THE GLOBAL IMPACT OF RUSSIAN AEROSPACE CLOSURE

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Abstract

The war between Russia and Ukraine has a long tail and has spawned sanctions between countries. Aggressive Russia has taken the decision to close their airspace for many countries which became a policy that brought the world back to the similar conditions that happen in the cold war era. This article is written to answer the question, what is the impact of the closure of Russian airspace on the airline industry and the world economy? With using realism and structural functionalist approach this research shows that Russia's actions are taken to as a way deter other countries which support Ukraine. Thus, it is a clear indication that the existing international institutions along with their international law are indeed failed in dealing with the tendency of states (Russia) to act aggressively and halt their misconduct on their international interactions.

Keywords: Conflict, Airspace Closure, Aviation Industries, Global Impact

INTRODUCTION

Who would have thought that after huge disruption from the Covid-19 pandemic, the threat of a third world war would arise along with the fact that Russian President Vladimir Putin took the policy to start their military invasion of Ukraine? For the North Atlantic Treaty Organization (NATO) and Western countries, relations with Moscow continue to deteriorate. Putin’s invasion of Ukraine is considered an act that marks a historic turning point in globalization and the pattern of interdependence between countries. The atrocities perpetrated by the Russian military against the Ukrainian community, one of the worst known as the Bucha Massacre / Killing (Gunter, 2022), are a sign of Russia's egregious violation of applicable international law.

Some analysts have expressed their speculation that the war between Russia and Ukraine might mark a turning point in the history of globalization that brought the world to a time equivalent to 1914. It is only
natural that there would then be suspicions that conflict and lack of trust would lead to sluggish investment and trade flows, thereby depressing international dependence that has formed after the end of the cold war (Tooze, 2022). The military war which later gave birth to an economic and financial war after the United States (US) and its allies responded against Russia, becoming an unprecedented momentum in modern times. Russia's bold decision seems to ignore the fact that their economic growth, since the perestroika political movement in the late 1980s was carried out by them with the aim of increasing economic interdependence with the rest of the world. The result is certainly disastrous for their domestic economic conditions considering that the imposition of sanctions and a significant decline in their bilateral relations with other countries, have imposed huge and increasing costs on their countries (EastAsiaForum.org, 2022).

The economic impact of the war between Russia and Ukraine was also noted to have an impact on the aviation industry. Several airlines around the world have been bracing for a possible long blockage of a major east-west flight corridor after the European Union and Moscow retaliated against a no-fly policy in their airspace. The US and Canada then followed the EU's actions by applying similar rules in response to Russia's invasion of Ukraine. This phenomenon is something that has never happened before (Scarr, Kawoosa, Chowdhury, Sharma, & Katakam, 2022), and became a decision taken to put pressure on Putin to end his country's invasion of Ukraine. This assertive response becomes something that is natural considering that Putin's attack is considered the largest military attack in a European country since the last time it occurred during the Second World War and based on British intelligence reports, Russia intends to launch an invasion that will surround the Ukrainian capital city (Raworth, 2022).

Moscow's decision to close airspace and ban airlines from dozens of countries including all 27 EU members was taken by Moscow, dealing a heavy blow to many airlines in the west. It is worth remembering that Russia had been a vital part of global aviation even before the collapse of the
Soviet Union. However, this conflict has been able to bring Russia to a condition where their aviation sector is isolated (Hudges, 2022), can cause considerable losses with a nominal value of millions of US dollars. Hundreds of flights that normally traverse Russia’s vast mainland connecting Europe and the US with Asia are no longer operational. One of the airlines most affected is Finnair, which is owned by Finland. Finnair was forced to close their long-haul routes to Seoul, Shanghai and Tokyo because it no longer made economic sense given, they depended heavily on access to Russian airspace (Kammel & Wilkes, 2022).

The size of Russia and its close integration into the global aviation industry mean that the aviation sanctions obtained and aimed at by Russia have enormous consequences. Especially when compared to the airspace freeze that had previously been carried out in Iran and North Korea in order to ban all flights indicated to carry contraband goods to the two countries. The impact of freezing flights to and from Russia is not only negative for airlines. These flight sanctions also have a direct impact on manufacturers, lessors, insurers, and maintenance providers for Russian carriers such as Aeroflot (AFLT.MM), S7 Airlines and AirBridgeCargo (Freed, 2022). Meanwhile, airlines from other European countries that have been hit by rising oil prices from Russia and are now unable to pass through Russian airspace are expected to increase their ticket prices and air freight fares to maintain their business continuity. (Satria, 2022).

This condition raises an important question to be answered. What is the impact of the airspace blockade by Russia on global economic conditions and the global airline industry? Research focusing on these problems is something interesting to do, considering that in this era of globalization, high mobility of the world community can occur due to the rapid development of air transportation and with the paralysis of access due to the blockade imposed by Russia, a large economic impact and bankruptcy will overshadow the airline. airlines that had previously struggled to get out of the crisis due to the COVID-19 pandemic. From the government side,
Russia’s policy to close their airspace is also a proof that the Putin administration has deliberately abandoned their main role to provide economic infrastructure and ensure access to services (Huges, 1998: 21) in this case refers to flights services for their domestic communities.

**Conceptual Framework**

This research will apply the traditional and most frequently adopted point of view in the science of international relations, namely, the theory of realism which is also known as the power politics approach. As one of the theorists of realism, Jack Donnelly (2005) states that in general, states have the nature to prioritize their interests above the interests of other countries. Thus, the search for power and the intention to dominate will be something that continues to occur in relations between countries. Political realism is also considered a tradition of analysis which emphasizes that the state must continue to act to pursue political power which is usually formulated in the national interest it has.

For Realism, state administration involves mitigating and managing conflict, and not eliminating it. Realism views that the state aims to create a world that is less dangerous and not a world that is safe, just, or peaceful. Thus, from the point of view of this theory, universal moral principles cannot be applied to state action (Donnelly, 2005: 31). Furthermore, another expert, John J. Mearsheimer, discussed the weakness of the non-realist view of international relations. Mearsheimer criticizes institutionalist liberal views on institution role in changing the balance of power as a baseless claim by them. Mearsheimer believe that institutions such as the European Community (EC), North Atlantic Treaty Organization (NATO), Conference on Security and Cooperation in Europe (CSCE), and the Western European Union. (WEU) to push the country away from war and avoid conflict to promote world peace is invalid (Mearsheimer, 1994: 11-14).

Furthermore, Mearsheimer also emphasized that international institutions that are considered to have played a role in promoting world
peace after the Cold War were not proven, thus the role of institutions in creating peace is legitimate if it is considered as a false promise and irrelevant to the current international conditions (Mearsheimer, 1994: 42). Realists view that as an international actor, it is natural for countries to be more concerned with their own safety or self-sufficiency, especially in the face of conditions where other countries may commit fraud in interactions carried out in an anarchic system and indeed sanctions can be given by institutions to resolve problems may not necessarily have a deterrent effect on the country (Huth, 1999: 25). Realism also has a school called structural realism which focuses on a systemic approach and believes that the international structure acts as a restraint on state behaviour, so that only states whose policies are within the expected scope can survive (Waltz, Bull, & Butterfield, 2010).

With regard to realism, especially in relation to structural aspects, the researcher will also apply the structural functional concept which also shares the same view as structural realism that the phenomena of life can be seen through their interrelationships that form a structure. (Blackburn, 2016). Michael Hill and Frederic Varone (2017) explains further that structuralists believe that powerful forces beyond human control can have a vital influence on political action. In short, they view structuralist theory as emphasizing the relationship between social structure and the actions that individuals or states can take.

From this explanation, we can see that structural functionalists observe that society does have structure and function, so that they provide a mechanism for understanding ongoing social processes. William Bransah (2020) explains that function is a consequence of every action scheme, and structure is built as an institution of action schemes. Bransah explains that social structures can be both concrete and analytical. Structural functionalists are very deterministic, but their view of social change stemming from the vital role of the policy process also involves the dynamics that occur within structures as aspects that influence action and are
changed by it. (Hill & Varone, 2017). So, a structuralist functionalist does not really see the current situation, will only produce one possibility for the future or in other words cannot be said to be very determinist (Müller & Placek, 2018: 215). The last thing that needs to be underlined about Bransah’s statement of structural functionalism is his view that each structure performs certain interdependent functions (Bransah, 2020) as well as the structure of interdependence or interdependence between countries in international relations. This theoretical framework is suitable for researchers to use in analyzing the impact of the flight ban in Russian airspace on global conditions where governments in other countries must be able to adapt to changes that occur in the social structure because of these policies (Hill & Varone, 2017) in order to ensure that their economic stability can be maintained.

**Research Methods**

The approach used in this research is a qualitative approach in order to find out and describe the reality of the events being studied so as to facilitate obtaining objective data. This method by Sugiyono (2015: 209) considered suitable for researching the condition of natural objects. Meanwhile Lexy Moleong (2006, p. 6) added that qualitative research is research that intends to understand phenomena regarding what is experienced by research subjects such as behavior, perceptions, motivations, actions, etc., holistically through descriptions in the form of words and language, in a special context that is natural and with using various natural methods. Data collection techniques will be carried out through library research that focuses on library sources both from print media and those obtained through open-source data on the internet. Then the researcher will apply the analysis with steps that include data collection, data reduction, data verification, and affirmation of conclusions (Bungin, 2001).
ANALYSIS

Domestic Impact on Russia Airspace Closures Policy

The closure of Russian airspace is a retaliation to the sanctions they have received from several countries for their invasion. The Russian Aviation Administration (Rosaviatsiya) announced that it had closed the airspace of aircraft from 36 countries including: Albania, Anguilla, Austria, Belgium, Bulgaria, British Virgin Islands, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Ireland, Iceland, Italy, Jersey, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the UK (Airport Technology, 2022).

The decision by Rosaviatsiya is certainly a heavy blow for airlines from various countries in Europe and Asia, considering that the Russian air route is the closest route that can be passed for air travel. Although Russia provides exceptions for certain flights that have a permit, are under special circumstances, or are approved by the Ministry of Foreign Affairs or the Russian Aviation Authority. Still, for domestic Russians this is very bad news. The immediate effect is certainly experienced by travellers to and from Russia. Many flights were cancelled, and some were forced to turn around. Even one of the Aeroflot flights which at that time was approaching Canadian airspace was forced to fly back to Russia due to this airspace reciprocal blockage (Cox, 2022).

From the realism point of view, Russian policy proves that what Mearsheimer said about institutions (in this case the European Union and the United Nations) really have limited influence on state actions (Mearsheimer, 1994, p. 7) does have validity. Russia’s decision to block foreign airlines from entering its territory is a form of policy based on the consideration that indeed international interactions operate in an anarchic system and the possession of strong military capabilities (like what Russia has) will make the country not hesitate to take action. confrontational actions in addressing a problem (Mearsheimer, 1994, p. 10).
From a functional context, of course, blocking access to Russia’s national airspace will have a negative impact on its citizens, given that certain functions are interdependent with social structures (Bransah, 2020) in the country as if forced to change drastically. Disruption of distribution channels and limited supplies made the selling price of many commodities, especially food soar. This has forced some shops to limit the sale of staples that they may not be able to refill immediately. The value of the rubble, which has fallen since Russia invaded Ukraine, has fallen by quite a bit. It is only natural that the prices of sugar and cereals, for example, have soared up to 20% higher than their usual prices. The fundamental change that is most noticeable is the decision of many major foreign brands such as Apple, Ikea and Nike to no longer sell their products in Russia. (Shamina, Kaner, & Fraser, 2022).

The option given by the Russian Federal Air Transport Agency for its domestic airlines to use alternative routes via the airports of Sochi, Volgograd, Mineralnye Vody, Stavropol and Moscow to transport passengers to domestic airports (TASS, 2022). In fact, it does not have much influence on the stability of the country, which in the context of the economy alone is faced with a recession of up to 8% because of transportation costs which have risen sharply to 30%. (Scarr, Kawoosa, Chowdhury, Sharma, & Katakam, 2022). It is only natural that some civilians feel that the conflict and the series of blockades carried out by Russia have brought them into a situation similar to the conditions after the collapse of the Soviet Union in the 90s.

**The Impact of the Russian Blockade on the Condition of the World’s Airline Industry**

For the airline industry, the closure of airspace by Russia is a very big problem considering that the country's geographical conditions make them a colossal barrier to world air traffic. For example, for Airfrance which previously was able to operate routes between Paris Charles de Gaulle and Tokyo Narita with short flight durations due to the large amount of Russian
airspace. After the blockade was carried out, they had to start via a new route to the south which in the end increased the duration of their trip by about 2 hours 30 minutes (Real Life Lore, 2022) which means increasing operational costs of their flight routes.

In addition to the consequences of rerouting some flights, increasing flight times and increasing fuel costs. The airline industry is also faced with a difficult situation considering that efforts to avoid Russian airspace will cost them an alternative airport in the event of an emergency such as an engine failure, thereby significantly lowering flight safety standards (JDIH BPK, 2019). Under the Remote Operational Performance Standards, the safety of the aircraft will depend on how long it takes to reach the nearest diversion airport. While newer and more efficient long-haul aircraft such as the Airbus A-350, which has a safe travel limit of 370 minutes, lower standards have also been set for smaller twin-engine aircraft. (Sheffield, 2022). Thus, some polar flights that do rely on Russian airports as available diversion airports are forced to go further south and may require technical stops for refuelling (Cox, 2022).

Based on these conditions, airlines in the world, especially western airlines, must be prepared for possible blockages in the length of the main east-west flight corridors. The potential for serious economic losses on all routes between Europe and East Asia would be enormous for them when compared to their Asian counterparts who are immune to Russia’s airspace ban. However, with these various possible losses, it is a realist assumption that countries in the world will never be sure of the intentions of other countries (Mearsheimer, 1994, p. 10) seems very true. Especially if you look at the response from the US government and American Airlines which finally stated firmly that they did not use Russian airspace for international flights and would suspend interline agreements with Russian airlines Aeroflot and S7 Airlines indefinitely (Arab News, 2022).

Anarchic world conditions and weak institutions have made Russia’s action can be considered to bring the world back to conditions in the
airspace that is full of blockades like in the cold war era. Yes the airspace sanctions against Russia are a violation of international agreements, thus it is normal to see that the implementation of those decisions attract a reciprocal reaction that trigger flight cancellations, change routes, hinder the recovery of the industrial pandemic and deal a blow to the leasing industry to do business with Russian airlines. This phenomenon show clearly that the institution and international law as a product of institutions, is nothing more than a false promise (Mearsheimer, 1994). This crisis has threatened the airline industry with being unproductive again, considering that without access to Russian airspace, airlines will find it increasingly difficult to determine the safest route to fly, considering that they also must avoid airspace affected by tensions in the Middle East.

Russia’s action to close its airspace can be considered as a successful move to bring down the west through the weakening of the share price of their airline. This can be seen from the stock market where American Airlines (AAL), United Airlines (UAL) and Delta Air Lines (DAL) to Southwest Airlines (LUV) experienced a decline of up to 5%. Spirit Airlines (SAVE) and Frontier Group (ULCC), experienced lower declines of up to 7%. The picture is more dramatic for European airlines and for those that regularly operate routes around eastern Europe. Wizz Air (WIZZ), the dominant low-cost player in eastern Europe, fell more than 14%, followed by British Airways International Consolidated Airlines Group (IAG) which fell 7% and easyJet (EZJ) fell 8%. Meanwhile, the heaviest impact was obtained by Finnair, which fell by 21%, thus placing them as the leader of the downward trend in airline stocks in Europe and the US (Keown, 2022).

If observed further, last year, Russia’s domestic RPK (Revenue Passenger per Kilometres) accounted for 4.5% of the global RPK. Russia’s domestic air passenger and air cargo market will be affected by sanctions on charter aircraft, spare parts, maintenance, and training. Even as of this writing, airlines are still operating on their regular schedules, outside of airspace near Ukraine, which has been closed. Industry experts in Russia
predict that the extent of the disturbance is likely to become clearer within two months of the start of the war (IATA Economics, 2022), and it is safe to say that this is a clear manifestation of the disruption of the dependency structure that performs functions (Bransah, 2020) in the context of supporting economic stability for airline industry players. As a result of the war caused by Russia to ensure their country survives from the pressure exerted by other international actors.

**The Impact of the Russian Airspace Blockade on Global Economic**

Russia's attack on Ukraine is considered a momentum that will be a major blow to the global economy because it disrupts growth and raises the prices of various commodities in the world. Impact will flow through three main channels. First, higher commodity prices such as food and energy will drive inflation further, which in turn erodes the value of income and weighs on demand. Two, the economies of countries around Russia and Ukraine will grapple with disrupted trade, supply chains and remittances as well as historic spikes in refugee flows. Third, reduced business confidence and higher investor uncertainty that will weigh on asset prices, tighten financial conditions, and potentially spur capital outflows from emerging markets (Kammer, Azour, Selassie, Goldfajn, & Rhee, 2022). It also need to be underlined that Russian policy views and orientations to place energy as their strategic commodity (Firmansyah & Anggraeni, 2021, p. 130) will make the disruption become more complicated.

The blockade of airspace imposed by Russia, has caused an increase in jet fuel prices, it was noted that jet fuel prices reached a high of USD 440 per barrel on March 26, an increase of more than 40% (IATA, 2022). This upward pressure on prices is expected to continue, particularly if tougher sanctions are imposed on Russia's energy sector and are dependent on the potential for increased production elsewhere (IATA Economics, 2022, p. 6). As a result, global carriers have been hit hard by COVID-19 for the past two years. Must bear higher costs because there are additional fuel costs due to the blockade that occurred and the increase in fuel rates. The company
OAG, a global travel data provider with headquarters in the UK, also said that global airline capacity fell 0.1% in the first week of March to 82 million seats, and this figure shows that the world economic recovery remains 23% below the previous week. same in the pre-pandemic period 2019 (Samanta, 2022).

Reflecting on this trend, fuel costs, which depend on consumption factors, hedging and other elements and represent around 25% of airline operating costs globally, will make this industry very bad in the long run. Conflicts and sanctions imposed by Russia and Western countries against Russia will clearly reduce global trade, investment, and overall economic activity. Moreover, the uncertainty regarding the war, both its potential reach and duration, is predicted to eliminate 1 percentage point of global GDP growth in 2022. Therefore, the previously predicted global recession will not occur, because the IMF estimates that global GDP will grow by 4.4%. It will be a bad possibility that the chances are getting bigger (IATA Economics, 2022). This condition becomes a real phenomenon that is indeed the traditional Realist position which rejects the idea that non-violent and non-material forms of power can ultimately overcome the logic of coercion and violence perpetrated by the state (Kolodziej, 2005, p. 130) is the right choice, especially in view of the tendency shown by Russia to put aside a non-violent approach that might help them not to fall into a deeper economic crisis.

Globally, countries with direct trade, tourism and financial exposure with Russia will feel additional pressure as Russia’s oil-dependent economy will experience wider fiscal and trade deficits and greater inflationary pressures, although some oil exporters from the Middle East and Africa have benefited from the high price spikes. It is undeniable that Putin’s decision to invade Ukraine and block their air space could trigger the risk of major unrest in several regions, from Sub-Saharan Africa, Latin America, the Caucasus, to and Central Asia due to the emergence of food crises caused
by choking distribution channels (Kammer, Azour, Selassie, Goldfajn, & Rhee, 2022).

In the long term, the war between Russia and Ukraine could change the global economic and geopolitical fabric. Especially if you pay attention to how energy trade is shifting (Real Life Lore, 2022), supply chain reconfiguration (World Economic Forum, 2022), the split of global payment network (Weichert, 2022), and reserve currency holdings for countries that need further review for development (Fioramonti, 2017) which is free from the effects of international conflicts such as the Russian ruble. Geopolitical tensions will also increase the risk of economic fragmentation, especially for trade and technology, including in the airline industry sector. Of the various consequences that have arisen because of the wars between Russia and Ukraine, international flight arrangements that can support collective aviation security must be prepared immediately in order to avoid the impact of a country’s decision to close their airspace which turns out to have a very broad impact on the global structure.

CONCLUSION

The discussion above shows that the geographical conditions of Russia and the wide coverage of its airspace have a significant impact on the global airline industry and economy/Russia’s actions which has been taken to maintain their sovereignty are also a method to stop supportive action from other countries to Ukraine. This phenomenon shows that the existing international institutions along with international law have completely failed in dealing with the tendency of states to act aggressively. From this research, it can also be concluded that countries need to regulate world aviation routes so that high tension and geopolitical upheaval will not have such a severe impact on the aviation industry in the future.

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