

Cereal Exports from Ukraine: How to Negotiate in War situations

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This problem situation was written by Lorena Andrea Palacios Chacón (lapalaciosch@tec.mx), with the purpose of serving as discussion material in the classroom; it does not intend to illustrate good or bad administrative practices. This document was elaborated from secondary sources.

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Antecedents of the conflict

Mnookin et al. (2022) explain that Vladimir Putin's¹ perspective of the conflict includes some historical and cultural roots that connect Ukraine and Russia deeply. The first one is that for at least 200 years, Ukraine was part of the so-called "Russian Empire" or the former Union of Soviet Socialist Republics (USSR). Ukrainian independence (August 1991) is recent history that was not decided by the whole population. Secondly, the two countries share the Orthodox religion; in fact, it was only in 2019 that the Ukrainian orthodox church became independent from the Russian.

Thirdly, many Ukrainians in their territory identify themselves as part of the Russian ethnicity. Fourthly, the Russian language is pervasive; provided that around 40% of Ukrainians speak Russian in their homes, they may characterize themselves as native speakers. These numbers increase if the Ukrainians that understand Russian are added. Therefore, Ukraine should be defined as a bilingual country. The same source highlights that Putin sees Ukraine as a semi-mistic² strategic ally; this war "frees" the Russians in Ukraine.

For at least 200 years, Ukraine was part of Russia. Their independence is recent history.

Speaking of a history of confrontations, some recent specific conflict actions from Russia were the 2008 war in Georgia, the 2014 annexation of Crimea, and the massive military buildup in the fall of 2021, including Belarus (Dijkstra et al., 2022). The Crimea war is significant because it violated the Russian commitment in the 1990s to respecting Ukraine's sovereignty as an independent state. This is one of the reasons why Volodimir Zelensky, Ukraine's president, is reluctant to any negotiated agreement with Vladimir Putin.

Although some people were surprised by the Russian invasion of Ukraine on February 24th, 2022, it was somehow expected after these conflict antecedents.

¹ President of Russia since 2012.

² Providing the similarities between the two countries, treating them as two separate nations seems challenging.



Source. Freepik, 2023.

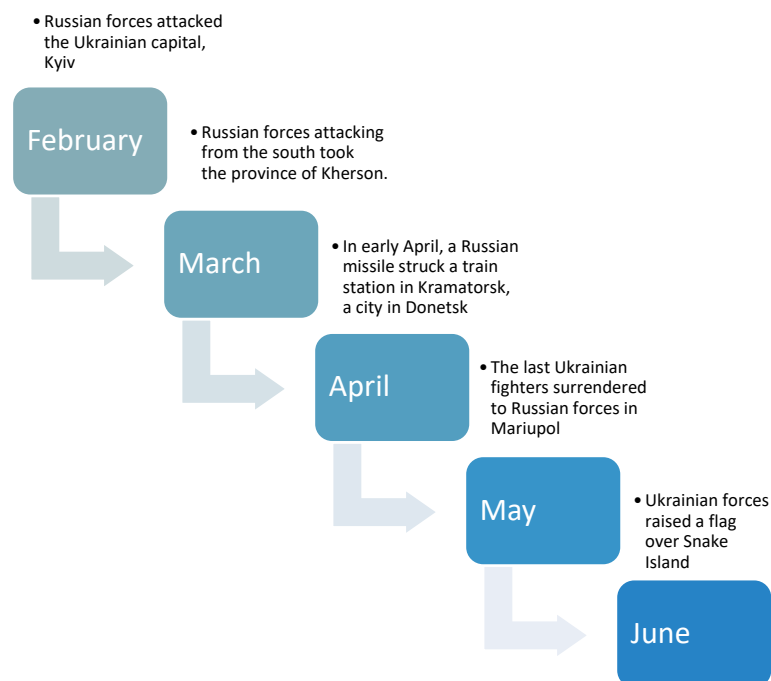
The most recent war

On February 24, 2022, Russia invaded Ukraine. Mnookin et al. (2022) highlight the following as Putin's goals to start the war:

1. Replace the Ukrainian government and bind Ukraine to Russia.
2. Guarantee long-term control of Crimea and Black Sea access.
3. Annex Ukraine's Eastern provinces.
4. Protect ethnic Russians and the importance of the Russian language for Ukraine.

In order to fulfill those objectives, the most critical events in the first five months of conflict were:

Figure 1. Timeline of the Ukraine-Russia War.



Source. Author's own elaboration, based on information from The New York Times, 2022.

Complementarily, apart from the goals, it is also important to understand the real reasons (interests) behind maintaining the war. For Putin (Mnookin et al., 2022):

1. Remain in power and keep his reputation as the great Russian leader. Additionally, he needs to increase his popularity affected by the volatile oil prices and increasing corruption (Varcoux, 2022).
2. Restore Russia's prestige as a "Great Power" after the enormous tragedy that the fall of the USSR in the 1990's represented.

Within any war or negotiation situation, there are always goals and interests. What are the real reasons behind specific decisions?

3. Maintain national security. Putin feels threatened by China, the Arab World, and the North Atlantic Treaty Organization (NATO). The latter is expanding its influence into neighboring countries (Varcoux, 2022).

For Zelensky (Mnookin, et. Al, 2022):

1. Preserve Ukraine's independence as a sovereign liberal state.
2. End the bloodshed and destruction.
3. Promote economic and social development.
4. Retain the Donbas region (in war since 2014).
5. Regain Crimea (articulated desired) because he still sees it as part of Ukraine.

For the aforementioned reasons, it is slightly possible that the war will end anytime soon. Although Western countries have avoided entering the war directly, most have imposed economic sanctions on Russia to make war financing difficult. By July 2022, Russia was facing a recession that could worsen if the war went on any longer. In the case of Ukraine, its exports have been diminished because of the destruction of iron and steel factories and Russian restrictions on international trade.



Source. [aleksandarlittlewolf](#) at Freepik,

The importance of cereal exports from Ukraine

“Russia’s invasion of Ukraine has created a catastrophic humanitarian crisis and threatened the stability of geopolitical relations” (Orhan, 2022). Varcoux (2022) explains that Ukraine's exports of wheat and grain represent almost 15% of the world’s international trade; products that are especially important for countries that rely on food imports, such as those in the Middle East and the North Africa (MENA) region. Moreover, they are also relevant for other nations covered by food safety programs of GNO’s and international organizations such as the United Nations.

“Simultaneously, the war came at a bad time for global food markets because food prices were already high due to disruptions in the supply chain caused by the COVID-19 pandemic, strong global demand, and poor harvests in some countries” (Hassen and Bilali, 2022). Consequently, Ukraine proposed Russia a negotiated agreement to reduce the aforementioned war effects by allowing specific exports from the main Ukrainian ports in the Black Sea.

Complementarily, as seen in the [map published in this Aljazeera’s article](#) (2022), Turkey is the third country with access to the Black Sea. Due to the 1936 Montreux Convention, it has control over the Bosphorus and Dardanelles straits and the power to regulate the transit of ships and vessels. Historically, Turkey has had good commercial and diplomatic relations with Russia and Ukraine, putting it in a challenging position during the war. At the same time, it provides excellent characteristics as a mediator in any needed negotiation.

The negotiation

Wars pose challenging negotiation dilemmas, and this is no exception. By June 2022, silos in Ukraine were filled with about 20 million tons of grain. For that reason, it is urgent to negotiate with Russia the possibility of opening specific ports in the Black Sea and allowing the international movement of that product. You will be an important protagonist in this story.

You will receive confidential information based on the assigned role. You could represent Ukraine, Russia, or Turkey. Please read the correspondent document carefully and [complete the 10 steps for preparing a negotiation](#). Additionally, consider your negotiation strategy and how [perception and emotion](#) may bias the negotiation results.

Be ready and make the most of this negotiation practice opportunity!

With increasing world food prices after COVID, the war aggravates the inflation crisis, especially for net importers.

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