimed at assessing the possibilities of preventing the «chain effect» of degradation of sectors of Ukraine's economy and finding compensatory mechanisms for their sustainable functioning.

A sign of interstate conflicts in the modern post-globalization period is the growth of direct and indirect influence of other states and international organizations on the development of bilateral trade and economic relations. The multipolarity of the world order, which replaced the two-dimensional coordinate system «East – West» of the second half of the twentieth century, contributed to the emergence of new world decision-making centers and intensified the struggle for redistribution of historical protectorates. Economically weak states become a springboard for the realization of geopolitical and geo-economic ambitions of the leading actors of world politics, which determines the international significance of such confrontation and the global scale of financial and economic losses from its potential escalation. The provocative nature of hybrid confrontation is that



the level of tension in the state as an object of aggression is kept by the initiating state at a level that excludes legally justified interference by other states and international organizations in the direct settlement of the conflict (so-called «hybrid uncertainty»). Therefore, it is extremely important to provide a coalition format for deterring hybrid aggression, which should be harmonized with the restrictions imposed by the object-state, in particular in the trade and economic sphere.

The international trade and economic policy towards the states – participants of the hybrid confrontation should be built with the balance of «containment / involvement». The containment mechanisms imposed on the state initiating the conflict include financial and economic sanctions and foreign trade restrictions. Measures of involvement include promoting the economic development of the state – the object of aggression, creating favorable conditions for its foreign trade, integration into regional trade and economic blocs and chains of creating added value, investing in improving tourism, transport, logistics and other infrastructure.

Another area of trade and economic policy of the state in a hybrid conflict, which requires the support of the international community, is to ensure transparency of cooperation terms in order to prevent discrimination in the foreign trade sphere. The key role in solving this problem belongs to the World Trade Organization (WTO) as a guarantor of transparency of foreign trade relations and liberalization of trade conditions. Despite the efforts of the WTO, the rapid spread of neo-protectionism and anti-globalization tendencies leads to an increase in the level of conflict in interstate economic relations against the background of protection of national interests. The activities of the WTO are aimed at reducing the likelihood of escalation of trade conflicts to tougher forms of confrontation due to the use of a mechanism for resolving trade disputes. The protection of national interests in the framework of international trade law acquires particular importance for Ukraine, as currently the results of WTO expert disputes (particularly with the Russian party) are not in favor of the state (*table 2*). Ukraine's victory in the appeal dispute against Russia over the export of domestic railway equipment (DS499 dispute) can be considered an encouraging signal, although the WTO Appellate Body has refused to recognize this ban as part of Russia's systematic efforts to oust Ukrainian exports. Despite the current crisis caused by the US decision to block the appointment of new arbitrators, the World Trade Organization remains a globally recognized regulator of trade disputes. In view of this, the trade and economic policy of Ukraine as a party to the hybrid confrontation should be aimed at developing cooperation with the WTO and providing a professional level of argumentation for disputes involving foreign profile lawyers.

Table 2

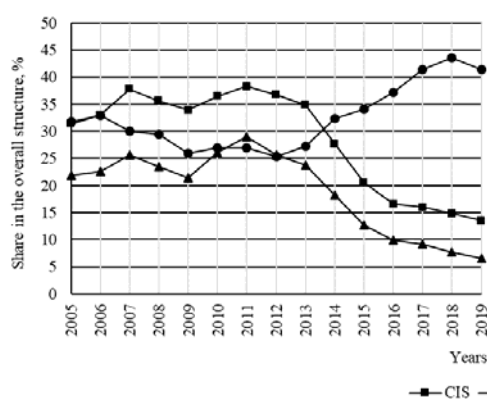
### Results of consideration by the World Trade Organization of disputes involving Ukraine

Plaintiff	Defendant	The name of the dispute	The course of the dispute								Current status	
			Request for a consultation	Request for the creation of a group of experts	Creating a group of experts	Approval of the composition of the group of experts	The report of the group of experts has been published	Approval of expert opinions	Publication of the appeal report	Results of the appeal		
Ukraine	Armenia	DS411 : Measures on import and domestic sales of tobacco products and alcoholic beverages	20.07.2010	08.09.2010	–	–	–	–	–	–	–	Settled / terminated by agreement of the parties
Ukraine	Moldova	DS421 : Measures on import and domestic sales of goods (environmental fees)	17.02.2011	12.05.2011	17.06.2011	–	–	–	–	–	–	
Moldova	Ukraine	DS423 : Taxation of strong alcoholic beverages	02.03.2011	01.06.2011	20.07.2011	–	–	–	–	–	–	Settled
Ukraine	Australia	DS434 : Measures on trademarks and requirements for standard packaging of tobacco products	13.03.2012	14.08.2012	28.09.2012	05.05.2014	28.06.2018	–	–	–	–	Settled by agreement of the parties
Japan	Ukraine	DS468 : Special measures for cars	30.10.2013	13.02.2014	26.03.2014	20.06.2014	26.06.2015	20.07.2015	–	–	–	Settled in favor of the plaintiff
Russia	Ukraine	DS493 : Anti-dumping measures on imports of ammonium nitrate	07.05.2015	29.02.2016	22.04.2016	02.02.2017	20.07.2018	30.09.2019*	12.09.2019	08.04.2020	–	
Ukraine	Russia	DS499 : Measures to restrict the import of railway equipment and its parts	21.10.2015	10.11.2016	16.12.2017	02.03.2017	30.07.2018	05.03.2020*	04.02.2020	–	–	Pre-settled in favor of the plaintiff
Ukraine	Russia	DS512 : Measures to restrict transit traffic	14.09.2016	09.02.2017	21.03.2017	07.06.2017	05.04.2019	26.04.2019	–	–	–	Settled in favor of the defendant
Russia	Ukraine	DS525 : Measures to trade in goods and services	19.05.2017	–	–	–	–	–	–	–	–	Are at the stage of consultations
Ukraine	Kazakhstan	DS530 : Anti-dumping measures on steel pipes	19.09.2017	–	–	–	–	–	–	–	–	
Ukraine	Russia	DS532 : Measures for the import and transit of certain Ukrainian products	16.10.2017	–	–	–	–	–	–	–	–	
Ukraine	Kyrgyz Republic	DS569 : Anti-dumping measures on steel pipes	17.10.2018	–	–	–	–	–	–	–	–	
Ukraine	Armenia	DS570 : Anti-dumping measures on steel pipes	17.10.2018	–	–	–	–	–	–	–	–	

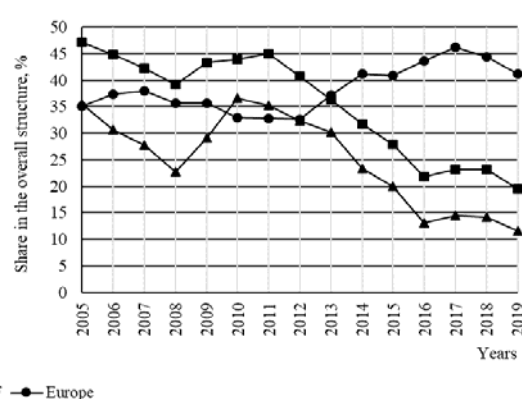
\* The report of the experts was approved with recommendations to ensure compliance with the measures

Source: compiled for [26].

The experience of Ukraine's interaction with the WTO confirms that trade and economic pressure from the Russian Federation poses significant threats to Ukraine's international cooperation and its image as a projected foreign trade partner. Examining the impact of the Russian-Ukrainian hybrid conflict on Ukraine's foreign trade, domestic scholars state the unfoundedness of discriminatory measures against Ukrainian products by Russia and their negative impact on the dynamics and structure of foreign trade [27; 28]. The steady downward trend in trade between Ukraine and Russia has persisted since 2011 (see figures 1 and 2), which once again confirms the predominance of interstate trade conflicts in the aggravation of foreign policy relations.



**Figure 1. Structure of exports of Ukrainian goods to Europe and the CIS in 2005–2019**



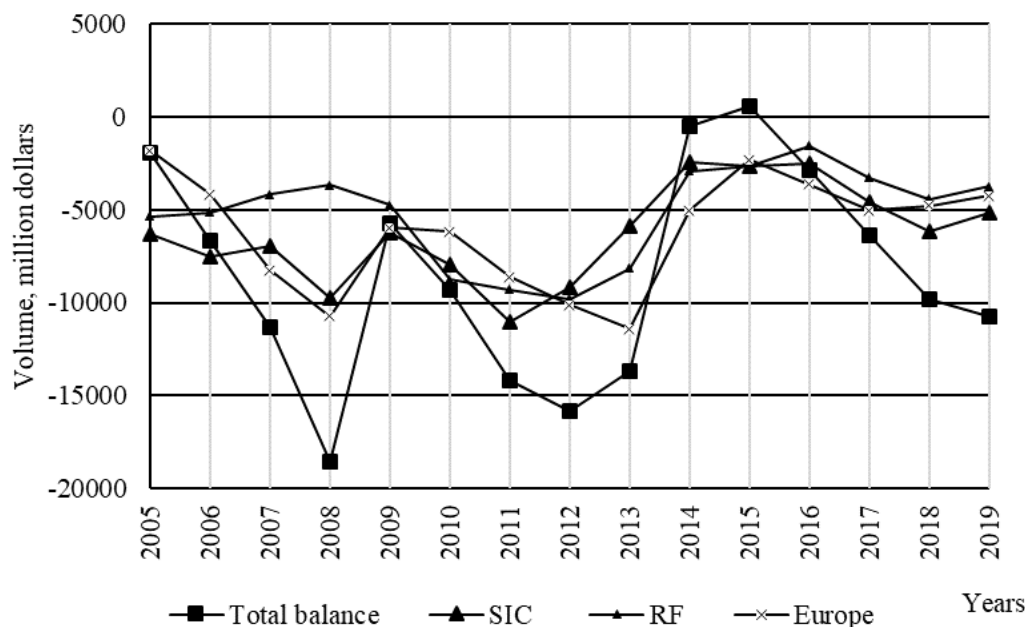
**Figure 2. Structure of imports of goods to Ukraine from European and CIS countries in 2005–2019**

Source: Compiled for [29].

Ukraine’s loss of traditional CIS commodity markets necessitates finding new priorities for regional trade integration in view of the intensification of interstate conflicts, the destruction of traditional foreign economic relations with Russia and the country’s trade asymmetry as a partner of the European space countries. Thus, an additional impetus to Ukraine's foreign trade regional integration can be created as a result of accession on February 1, 2018 to the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (Pan-Euro-Med Convention), which opens opportunities for the country to join regional European chains of value creation due to the presence of the mechanism of diagonal accumulation.

The expansion of Ukrainian-European trade relations as a result of the creation of a deep and comprehensive free trade zone between Ukraine and the EU has been thoroughly considered as the main vector for the development of the country's foreign trade. However, significant changes in favor of Ukraine's trade with European countries have occurred only in its

structure – the balance of state foreign trade in goods with both CIS and European countries (both own and total balance) over the past 15 years (except 2015) remains negative (*figure 3*).



**Figure 3. Balance of trade in goods in Ukraine in 2005–2019**

*Source:* developed by [29].

In addition to the protracted hybrid conflict with Russia, current protectionist trends in the world's foreign trade policy have a negative impact on the prospects for trade integration (and the success of Ukraine's foreign trade in general). The intensification of anti-globalization tendencies in international economic relations causes tensions in interstate trade relations and causes the emergence and escalation of trade conflicts. Even without being a direct party to hybrid warfare, countries are often involved in less intense conflicts with signs of hybridity (for example, US-China, US-EU), implemented through the introduction of mutual discriminatory measures of varying degrees of rigidity in trade and economic sphere. Therefore, an effective trade and economic policy of the state should promote the realization of its national interests by regulating the conditions of access of foreign products to domestic markets, subject to compliance with WTO requirements for the liberalization of customs tariffs and the elimination of non-tariff restrictions. In practice, the solution of this problem is provided by the selectivity of foreign trade liberalization and its gradualness for specific goods. According to the analysis of the level of tariff protection of Ukraine's foreign trade by product groups [30], it can be considered excessively liberalized compared to major trading partners and

closer to the tariff schedules of developed countries than countries with economies in transition. With the hybridization of interstate economic disputes on the background of neo-protectionism and active use of discriminatory tools by powerful subjects of foreign trade policy, the protection of national economic interests of states with weak economies requires equalization of competition conditions of national production with imports and maximum convergence of the tariff schedule of state and major foreign trade partners.

However, an important aspect of trade and economic policy of the state in a hybrid confrontation is the high probability of escalation of the conflict due to unforeseen situations. Force majeure factors of a non-economic nature can serve as a tool for additional hybridization of interstate trade conflicts. For example, by accusing China of concealing information about the extent of the coronavirus, the United States has temporarily suspended the signing of the second part of the trade agreement, which had been considered as a potential compromise in the long-running interstate conflict. The global pandemic *COVID-19* has indeed had a devastating impact on both the foreign trade activities of states and the development of the world economic system as a whole. The supranational nature of the corona crisis as a force majeure is more likely to lead to the inability of many international trade entities to meet their obligations under the treaty due to events beyond their control and become an additional hybrid lever for exacerbating interstate trade conflicts. In order to minimize such risks, the trade and economic policy of states should promote the functioning of a transparent mechanism for certifying force majeure. Traditionally, the subjects of certification of force majeure, which led to non-performance of contractual obligations, include chambers of commerce and industry, which confirm force majeure with an appropriate certificate. Although the final role in recognizing the event as force majeure belongs to the judiciary, promoting the formalization and transparency of the procedure for recognizing force majeure as one of the tasks of trade and economic policy of the state will minimize the risks of foreign trade conflicts.

For the Ukrainian-Russian hybrid confrontation, additional force majeure factors that may lead to its escalation may be a decrease in the effectiveness of the coalition format of RF containment as a result of emotional and psychological «fatigue» of the world community, domestic political crises and unwillingness to yield to their own economic interests (as an example – the construction of «Nord Stream-2»). The combined effect of both probable and unexpected factors may increase the asymmetry and hybridity of the trade and economic confrontation between Ukraine and Russia and negatively affect the objectivity of forecasts of its development.

Identified key guidelines of trade and economic policy of the state in a hybrid conflict (*table 3*) can serve as a basis for combating hybrid aggression, taking into account the current state and prospects of escalation of interstate confrontation.

Table 3

**Priorities of trade and economic policy of the state in the conditions of hybrid conflict**

Aspects of hybrid confrontation in the trade and economic sphere	Directions of trade and economic policy of the state	Key tasks of trade and economic policy of the state
Macroeconomic	Minimization of the negative consequences of the hybridity of the conflict and the asymmetry of its parties in the economic sphere	Symmetrical response to economic constraints by the state – the initiator of the conflict and joining the coalition format of its sanctions deterrence
	Providing a reasonable quantitative assessment of the impact of mutual discriminatory measures on the national economy	Determining reasonable criteria for the effectiveness of economic sanctions and assessing their compliance
Sectoral	Identification and systematization of specific risks of sectoral development of the national economy, provoked by hybrid confrontation	Assessing the possibilities of preventing the "chain effect" of degradation of sectors of the state economy and finding compensatory mechanisms for their sustainable operation
International	Support and development of a consolidated format for combating hybrid aggression in the trade and economic sphere	Determining effective international organizational and legal levers for resolving foreign trade conflicts
	Ensuring the promotion of transparency of interstate cooperation by international organizations (including the WTO) in order to prevent trade and economic discrimination	The development of cooperation with the WTO and ensuring a professional level of argumentation on trade disputes with the involvement of foreign lawyers
Foreign trade	Transformation of priorities of diversification of trade and economic cooperation and regional integration in view of intensification of interstate conflicts	The involvement of the state in global and regional value chains based on the mechanism of diagonal cumulation
	Strengthening the competitiveness of national production in terms of active use of discriminatory tools by foreign trade policy subjects	Ensuring the selectivity and gradual liberalization of the country's foreign trade and the maximum convergence of the tariff schedule with the main foreign trade partners
Force majeure	Timely fixation and minimization of the impact of force majeure factors of a non-economic nature, which may lead to an escalation of hybrid confrontation in the trade and economic sphere	Promoting the formalization and transparency of the procedure for recognition of force majeure by commerce and industry chambers. Using scenario planning as a tool for forecasting a wide range of options for the development of interstate relations between the parties to the conflict and its impact on the world economy

Source: compiled by the authors.

The high degree of uncertainty in the course of hybrid conflicts in general and the probability of their escalation due to force majeure require the determination of a full range of options for the development of interstate relations between its parties. In particular, the use of scenario planning will increase the validity of forecasts for the development of hybrid conflict, its economic consequences for the national and world economies, as well as determine effective measures of interstate confrontation in the trade and economic sphere.

**Conclusion.** Summarizing the characteristics of modern interstate conflicts of varying intensity, it can be argued that they in one form or another have signs of hybridity in the sense of using a wide arsenal of non-military means of influence, in particular in the trade and economic sphere.

Despite the duration of the Ukrainian-Russian hybrid war, it is especially important to determine reasonable criteria for the effectiveness of economic discriminatory measures and assess their compliance, which allows predicting Ukraine's losses in the field of foreign trade and preventing the «chain effect» of destruction of domestic economy sectors, particularly vulnerable to consequences of Russian hybrid aggression. Beyond forecasting the consequences of the hybrid confrontation with Russia, Ukraine's trade and economic policy should be aimed at taking into account neo-protectionist tendencies in the foreign trade policy of the world countries and hybridizing trade defense instruments, which increases the risks of excessive openness of weak economies.

In addition, it is necessary to take into account the high probability of influence on the escalation of interstate hybrid conflicts by force majeure factors of non-economic nature, which complicates the forecasting of the consequences of the implementation of trade and economic policy of the state in objective quantitative terms. Solving certain problems requires the active use of economic and mathematical methods and management tools, including apparatus of game theory (to establish the limits of compromise for participants in the hybrid confrontation in the coordinates of positional game), fuzzy logic (to formalize the qualitative characteristics of interstate hybrid conflict) and scenario planning (in order to design the options for escalation of hybrid warfare and determination of appropriate directions of adaptation of priorities of trade and economic policy of the state-object of aggression).

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**Мазаракі А., Калюжна Н. Торговельно-економічна політика в умовах гібридизації міждержавних конфліктів.**

**Постановка проблеми.** Трансформація сучасних обрисів міждержавних конфліктів відбувається у напрямі набуття ними ознак гібридизації за умови її розуміння як процесу використання різнопланових засобів тиску переважно невійськового характеру. Важливим плацдармом міждержавного протистояння є торговельно-економічні відносини протиборчих сторін, а дослідження фінансово-економічних методів його реалізації є перспективним напрямом розвитку концепції гібридності.

**Аналіз останніх досліджень і публікацій.** Попри дискусійний характер розуміння сутності, джерел та ознак гібридної війни, наукова спільнота констатує невпинне зростання ролі невійськових засобів у веденні гібридного протистояння.

**Мета статті** – визначення пріоритетів торговельно-економічної політики держави в умовах прогресуючої гібридизації інструментів захисту національних економічних інтересів.

**Матеріали та методи.** У ході дослідження застосовано методи аналізу та синтезу, абстрагування та узагальнення, графічного моделювання. Дослідження виконано на основі наукових видань, матеріалів Світової організації торгівлі та Державної служби статистики України.

**Результати дослідження.** Запропоновано припущення щодо доцільності визнання сучасних торговельно-економічних конфліктів такими, що мають ознаки гібридності. За результатами аналізу поточного стану та динаміки міждержавних конфліктів різного ступеня інтенсивності визначено пріоритети торговельно-економічної політики держави в умовах гібридного проти-

стояння за такими аспектами: макроекономічний, секторальний, міжнародний, зовнішньоторговельний, форс-мажорний. Окрему увагу приділено обґрунтуванню орієнтирів торговельно-економічної політики України в умовах гібридної війни з Росією, активізації тенденцій неопротекціонізму в зовнішньоторговельній політиці держав світу та зростання впливу форс-мажорних чинників неекономічного характеру. З метою визначення ключових завдань торговельно-економічної політики України в умовах гібридизації інструментів захисту національних інтересів проаналізовано досвід участі держави в суперечках Світової організації торгівлі, розглянуто динаміку та структуру зовнішньої торгівлі та обґрунтовано необхідність забезпечення помірності та вибіркової її лібералізації.

**Висновки.** *Визначені ключові орієнтири торговельно-економічної політики держави в умовах гібридного конфлікту можуть слугувати основою протидії гібридній агресії з урахуванням поточного стану та перспектив ескалації міждержавного протистояння. Ефективна реалізація пріоритетів держави в торговельно-економічній сфері потребуватиме активного використання економіко-математичних методів та управлінських інструментів для оцінювання й прогнозування економічних втрат сторін гібридного протистояння.*

**Ключові слова:** торговельно-економічна політика, гібридний конфлікт, неопротекціонізм, гібридний інструментарій, асиметричність, зовнішньоторговельна інтеграція, ескалація.