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The Energy Security Dimensions of European Union Policy in the Ukraine Conflict

Henry Shields

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Introduction

In the coming decades population increases and rising standards of living are expected to increase energy demand in the European Union (EU) exponentially (Pérez, Scholten and Stegen, 2020). As it stands the EU remains heavily reliant on fossil fuel imports, over half of which come from Russia via the Ukraine transit route (Naumenko, 2018). As a result energy security has become increasingly a matter of politics. At the core of EU Common Foreign and Security Policy (CFSP) is the aim of strengthening international security, supporting the rule of law and promoting human rights and basic freedoms (European Parliament, 2020). However, energy dependence has undermined the EU's capacity to do this within and beyond its borders (Baran, 2007; Krickovic, 2015).

The conflict in Ukraine has led to the deaths of over 10,000 civilians and the displacement of 1.5 million people since the 2014 Maidan revolution (Blackwill and Sestanovich, 2020). Russia's government has undertaken subversive activities to further its own political and economic power at the expense of the EU's political integrity (Nováky, 2015; Davis, 2016; Neely, 2017). Further societal fragmentation and escalating conflict are threats that cannot be overlooked given the growing hostility between Russia and the West. Rising populism on the European continent has divided society within Ukraine, undermined unity within the EU and strengthened authoritarianism within Russia (Seely, 2017; Kirchick, 2017). Many have argued that dependency on Russian oil and gas imports for affordable energy supply has restrained the ability of EU leaders to challenge Russia's expanding influence (Nováky, 2015; Neely, 2017).

While energy security may present significant constraints, past analyses have not accounted for the broad inter-organisational nature of European strategy. This paper attempts to analyse the importance of energy security within the context of the Ukrainian conflict, with the goal of reaching policy solutions and a more cogent understanding of EU strategy in Ukraine. Three questions underlie this analysis, including; To what extent is EU policy on Ukraine constrained by energy security? What is the nature of EU - Russia relations? And what viable solutions can be proposed? The research approach combines documentary analysis of EU policy with critical insights from the current academic literature. The EU-Russia economic relationship is examined, followed by an analysis of policy formulation and EU strategy in Ukraine.

Analysis

The Russian - European Security Dilemma

Since the early 2000s, EU - Russia relations have been shaped by a high degree of economic interdependence in the energy trade. The existing political and economic union that makes up the EU is based on the idea that interdependence is a solid foundation for peace (McCormick, 2017). However, in this case interdependence has been a cause of confrontation (Krickovic, 2015; Neely, 2017). Anxiety within the EU stems from an over reliance on Russia for energy and fears of "politically motivated disruption" (Pérez, Scholten and Stegen, 2020, p.2). This can be conceptualised as a security dilemma, in which neither can reduce their dependence on the other without threatening the power balance (Krickovic, 2015).

The EU - Russia relationship is easily demonstrable in numbers. As of 2018 the EU imported 53% of its crude oil and 39% of its natural gas from Russia (Naumenko, 2018), far exceeding imports from other suppliers. The depletion of domestic fuel resources within the EU, along with increasing energy demands, has increased dependence on Russian imports since the early 2000s (Krickovic, 2015). In turn the Russian economy is heavily dependent on oil and gas exports to the EU. It is estimated around 40% of Russia's federal budget derives from oil and gas revenue, with 60% of total exports consisting of fuels (World Bank, 2019). Roughly 78% of Russian crude oil, and 70% of Russian natural gas exports go to the EU, the largest consumers being Germany and Italy (Krickovic, 2015; Neely, 2017).

Map of Russian Oil and Gas Pipelines Feeding Europe (Source : US Energy Information Administration. "Map of oil and gas pipelines from Russia." – Research Gate, Uploaded by Juraj Kubica, Published 2019 on https://www.researchgate.net/figure/Map-of-oil-and-gas-pipelines-from-Russia-credit-US-Energy-Information-Administration_fig2_268047847)

Russia maintains widespread control over oil and gas transit throughout Eastern Europe and Central Asia (Baran, 2007; Skalamera, 2017). Kazakhstan, Turkmenistan and Uzbekistan all rely on Russian infrastructure to transport and process much of their own oil and gas, the majority of which has historically flowed through Ukraine to the EU (Baran, 2007; Skalamera, 2017). Interdependence between the EU and Russia is limited beyond the energy trade, a factor exacerbated by sanctions blocking Russian access to EU and US capital markets (Krickovic, 2015). Russia's economic model relies on generating wealth from energy exports to reinvest in

modernisation (Neely, 2017; World Bank, 2019). It's economy is highly vulnerable to drops in energy demand, as has been shown in the past with the 2008 economic crisis and now with the Covid-19 pandemic (Heerdt and Kostelancik, 2020). Any attempt by the EU to diversify energy supplies or reduce dependence serves to threaten Russia's economic stability.

Russia has proven its willingness and ability to manipulate energy dependency to further its political aims and business interests. The threat of Russian military power has been an increasing concern for European leaders since 2014 (Zandee, 2016). However, many analysts argue that Moscow's true power lies in its control over energy supplies (Baran, 2007; Krickovic, 2015; Neely, 2017; Filipenko, 2019b). Twice in the past Russia has cut-off gas exports through Ukraine to influence the country's domestic politics, with severe repercussions for many of the EU's Eastern member states (Kirckovic, 2015; Neely, 2017; Filippenko, 2019c). In another case an alleged technical fault inside Russian territory cut off Lithuania's gas supplies shortly after the country's government blocked the sale of its oil refinery to Gazprom, Russia's state owned energy conglomerate (Neely, 2017).

However, asymmetries in energy dependence divide EU member states in terms of their vulnerability. Western countries such as France, Portugal and Spain have diverse energy mixes, and oil and gas imports are diversified with sources in Norway and Africa. On the other hand, Germany, the EU's largest economy, relies heavily on affordable energy supply from Russia to sustain economic growth (Filippenko, 2019b). Hungary, Poland, Lithuania, Slovakia and Czechia, rely on Russia for over 70% of fuel supplies (Eurostat, 2020). Some studies have claimed it to be as high as 90% (European Commission, 2014; Neely, 2017).

Interdependence between the EU and Russia is a defining dimension of their relationship (Krickovic, 2015). However, it should not be considered the soul defining factor. For Russia's leadership conflict with the EU is instrumental. Rising nationalism serves to divide the EU against itself and strengthen Russian state control within its own borders (Davids, 2016; Seely, 2017). In this mutual enmity is an end in itself for Russia's leadership, rather than a means. Yet interdependence entails that actions taken by one side to improve their own security serve to

adversely affect the security of the other. In this light energy dependency undermines the EU's capacity to challenge Russia's subversive activity (Baran, 2007, Krickovic, 2015).

EU - Russia Relations and Security Policy

In the context of Ukraine, EU strategy has been heavily criticised for taking a "soft balancing" approach (Nováky, 2015, p.244). It is argued that limited economic and diplomatic pressure was acceptable to EU leaders in order to avoid threatening energy security or risking direct confrontation with Russia, for which it is claimed the EU lacks hard power capabilities to balance against Russian military force (Nováky, 2015; Neely, 2017). In this the ability of the EU to sustain democracy and the rule of law, within and beyond its borders, comes into question.

The degree to which energy security deters the EU from challenging Russia is debatable. During 2014 division existed within the EU over how to pursue a coordinated response to the crisis in Ukraine (Nováky, 2015). Within the EU multi-level governance structures apply, in which power is dispersed between networks of actors at "supranational, national, sub-national and local levels" (McCormick, 2019, p.15). Contrary to normal procedure, time constraints and the limits of the EU's understaffed bureaucracy meant that proposals were drafted at the member-state level to be approved by state leaders in the European Council (Nováky, 2015). Sweden, Estonia, Poland, Lithuania, and the UK pushed an agenda for economic sanctions and humanitarian assistance (Nováky, 2015). However, the first proposals for an EU mission in Ukraine were initiated by the Visegrád and Baltic states (Hungary, Slovakia, Poland, Czechia, Lithuania, Latvia and Estonia), almost all of whom depend heavily on Russian oil and gas (Nováky, 2015; Eurostat, 2020).

On the other hand, Germany, France, Italy, and The Netherlands, aimed for a diplomatic approach, seeking to mediate talks and negotiate for a political settlement (Nováky, 2015).

Despite Germany maintaining a strong energy trade partnership with Russia, these states are comparatively less vulnerable in terms of energy security (Pérez, Scholten and Stegen, 2019). The consequences of confrontation with Russia for security on the continent were well understood and an aspiration to avoid a collapse in relations was likely an important motive. However, we can see that more vulnerable member states were key in demanding harder responses, seeking to mobilise the full weight of the EU.

Despite this, the interdependent nature of EU - Russia relations serves to add severe risks that limit effective policy options. EU sanctions have been targeted at Russia's oligarchy, however, they have done little to threaten energy trade. Russian strategies to destabilize Ukraine have encompassed a wide range of military and non-military means. These have included the promotion of corruption, the instrumental use of humanitarian aid, applying economic pressure through attacks on infrastructure and manipulation of energy supply, as well as disinformation campaigns to exploit the "protest-making capabilities of the population" (Davis, 2016, p.727; Seely, 2017).

The threats facing Ukraine are often described as being of a "hybrid nature," (Seely, 2017, p.2). However, in most conflicts military force is just one instrument of power, others exist (Seely, 2017). Moscow has perfected the use of multiple means of power projection and has been effective in systematically destabilizing Ukraine while maintaining activity below the threshold of war (Seely, 2017). Davis (2016) argues that this may correspond to a so-called 'governance' or comprehensive approach, a concept stemming from multi-level governance and European security strategy. While this dimension has been examined on the Russian side, the comprehensive aspects of the EUs parallel response have been overlooked in academic analyses. Many studies have ignored the inter-organisational nature of the EUs security architecture, focusing mainly on the economic and hard power aspects of EU strategy.

The comprehensive approach to security governance consists of harnessing the skills, expertise and competencies of different actors and organisations across government and civil society through inter-organisational cooperation and networked coordination (Webber, Croft, Howorth, Terriff, and Krahmann, 2004; Biermann and Koops, 2016). While comprehensive approaches have been consistently difficult to realise in practice, EU leaders are able to cooperate to direct a range of military, economic and political means in tackling the many facets of complex

problems. A better understanding of the various dimensions of EU strategy in Ukraine is necessary.

EU Strategy in Ukraine

Civil Sector Dimensions of EU Strategy

The European Union Advisory Mission to Ukraine (EUAM) was established in July 2014. Its mandate is to strengthen the Ukrainian state by mitigating corruption, building effective and resilient institutions and providing advice and strategic assistance to strengthen the rule of law (Council of the EU, 2019). As of 2020 the mission maintains a small but widespread presence across Ukraine, with bases and mobile units in Kiev, Kharkiv, Odessa and Lviv. EUAM is primarily concerned with the 'civilian security sector,' comprising all matters that are non-military. EUAM gives support and advice in drafting legislation on corruption and organised crime, and runs audits and training programs in Ukraine's police and judicial institutions (Council Decision, 2019).

EUAM's effectiveness is extremely hard to measure given the nature of its activity. However, its necessity is undisputed. Government corruption is a major reason for the Ukrainian state's weakness. During the 2014 Maidan revolution violent repression by state police fostered distrust in state security (Nováky, 2015; Puglisi, 2015). Years of systematic corruption, abuse of power and spending cuts lead to equipment and staff shortages, particularly within the security services (Pyman, 2017). The combination of public distrust and state inefficiency served as a dynamic of state disintegration, playing into the hands of Moscow (Puglisi, 2015; Davis, 2016; Pyman, 2017).

The perceived ineffectiveness of state security contributed to the formation of well armed paramilitary forces, such as the Azov battalion, that engaged in the Donbass conflict with more

visible effect than the national military (Puglisi, 2015). These groups attracted much controversy given the lack of legal control and their internalisation of extreme nationalist ideologies (Puglisi, 2015). Russian media campaigns have exploited this to portray the Ukrainian state as a fascist regime, undermining its public legitimacy and decision making power (Khaldarova and Pantti, 2016). Throughout 2014 negotiations, Russian delegations consistently claimed that the Ukrainian state had proven itself to be inherently ineffective, proposing to restructure the country under a federal system in which legislative authority and economic policy would be determined at regional level. A fragmented system within which Moscow would be able to exercise stronger control (Davis, 2016).

In seeking to strengthen the Ukrainian state, the EU's approach serves to build resilience against Russian influence and restore government legitimacy, key factors which Russia has sought to undermine (Puglisi, 2015; Davis, 2016; Pyman 2017). However, opposition to the Ukrainian state remains strong within pro-Russian and nationalist Ukrainian circles, further fragmenting society (Kirchick, 2017).

Military Dimensions of EU Strategy

"For Europe, soft and hard power go hand in hand" (Mogherini, 2016, p.4). Criticisms against EU strategy have largely been based on a lack of hard power capabilities. The Berlin II agreement provides the framework for intra-EU military cooperation. However, it is only activated when the EU acts without the US and Canada (Biermann and Koops, 2017). NATO and the EU maintain complex mechanisms of inter-organisational cooperation, designed for the purpose of preventing institutional overlap and inefficiency (Papaioannou, 2019). Overlapping state membership and the imperative to maintain strong Euro-American cooperation make this important (Biermann and Koops, 2017; Papaioannou, 2019).

The EU and NATO maintain distinct competencies, with the EU possessing expertise in the civilian and economic sectors, whereas NATO has an advantage in military aspects

(Papaioannou, 2019). This framework falls in line with a comprehensive approach to security challenges, encompassing economic, civil and military aspects. In this NATO and the EU are complementary actors, and their activities are coordinated through extensive formal mechanisms (Biermann and Koops, 2017; Papaioannou, 2019).

NATO has been highly active in countering Russian military posturing, stationing greater numbers of troops and conducting military exercises in Poland and the Baltic (Papaioannou, 2019). Due to the risks of escalation direct NATO military intervention in Ukraine cannot be realistically considered an option. However, it must be stressed that Ukraine is a weak state, not a failed state. The aim is to strengthen the existing government rather than to build one.

Nonetheless, NATO has also been highly active in Ukraine, training over 10,000 troops, and improving the Ukrainian military's logistics and command and control capabilities (King, 2019). NATO provides advanced equipment, training, intelligence and has conducted joint military exercises with Ukraine's armed forces (Pyman, 2017; King, 2019). Since the NotPetya cyber attack, which caused billions in losses far beyond Ukraine's borders, particular emphasis has been placed on enhancing cyber defence (Greenberg, 2019; King, 2019). EU - NATO initiatives have also been successful in integrating paramilitary forces into the national military, serving to re-centralise military power (Pyman, 2017).

Ukraine has managed significant tactical gains in the Donbass conflict. However, Russia has shown its willingness to counter with overwhelming force, as demonstrated in 2014 in Ilovaisk. After seizing the town Ukrainian units were destroyed under intense fire and suspected intervention from Russian special forces (Kupchan, 2017). However, military efforts have been primarily led by the US. EU member states have contributed troops for training purposes and specific high skill projects. However, the numbers have been low with the EU's former member, the UK, being by far the largest contributor, and EU material aid has been limited to non-lethal equipment (King, 2019).

In 2018 the US State Department set a large budget for defence aid to Ukraine, including the supply of anti-tank missiles (Blackwill and Sestanovich, 2020). However, some analysts have

argued that greater effort is needed to strengthen Ukraine's offensive military capabilities (King, 2019).

Proposals to provide weapons to Ukraine have been controversial. Some argue that successfully challenging Russia rests on the use of force to pressure their willingness to sustain the conflict (King, 2019). Others argue that enhancing Ukraine's offensive capabilities will only serve to escalate violence, possibly provoking greater Russian intervention and locking Ukraine in a fight it cannot win (Kupchan, 2017). The only outcome being greater human suffering. Even presuming that there are limits to President Putin's will, the extent to which he is able to restrain Russian nationalism is debatable, and violence would likely intensify (Davis, 2016). This represents a division in the EU and US approaches.

Despite drawbacks, the integrated approach by NATO and the EU combines military and civil sector initiatives in a comprehensive approach. The organisations coordinate to pursue the common goal of strengthening Ukraine's resilience. However, since the Minsk II agreement, a weak ceasefire has maintained a stalemate with violence between Russian backed separatists and Ukrainian security forces at a low intensity (Blackwill and Sestanovich, 2020). The conflict only remains frozen. While NATO - EU cooperation in Ukraine serves to undermine Russia's ability to destabilize the state, it does not tackle the underlying issues in EU - Russia relations.

Internal Policy and Economic Aspects of EU Strategy

Energy dependency is the main weapon Moscow possesses to influence EU member states (Baran, 2007; Nováky, 2015). The continued necessity for states such as Germany to buy Russian energy has meant that while sanctions are in place the Russian oil and gas sector remains resistant. The 2014 European Energy Security Strategy places emphasis on the need for member state cooperation in the energy sector to reduce dependency on Russia. Legislation and market mechanisms have been used by the EU to reduce Russian market dominance.

Breaking Russian monopoly control over energy resources and maintaining low prices have been policy objectives since well before the conflict in Ukraine (Filippenko, 2019a). From 1998 to 2010 the EU passed numerous laws and directives to liberalise energy markets. Increasing competition brought down energy prices and companies were barred from integrating supply chain segments under their ownership, such as production, refinery and transportation (European Commission, 2014; Krickovic, 2015). This restricted Russian companies ability to expand market control, leading to greater hostility from Moscow (Krickovic, 2015).

In 2015 the Energy Union was initiated, aiming to create an integrated EU energy market by connecting national energy networks to decrease member states' single source dependency (Neely, 2017). Interconnectors now enable gas flows between regions as distant as the Baltic and Adriatic, with member states making up for an inability to diversify to renewable energy sources by focusing on diversifying gas transit routes (Neely, 2017; Pérez, Scholten and Stegen, 2019). The Baltic states have integrated into central European networks to undermine the potential for Russia to disrupt energy supplies (Pérez, Scholten and Stegen, 2019). However, while progress is continuously being made, supply from Africa and the Middle East has never been sufficient to disperse demand for Russian oil and gas (Austvik, 2016). States such as Poland and Czechia have actively resisted diversification to renewables due to the importance of fossil fuel industries in providing employment (Pérez, Scholten and Stegen, 2019).

Despite this, Russia has proven resilient and adaptable to the range of measures adopted by the EU. Since the annexation of Crimea, sanctions have been in place to deny Russia access to EU and US capital markets, making it necessary for Russia to finance its own institutions and infrastructure projects. This has affected Russian government revenue, resulting in spending cuts, particularly in the area of defence (Neely, 2017). However, while some analysts hypothesised that sustained financial pressure would bring Russia to the negotiating table (Neely, 2017) the effects seem to have been short lived. Since 2019, Russian military expenditure has been restored to pre-2015 levels and remains among the highest in the world (Stockholm International Peace Research Institute, 2020). Energy infrastructure projects, such as NordStream 2, TurkStream and the Chinese Power of Siberia pipeline, have also been sustained despite sanctions (Filippenko, 2019a; World Bank, 2019; Pirani et al., 2020; Pallardy, 2020).

Furthermore, Russia has pursued active measures to maintain the EU's energy dependency. The buying up of infrastructure across Central Asia, the construction of pipelines bypassing transit countries, as well as the use of long term fixed energy pricing contracts are examples (Krickovic, 2015; Pirani et al., 2020). The EU has attempted to pressure Russia into market liberalisation, allowing foreign companies to buy into its energy sector (Krickovic, 2015). However, this has served only to raise fears that Russia's natural resources will be exploited to the benefit of foreign companies, undermining long term plans for economic modernisation and strengthening the rationale for monopolised control (Krickovic, 2015). Russian efforts to diversify their export markets, such as the Russia - China gas deal, also serve to reduce dependence on the EU for income while granting Moscow greater political leverage (Weitz, 2014; Neely, 2017).

Initiatives such as the Southern Gas Corridor, an EU lead infrastructure plan aiming to connect Caspian and Central Asian gas reserves to Europe through non-Russian controlled routes (European Commission, 2014), have been directly undermined by Russian investment in projects such as the NordStream and TurkStream pipelines. These have been aimed at rendering further expansion of energy networks redundant and costly, in particular for smaller states and transit countries such as Bulgaria and Turkey (Neely, 2017). Ambitious projects such as the heavy duty Nabucco pipeline from Turkmenistan to Austria were abandoned due to Hungary favouring the construction of an alternative Russian pipeline converging in its territory, a success for Russia in dividing EU member states to its advantage (Krickovic, 2015).

Russian energy companies are pursuing a strategy to increase gas supplies to Europe while removing transit countries, such as Ukraine (Neely, 2017; Naumenko, 2018; Pirani et al., 2020). The undersea NordStream pipeline brings gas directly from Russia to Germany through the Baltic, traversing the territorial waters of every state in between. The project defies all financial logic other than to diversify Russian gas transit routes and increase Russian control over the EUs energy supplies (Neely, 2017; Pirani, Sharples, Yafimava & Yermakov, 2020).

Russia also employs a variety of means to structure pricing to benefit producers and maintain centralised control over infrastructure across Central Asia, including a variety of informal methods (Krickovic, 2015). During the Covid-19 pandemic a so called price war between Russia and OPEC was thought to have been intended to manipulate energy prices and eliminate North American market competition (Kennedy, 2020). Legal action has also been brought against European energy companies in Russian courts, only to be dropped when they sell shares in infrastructure to Gazprom (Krickovic, 2015).

Baran (2007), made the suggestion that Russian companies could be prosecuted for their malpractice, claiming that the EU possesses the legislation and authority to do so. Such efforts have been made with multiple cases brought against Russian companies. In one case Lithuania ordered the breakup of its national utility provider (of which Gazprom owned a 37% share) in accordance with EU directives. Russia retaliated with a dramatic rise in gas import costs (Krickovic, 2015; Neely, 2017). The most recent antitrust case against Gazprom for market abuse was concluded without fines after Gazprom made a deal to reform its pricing structure, prompting angry responses from many Eastern European governments (Yun Chee and de Carbonnel, 2019).

Russia's efforts to diversify gas supply routes as well as long term aims to sell to emerging markets in Asia serve to reduce dependency on the EU (Pallardy, 2020). Efforts to maintain EU energy dependence have exacerbated the security dilemma, while sowing division and threatening unity within the EU. Limited targeting of Russia's oil and gas sector has been unsuccessful, however, imposing greater sanctions would likely be hazardous for both the EU and Russia. Cuts to energy supply would have severe economic implications that would disproportionality affect the EU's poorer member states and possibly lead to an internal crisis (Filipenko, 2019b). In addition, increased economic pressure on Russia could either strengthen nationalism and lead to greater aggression, or destabilize the Russian state creating even greater threats to global security.

As it stands interdependence is a primary factor that maintains stability in EU - Russia relations, without which the potential for conflict in Eastern Europe is hazardous. However, we can see

how energy dependency limits the options available within CFSP to challenge Russia. For the EU this undermines its ability to support the rule of law, a stable market and the rights of Ukrainians. However, for Russia EU influence and market liberalisation serve to threaten Russian state power, as well as plans for economic development (Krickovic, 2015). Opposing reconciliation with the EU is thus an end in itself for Russia's leadership, making rapprochement or an Ostpolitik type solution unviable. The lack of favourable solutions makes the issue a wicked problem.

Policy Solutions

While the EU has adopted a comprehensive approach to strengthening the Ukrainian state and countering Russia, energy dependency and the risks of conflict escalation limit policy options. Despite the broad nature of current approaches the conflict in Ukraine remains frozen and alternative strategies do not present favourable solutions for either side. The EU may attempt to increase the effectiveness of its current efforts by increasing the military role of EU member states in Ukraine. While disputes within NATO and differences in approach with the US may present political obstacles, an increasing role in the Ukrainian military arena may give the EU greater leverage over the Ukrainian state, allowing it to limit escalation while deterring Russia. Ultimately this will also depend on increasing the EU's defence autonomy from the US, which since the UK's exit seems increasingly likely.

Furthermore, Russia's strategies of diversifying oil and gas transit routes to Europe and the opening of new markets in Asia are decreasing the strategic importance of Ukraine as a transit route, diminishing Russia's economic stake in the conflict (Naumenko, 2018, Filippenko, 2019b; Pirani et al., 2020). EU diversification strategies and efforts to integrate infrastructure may also continue to decrease dependence on Russia in the long term (Austvik, 2016; World Bank, 2019; Filippenko, 2019b). As interdependence decreases, it may become possible to pursue diplomatic efforts for a settlement in Ukraine as tensions dissipate (Krickovic, 2015).

However, this presents challenges, with growing independence having the potential to destabilize the security balance in EU - Russia relations.

The EU may seek to maintain balance by attempting to control energy demand. Cooperating with energy consumers in Russia's new markets, such as China, Japan and India in an OPEC type framework could be an option. Coordinating demand is within the economic interests of these states, and would allow the EU to incentivise Russia to adopt less hostile trade practices, without threatening it's supply control. While this would also present an opportunity for stronger relations with Asia, there are barriers. EU leaders may be able to diminish the risks surrounding interdependence with China by focusing on strong institutional rules, however, growing hostility between the US and China will complicate diplomatic initiatives.

However, to pretend that the motives for conflict are solely instrumental and based on economic logic is to seriously misinterpret the situation and it's risks. Rising nationalism within Russia and on both sides of the Ukrainian conflict is a major threat (Kirchick, 2017). The EU has been active in fighting populism within its borders through initiatives such as the Radicalisation Awareness Network. However, Moscow has instrumentally exploited nationalist sentiments, both to destabilize Ukraine and to increase Russian state power (Seely, 2017). The extent to which Putin is able to restrain Russian nationalism is questionable, and the potential for violent escalation is significant (Davis, 2016; Kirchick, 2017). This social dimension will be a long term barrier, both to improving relations with Russia and to de-escalating conflict in Ukraine.

The EU could attempt to extend anti-populist initiatives, fighting nationalism externally in Ukraine and Russia. Misinformation campaigns, disparities in information freedom, the risks of confrontation with Russia and the historical factors that have given national identity precedence in Ukraine are all features that fuel greater tension. In Ukraine the EU may attempt to cooperate with the government in promoting a European identity based on democratic values. A possible avenue may be to create greater ties in education. However, currently there is a shortage of actionable strategies and tools for fighting populism and radicalisation and this is an area that requires research and experimentation.

Regarding Russia, the EU can adjust its discourse and policy towards a defence based narrative, showing Russia's people that the EU is not an enemy. However this has to be combined with substantial diplomatic efforts. The EU must seek to extend political opportunities for reconciliation over key issues of common interest, such as arms control. While efforts are likely to be countered by Moscow, which relies on sustaining enmity with the west to maintain state power (Seely, 2017), finding sufficient political will and trust within the EU will likely be a challenge, especially in light of public perceptions of a Russian military threat (Krickovic, 2015). However, if politically successful the situation may be used to co-opt and strengthen political elements within Russia that are willing to pursue diplomatic efforts, while marginalising extreme factions. Ultimately, future security on the European continent will be influenced by the political situation within Ukraine and Russia, which the EU has limited capacity to change.

Conclusions

Interdependence based on the energy trade is a defining feature of EU - Russia relations, which can be conceptualised as a security dilemma. Neither can seek greater independence without compromising the security of the other, and this has been both a cause of tension as well as a stabilizing factor in the context of Ukraine (Krickovic, 2015). To a significant extent, energy security limits the EU's options within CFSP for effective intervention in Ukraine and undermines the EU's capacity to sustain democracy and the rule of law, within and beyond its frontiers. However, analyses that view the collective response of the EU's member states as solely based on a soft balancing approach have failed to account for the scope and capabilities of Europe's security architecture. Inter-organisational cooperation between the EU and NATO has been instrumental in realising a comprehensive approach incorporating military, economic and political measures.

The EU has strengthened the resistance of the Ukrainian state and aimed to reduce Russian influence and threats to energy security. However, few viable options exist to place greater pressure on Russia, and the Ukraine conflict remains in a stalemate. Despite this, current

developments are decreasing the strategic importance of Ukraine, a factor the EU may be able to use for a future resolution. While the EU may be able to continue improving its own security, increasing nationalism serves as a barrier to peace and a threat in itself (Kirchick, 2017). Division and hostility serve to strengthen Russian state power, making conflict an end in itself rather than a means (Seely, 2017). The EU may seek to maintain its integrity through greater initiatives to counter populism. However, research is needed to develop strategies and tools for this and more empirical study is needed to understand how hostile social movements and ideologies are formed and manufactured. Mitigating future conflict will rest on political change within Russia and Ukraine, which the EU has limited capacity to influence.

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