Introduction

On 21 November 2013, then President of Ukraine, Viktor Yanukovych, made a surprise announcement that Ukraine would suspend its involvement in the European Union's (EU) Association Agreement (AA) to pursue closer ties with Russia. A month later on 17 December, Yanukovych and Russian President Vladimir Putin announced the signing of an action plan between Ukraine and Russia in which Russia would give a $15 billion loan and a gas price discount to Ukraine in return for Ukraine's promise not to pursue deeper ties with the EU. This massive U-turn by Yanukovych set in motion a popular backlash, known as the EuroMaidan movement, which grew in such intensity over the following three months that by March 2014, Yanukovych had fled from power, which, in turn, was followed by Russia annexing Crimea, and separatist movements emerging in Luhansk and Donetsk in the Donbass region of Ukraine. These interrelated occurrences became known as the Ukraine crisis; an umbrella term for the various events, disagreements and conflicts that have occurred and continue to occur in Ukraine.

On the surface, the Ukraine crisis seemed to be the product of an overzealous ruler (Yanukovych) paying the price of not respecting the will of the public while simultaneously playing two larger powers off against one another. However, while Yanukovych's decision certainly played a part in hastening contention and eventual conflict, it was not a direct cause of the Ukraine crisis but rather a symptom of an underlying contest that had been raging between the EU and Russia since the mid 2000s and had become increasingly zero-sum in nature since 2010. Therefore, the Ukraine crisis represented something of a flashpoint in a new phase of EU–Russian relations; a relationship which had long been a source of uncertainty and anxiety for decision-makers on all sides. To that end, the Ukraine crisis has irrevocably altered the environment in Eastern Europe moving forward, with the EU–Russian relationship entering a significant cooling phase, one with an indeterminate timeframe and uncertain trajectory.

The deterioration of the Ukraine crisis raises critical questions about how such a crisis eventuated in the first place and where it might lead EU–Russian relations in the future. For some, the crisis is a sign that a New Cold War is emerging between the EU (in conjunction with the broader

West) and Russia where policies on all sides will become contentious and beset by paranoia, à la the Cold War proper. For others, the Ukraine crisis is not necessarily a harbinger of a new age of competition between the West and Russia as, despite the clear downturn of the relationship, win–win outcomes remain and a future solution and agreement is a realistic possibility. Regardless of whether one is pessimistic or optimistic about Ukraine and the EU–Russian relationship's prospects, it is undeniable that the Ukraine crisis represents a captivating and challenging phenomenon which deserves deep and thoughtful consideration before any useful arguments and predictions can be postulated.

To try and make a contribution to the literature, this book assesses the EU's and Russia's foreign policies in their shared neighbourhood by initially gauging the level of competitiveness in the areas of trade, energy and security in Ukraine from 2010 up until the onset of the crisis in late 2013. Subsequently, the events of the Ukraine crisis are factored in and the evolution of the relationship is charted with regards to competition and cooperation. To undertake these tasks, systemic, material (rational), cognitive and ideational variables are examined in conjunction with the use of a novel analytical framework inspired by neoclassical realism which traces the specific policies of the EU and Russia towards Ukraine from their historical background (since the start of the post-Cold War period) to implementation and subsequent evolution and mutation due to the onset of the crisis. As this book is problem-driven in its design, assessment of the pertinent variables to judge the competitiveness of the EU–Russian relationship in Ukraine is used to make policy-relevant reflections, insights and recommendations in the Conclusion.

HISTORICAL CONTEXT

The contemporary relationship between the EU and Russia is undeniably grounded in historical interaction which goes back many centuries to the pre-Russian empire setting where the Muscovy settlement started interacting with the various Western European empires and city-states of that time (Shennan 2013). The relationship between (Western) European entities and Russia has tended to be volatile and prone to periods of cooperation and periods of opposition and antagonism. Indeed, wars, such as the Napoleonic Wars, the Crimean War, World War I and World War II, along with periods such as the Westernisation of Russia, the age of imperialism, the Great Game and the onset of Communism have profoundly influenced the relationship between West and East in Europe (Neumann 2002; Hopf 2008).

At the heart of this dynamic between Russia and Western Europe has always been a pervasive question asked by both sides: is Russia European (Hopf 2008)? Such a question can be traced as far back as Peter the Great's decision to move the capital from Moscow to St Petersburg in 1712 and has been ubiquitous in identity discourses ever since (Huntington 1993). During the aforementioned times of disagreement, conflict and war that has unfolded on the European continent, the 'is Russia European' question has invariably become inflamed and more influential. Perhaps up until the Bolshevik Revolution of 1917 which brought with it increased Russian nationalism, Russia's internal identity discourses tended to identify as more or less 'European', albeit different to Western Europe (Bassin 1991; Neumann 2002; Hopf 2008). However, in the wake of the redefinition of Europe, most pronounced in the post-1945 emergence of two loosely defined camps (communist East and capitalist West) and exacerbated with the start of European integration in 1951 via the European Coal and Steel Community (ECSC), the division between Europe and Russia reached greater levels. Importantly, the project of securing greater integration amongst the previously warring states of Western Europe aided Russia, under the guise of the Soviet Union, in its process of disidentifying itself from Europe. As Haukkala (2008a, p. 49) argues, while Russia has historically usually been a rule taker from Europe, during the Cold War period it was, at times, very much a rule maker.

The end of the Cold War in the late 1980s led to widespread optimism amongst politicians and academics that a new age of international affairs would emerge, one in which the pacification of great power competition would occur (Fukuyama 1989; Krauthammer 1990; Van Evera 1990). Suitably, on 10 July 1991, Russia's first ever elected President, Boris Yeltsin, stated in his inauguration speech that the then Soviet Union would turn 'to the world community with pure intentions in order to win friends but not enemies, and to establish honest and civilized relations with other states' (Foreign Policy Bulletin 1991).[1] Concurrently in Brussels, the European Council intimated a desire to begin 'exploratory talks on a major agreement between the Community and the USSR covering not only economic questions but political and cultural matters as well' (European Council 1991).

Therefore, the end of the Cold War was seen on both sides as a positive watershed moment for EU–Russian relations where a robust and pragmatic partnership would emerge in place of the previously cold and mostly informal relationship. Indeed, in the early years of this new relationship, particularly after the signing of the Partnership and Cooperation Agreement in 1994, it did appear that the EU and Russia could become reliable partners based on a mutual Europeaness (Bonsor 1996; Hillion

1998; Baranovsky 2000). For instance, although Yeltsin strongly opposed the prospect of North Atlantic Treaty Organization (NATO) expansion, regarding the EU he was more enthusiastic, even stating in 1997 that Russia was 'working towards final recognition as a fully European state and we are also prepared to join the European Union' (Martin 1997). Correspondingly, the EU, in its 1999 'Common Strategy' on Russia, articulated a desire to enable 'Russia to integrate into a common economic and social space in Europe . . . by promoting progressive approximation of legislation' (European Council 1999).

Despite the apparent willingness, rhetorically at least, of both Russia and the EU to engineer a mutually beneficial partnership, the optimism of the 1990s gave way to a noticeable cooling of the relationship in the 2000s. The EU's enlargement to include the erstwhile communist countries of Central Eastern Europe and its proactive engagement with the remaining states, including a desire to engage with Russia, seemingly verified that the spirit of the Treaty of Rome was still intact; that the European project remained a pan-European project, and that Russia remained a key European partner, albeit a subordinated one (Haukkala 2008b). Thus, from the EU's perspective, Russia did appear to be understood as a European entity. Conversely, for Russia, shortly after Putin came to power, two key developments altered Russia's European outlook significantly. First, Russia experienced a strong economic recovery, on the back of rising oil prices internationally in the early 2000s that led to a resurgence of its great power role identity (Tsygankov 2010). Second, Russia grew impatient with the EU's Europeanisation mission, which they viewed as patronising while also becoming concerned with the West's perceived 'neoimperial' encroachment eastwards (Mankoff 2009; Lavrov 2013). The meshing of these two factors led to Russia gradually seeing itself as something other than European: a 'people' transcendent to Europe (Hopf 2008). Thus, by the end of the decade, the EU and Russia were neither friends nor enemies but were rather mutually suspicious acquaintances (Mankoff 2009).

THE RESEARCH PUZZLE

It is argued that the significant cooling of the EU–Russian relationship by the end of the 2000s, particularly with regards to their interaction in their shared neighbourhood, can be partly explained by changes in the international and regional systems, which, in unison, precipitated changes to both the EU and Russia's neighbourhood foreign policies. It is argued that based on the assumptions born from these geopolitical and foreign

policies changes, a puzzle emerges about the prospects for competition in the EU–Russia–Ukraine triangle.

At the broader international level, the purported transition of the international system from US-centred unipolarity to gradually moving towards something more akin to multipolarity (albeit a more interconnected and interdependent form of multipolarity) has potential implications for inter-state competition(s) in regions where the spheres of influence of strong powers overlap (Grevi 2009; Posen 2009; Wade 2011; Weaver 2011). The US imperial overstretch in Afghanistan and Iraq and the effect of the 2008 financial crisis have led scholars to hypothesise the beginning of a steady decline in US power (Zakaria 2008; Brooks and Wohlforth 2010). Additionally, the rise of viable challengers such as China and, perhaps in the future, India (Khanna 2008), the greater depth of integration of the EU (Krotz 2009; Howorth 2010), the resurgence of Russia and even the growth of Brazil and South Africa have hastened scholars into predicting the imminent emergence of multipolarity (Layne 2009; Posen 2009; Wade 2011).

The altering international power dynamics could incentivise closely matched regional powers to enter into competition for influence in their regional settings (Posen 2009). This book argues that wider geographic Europe (especially the shared neighbourhood) is one of a number of potential venues for competition in an emerging multipolar world. A quick survey of the distribution of power (whether military, economic, energy or political forms of power) shows that there is a crude bipolarity in Europe with the EU and Russia representing poles (Simão 2014).[2] Russia has a clear military advantage and has some energy and political power; the EU is without doubt the stronger economic and soft power while also having some energy and political power (elaborated in more detail in Chapter 2). Unsurprisingly, the spheres of influence of the EU and Russia overlap in the states that lie between them in Eastern Europe and the South Caucasus with a clear concentration in the corridor of states that lie between the EU and Russia in Eastern Europe – a shared neighbourhood comprising Belarus, Moldova and Ukraine. Subsequently, due to both international and regional geopolitical pressures, it is argued that the EU and Russia are structurally pressured towards competing for influence in their shared neighbourhood.

During this same period, the foreign policy objectives of both the EU and Russia have evolved. For the EU, its evolution as an international actor in the post-Cold War setting has had a substantial impact on the power dynamics in Europe, and therefore, the potential for competition with Russia. With the 2010 Lisbon Treaty which created the European External Action Service (EEAS), among other additions, the EU has

undeniably become a more capable and effective international actor, one that now has greater capabilities to formulate stronger and more coherent common foreign policies, albeit with lingering issues (Howorth 2010; Krotz and Maher 2011).[3] Additionally, the EU's preoccupation with its 'eastern frontier' should not be underestimated as an important and existential geographical area for the EU's foreign policy objectives.[4] While the EU pursues something of a Kantian agenda in its broader international action (favouring multilateralism), in its eastern neighbourhood it pursues a far more self-interested Machiavellian agenda (Bressand 2011).

For Russia, the disintegration of the Soviet Union was cataclysmic for its international objectives and influence as Russia was internally hamstrung by the inherent difficulty of transitioning from a communist system to a Western-influenced one (Arbatov 1993; Chafetz 1996). However, with the ascension of Putin to power in 2000, coupled with Russia's economic recovery, Russia's foreign policy gradually became more assertive and ambitious again (Thorun 2009; Tsygankov 2010). While Russia remains cautious and practical in its broader international foreign policies, it has been far more aggressive and uncompromising when formulating policies for its 'near abroad': the former territories of the Soviet Union that are now independent states (Trenin 2006). The decision to undertake military action in Georgia in 2008 signified 'its resurgence as a great power' in which 'Russia used military force to assert its geopolitical prerogative in one of its "regions of privileged interests"' (Berryman 2012, p. 539).

Therefore, the underpinning research puzzle of this book is, due to the ongoing geopolitical changes both internationally and regionally in Eastern Europe, as well as the clear adjustment of both the EU and Russia's foreign policy objectives, has the relationship between the EU and Russia in their shared neighbourhood, especially Ukraine, become beset by a growing competition for influence? In addition to this, to what extent does the Ukraine crisis confirm the competitiveness of the EU–Russian relationship?

STRUCTURE OF THE BOOK

Including the Conclusion, this book comprises seven chapters. Chapter 1 develops a novel theoretical framework for assessing the competitiveness of the EU's and Russia's foreign policies towards Ukraine by using neoclassical realism as a foundation. First, the popular theoretical approaches found in the literature for both the EU and Russia are examined to justify the decision to employ a neoclassical realist-inspired framework. While constructivism is acknowledged as representing a

potentially useful theoretical approach for analysing EU–Russian relations, its predominately philosophical focus coupled with its methodological weaknesses are deemed significant constraints on producing problem-driven research which offers policy-relevant insights. Second, the tradition of neoclassical realism is examined with a particular focus on its position at the juncture of the disciplines of International Relations and Foreign Policy Analysis. Due to its flexibility, neoclassical realism, it is argued, represents of all the potential realist approaches, perhaps the most fruitful and practical approach for examining the complexities of EU–Russian relations in the context of Ukraine. Last, a novel version of neoclassical realism is constructed by choosing specific intervening variables – identity, perceptions and the domestic foreign policy-making process. Building on this, a specific competition–cooperation matrix is designed to help guide the evaluation of competition in the following empirical chapters.

Chapter 2 represents a bridge chapter between the theoretical framework and the three ensuing empirical chapters. The aim of the chapter is to undertake an assessment of the international and regional geopolitical environments in which the EU, Russia and Ukraine currently reside. First, the concept of power in International Relations is engaged with, with five key power dimensions in Eastern Europe identified: military, economic, energy, diplomatic and soft power. Second, a deeper examination of the altering international and regional European setting is undertaken, with a particular focus on what a multipolar international system with a bipolar Eastern Europe might entail. Third, a crude power calculation for both the international and European regional systems is presented with a strong focus on auditing the power of the EU and Russia. Thereafter, the changing geopolitical setting is connected with an examination of the changing foreign policies of the EU and Russia over the past two decades. Last, the impact of the international and regional systems on Ukraine, particularly its position between two larger powers in the EU and Russia, is examined.

Chapters 3–6 represent the specific empirical chapters of this book. Unsurprisingly, a large body of literature has emerged in recent years (mainly post-2004 EU enlargement) which hypothesises that competition will arise in certain areas of the EU–Russian relationship in their shared neighbourhood (Lukyanov 2008; Averre 2010; Casier 2012; Dragneva and Wolczuk 2012; N.R. Smith 2015). The most prominently examined sectors have been: rules and norms (Gawrich et al. 2010; Sakwa 2010b); mobility and visa facilitation (Eskelinen et al. 2012); regionalism (Sakwa 2010a; Tsygankov 2012); trade (Forsberg and Seppo 2009; Dettke 2011); energy (Hadfield 2008; Casier 2011b); and security (Averre 2010; Haukkala 2015). This book looks at three specific sectors to get a broad snapshot of

EU–Russian interaction in their shared neighbourhood: trade, energy and security.

Chapter 3 examines trade as a sector of the EU–Russia–Ukraine triangle. First, a section on the EU's foreign trade policy towards Ukraine and a section on Russia's foreign trade policy towards Ukraine is offered. Regarding the EU, after a brief overview of its historical trade relationship with Ukraine, its offer of a Deep and Comprehensive Free Trade Agreement (DCFTA) is examined. For Russia, after a short survey of its historical trade relationship with Ukraine, its offer to Ukraine of membership in its fledgeling Eurasian integration projects (the Eurasian Customs Union, Eurasian Common Economic Space and Eurasian Economic Union) is analysed. The last section of the chapter first examines Ukraine's response and then concludes that the triangular relationship was beset by competition, although this competition was somewhat mediated by the prevalent trade interdependence of the triangle. Indeed, despite the apparent zero-sum game at the heart of the relationship, the potential for trilateral cooperation remained in the background.

Chapter 4 examines energy (specifically gas) as a sector of the EU–Russia–Ukraine triangle. First, a section on the EU's foreign energy policy towards Ukraine and Russia's foreign energy policy towards Ukraine is offered. For the EU, after an initial examination of its historical relationship with Russia and Ukraine, its Energy Community initiative is examined. Regarding Russia, after an overview of its historical relationship with the EU and Ukraine, its two-pronged energy policy (economic and political) is analysed. In the last section, after examining Ukraine's response, it is concluded that that the energy relationship only had weak competition, as both competition and cooperation simultaneously existed in the triangular relationship. Thus, the emergence of only weak competition, despite clear policy incompatibilities, was a product of the complexities of the producer–transit–consumer relationship, which naturally produced dissimilar but not necessarily conflicting foreign policy goals for each of the actors.

Chapter 5 examines security as an area of the EU–Russia–Ukraine triangle. First, the EU's attempt to promote a pro-EU regime in Kiev and Russia's counter-attempt to secure a loyal regime in Kiev is examined. For the EU, after outlining its historical security focus in its foreign policies for Eastern Europe, its specific AA policy is considered in relation to its efforts to secure a pro-EU regime in Ukraine. Regarding Russia, after an overview of its historical security aims in its foreign policies for Eastern Europe, its security policy, as enshrined in its Eurasian integration project, sought to impede Ukraine from siding with the EU and keep it within Russia's sphere of privileged interest. After examining Ukraine's response, it is concluded

that the EU and Russia clearly had conflicting security aims for Ukraine as neither side was prepared to make compromises on their policies. Thus, what ensued was a zero-sum game where both sides competed in securing the compliance of Ukraine within their own security architectures, leading to an increase in instability.

Chapter 6 brings the Ukraine crisis to the fore of the analysis. First, six rough phases of the Ukraine crisis to date are identified and elaborated. Thereafter, given that all three of the examined areas of the relationship have experienced shifts (some significantly) since the onset of the crisis, a section on each of trade, energy and security are offered to give further insights into the competitiveness of EU–Russian relations in Ukraine. Lastly, the three intervening variables are brought into the analysis and provide a deeper look at what is still a complex and multi-layered triangular relationship. It is argued that while the crisis does, on the surface, confirm that the relationship has become ultra-competitive, the complexity of the relationship meant that competition was not merely born from policies or geopolitical changes but by the interaction of the intervening variables which affected foreign policy-making significantly for both the EU and Russia.

The last chapter, the Conclusion, aims to take the insights and arguments developed in the body of the book and give the reader some theoretically informed forecasts about where the EU–Russia–Ukraine triangular relationship might head in the medium- to long-term future. Three broad scenarios are offered. First, a best case scenario that would see the relationship refocus on the positive-sum potential in the triangle is presented. Second, a worst case scenario that would see the relationship deteriorate even further towards a New Cold War and cause a security dilemma is posited. Lastly, an argument is made for a likely case scenario, which would see Ukraine become a Finland-style buffer state between the EU and Russia. It is concluded that as it currently stands, Russia has the advantage as it is clearly willing to pay the highest price to pursue its interests in Ukraine, making it the key player in finding a lasting solution to the crisis.

NOTES

1. Russia is used broadly here as an umbrella term for the various political incarnations that can be loosely termed Russian, starting with the Tsardom of Russia (1547–1721) and including the Russian Empire (1721–1917), the Union of Soviet Socialist Republics (1922–91) and subsequently, the Russian Federation (1992 onwards).
2. Some authors add Turkey and even the United States (generally through NATO) into the mix, making Europe a multipolar setting. However, this book argues that because Turkey is more focused on the Middle East and the United States is undergoing a strategic pivot towards Asia, Europe is best represented as a crude bipolarity.
3. The Lisbon Treaty also created two political positions: the High Representative of the

Union for Foreign and Security Policy (HRFSP) and the President of the European Council as well as extending the EU's foreign policy competencies and shared competencies with the member states (Emerson et al. 2011).

4. Existential is used in the sense that the 'European project' has a strong Eastern component to it based on the idea of Europe geographically stretching from the Atlantic in the west to the Urals in the east (K.E. Smith 1999; Dannreuther 2004).