

ASSESSMENT OF PROSPECTS FOR OBTAINING FORCED REPARATIONS FOR RUSSIAN AGGRESSION IN UKRAINE

Gavrys M., Gavrys O.

National Technical University «Kharkiv Polytechnic Institute», Kharkiv

According to the authors' estimates, russian aggression from 2014 till the beginning of 2024 has already caused Ukraine losses of at least 2 trillion USD in nominal terms, and that number continues to rise. Almost 1 trillion USD of them account for the multifactorial loss of GDP from 2014 till the start of a full-scale invasion, and more than 1 trillion USD are the direct material damage and damage to the environment, current and future costs for demining, as well as compensation to all Ukrainians physically and morally affected by the russian actions [1].

To date, russians show no signs of regret for their actions, and won't pay reparations voluntarily. Ukraine and the international community will have to forcefully collect from the aggressor, which has one of the largest nuclear arsenals in the world, a huge amount of money, which exceeds its annual GDP. The first and most obvious tool for this is the confiscation of already frozen russian state assets, the value of which is estimated at 300 billion USD, as well as private assets of sanctioned individuals, which are worth another 100 billion USD [2]. Currently, the legislation of developed countries does not allow confiscation of these funds, but countries such as Canada and Switzerland are looking for appropriate legal mechanisms, while the US House of Representatives has already approved a bill on the confiscation of russian assets in favor of Ukraine [3], which is a major breakthrough. EU countries, where the lion's share of frozen assets is stored, have so far decided only to use the income from them to support Ukraine. Another 170 to 230 billion USD of "dirty" russian money is stored in Swiss banks. Currently, their freezing and confiscation are unlikely, but this may change in the future. The authors suggest two more sources of funds for reparations: real estate and other property of the USSR, which russia illegally appropriated after its collapse, and the deductions from the sale of natural resources abroad. The value of the property of the USSR can be cautiously estimated as at least 150-200 billion USD, which brings the potential amount of confiscation to more than 800 billion USD. At least another 100 billion USD per year, russia can pay by selling oil and gas abroad. Under such conditions, it will take about 20 years to pay the whole amount of reparations, including interest.

References:

1. Гаврись М.О., Гаврись О.М. Проблеми оцінки збитків від російської агресії в Україні. Маркетингові стратегії, підприємництво і торгівля: сучасний стан, напрямки розвитку: *Матеріали V Міжнар. наук.-практ. інтернет-конф.* (Київ, 18.04.2024) : тези доповідей / відп. ред. П. В. Захарченко. Київ : 2024. 567 с. С. 40-43. [Електронний ресурс] – Режим доступу: https://library.knuba.edu.ua/books/zbirniki/25/18_04_2024.pdf (дата звернення: 10.05.2024).
2. Ranking of countries by the level of confiscation. *Institute of Legislative Ideas*, 2024. 3 p. URL: <https://confiscation.com.ua/en/> (date of access: 10.05.2024).
3. Гірник К. Палата представників схвалила законопроект про конфіскацію російських активів для України. *Інформаційне агентство "Уніан"*. 2024. 20 квіт. URL: <https://www.unian.ua/world/palata-predstavnikov-shvalila-zakonoprojekt-pro-konfiskaciyu-rosiyskih-aktiviv-dlya-ukrajini-12611454.html> (дата звернення: 11.05.2024).