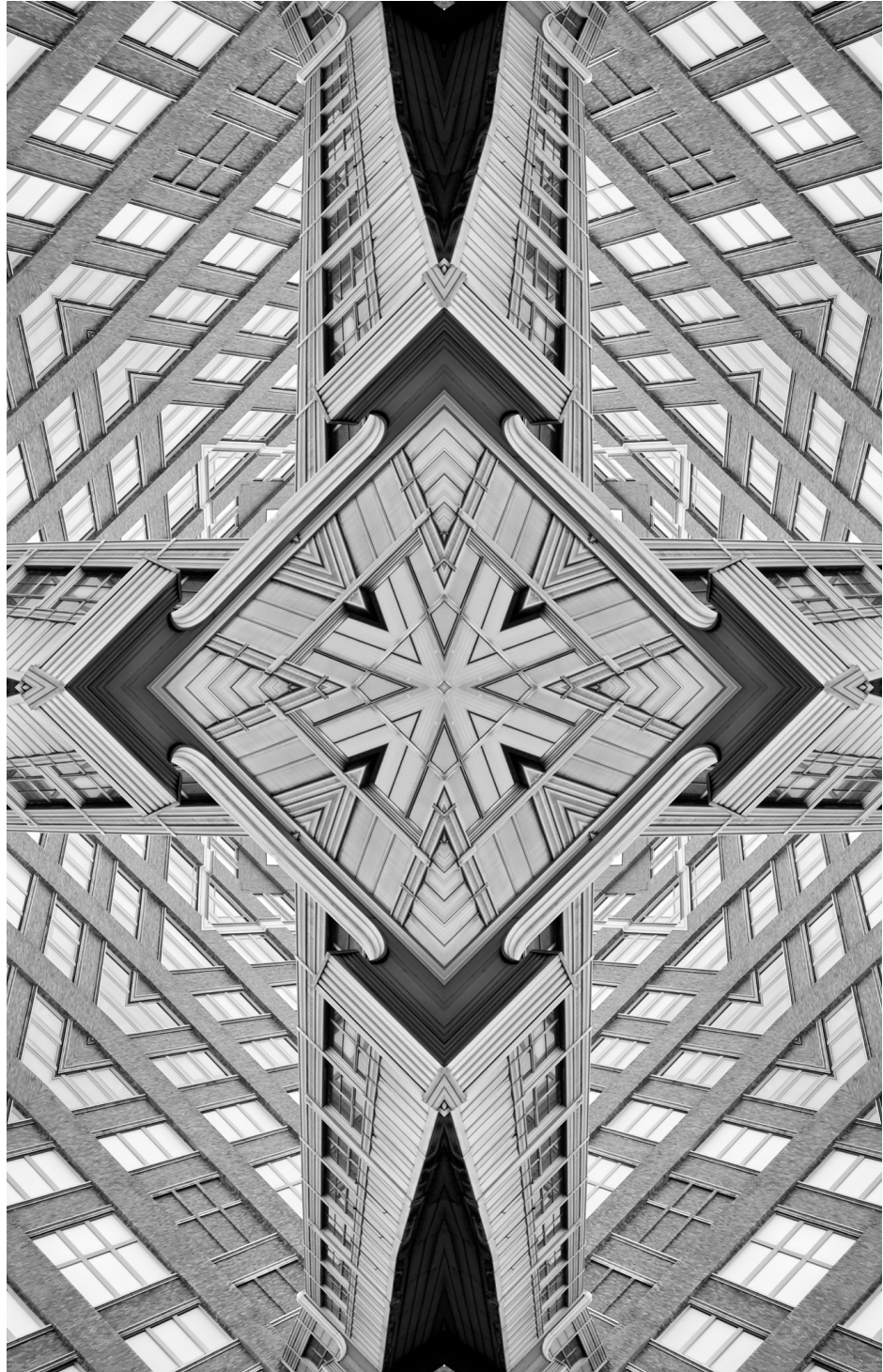


Issue

Brief

ISSUE NO. 635
APRIL 2023



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The EU After the Ukraine Crisis: Juxtaposing Issues of Convergence and Divergence

Ankita Dutta

Abstract

The crisis in Ukraine has resulted in an unprecedented level of unity in the often-fractured European Union (EU). The member states have provided Ukraine with economic and military aid, imposed far-reaching sanctions on Russia, strengthened their defences, and accepted millions of Ukrainian refugees. At the same time, nuanced divergences have also emerged, particularly on how the countries view relations with Russia and calculate their respective threat perceptions. This brief assesses the areas of convergences and divergences among the EU countries, and the key learnings for the grouping as it looks to forge a coherent foreign and security policy for the future.

Introduction

As the Ukraine conflict, which began in February 2022, continues without any sign of de-escalation, the crisis has emerged as a watershed moment for the European Union (EU). Contrary to initial expectations of a discordant approach towards Russia within the EU, the grouping has demonstrated exemplary unity in taking swift action to support Ukraine economically and militarily by implementing strict sanctions on Russia immediately.

While Europe has undergone a strategic realignment amid the conflict, its continued dependence on the US for its security and Russia for its energy resources has become starker. Internally, the conflict has revived tensions between the Western and Eastern European countries on the trajectory of relations and threat perceptions vis-à-vis Russia. With high food and energy inflation, fault lines are emerging among the member states on how to mitigate the economic impact of the crisis.

This brief examines the EU's response to the Ukraine crisis by analysing the areas of convergence and divergence among the member states. It highlights the consequences of these interests for the EU in its quest to forge a coherent foreign and security policy.

The Road to the Conflict

Ukraine is on the frontlines of the renewed great power competition in Europe, which has raised the spectre of a new Cold War, including increased “nuclear rhetoric, a resurgent Russia, a proxy battleground in Europe and an American-led NATO”.¹ The Russian narrative is based on a long treatise by President Vladimir Putin titled “On the Historical Unity of Russians and Ukrainians”, which emphasised that “Russians and Ukrainians are one people based on their shared cultural, linguistic and religious history”.² Putin wrote that “modern Ukraine was entirely the product of the Soviet era,” and argued that the West was looking for ways to turn Ukraine into an “anti-Moscow Russia...the true sovereignty of Ukraine is possible only in partnership with Russia”. As such, the ‘special military operation’ against Ukraine was in response to NATO’s enlargement in Russia’s immediate neighbourhood and sphere of influence, and to halt Ukraine’s integration into western geopolitical structures.

In the weeks prior to the beginning of the conflict, Moscow published the “Agreement on measures to ensure the security of The Russian Federation and member States of the North Atlantic Treaty Organization”.³ The document called for several security guarantees, such as removing US nuclear weapons from Europe, refraining from further NATO enlargement, seeking Russian consent before NATO troop deployment, and withdrawing NATO forces from Eastern Europe. In essence, Moscow sought to revise the basics of the European security architecture that was established following the end of the Second World War and reinforced after the Cold War.

These guarantees were also rooted in Russia’s concerns related to the Warsaw Pact countries^a becoming NATO members. Russia’s discomfort with this was highlighted during Putin’s address at 2007 Munich Security Conference, where he stated: “NATO has put its frontline forces on our borders...it is obvious that NATO expansion does not have any relation with the modernisation of the Alliance itself or with ensuring security in Europe. On the contrary, it represents a serious provocation that reduces the level of mutual trust. And we have the right to ask: against whom is this expansion intended? And what happened to the assurances our western partners made after the dissolution of the Warsaw Pact? Where are those declarations today?”⁴

a “The Warsaw Treaty Organization (also known as the Warsaw Pact) was a political and military alliance established in May 1955 between the Soviet Union and several Eastern European countries. The original signatories to the Warsaw Pact were the Soviet Union, Albania, Poland, Czechoslovakia, Hungary, Bulgaria, Romania, and the German Democratic Republic”.

The Road to the Conflict

Following this, Russia made several moves—such as its actions in Georgia in 2008 and the annexation of Crimea in 2014—that indicated it would act if its perceived security concerns were compromised. As such, the guarantees it sought from the US and NATO were the red lines it viewed as impinging on its interests in the region, and were aimed at curtailing western influence and NATO’s enlargement towards its borders.

While NATO leaders were willing to discuss Russian concerns, they were not ready to provide concessions on Moscow’s core demands, including restricting NATO enlargement.⁵ Since the start of the conflict, the US and the EU and NATO countries have supported Ukraine through economic, humanitarian, and military aid, while imposing 10 rounds of sanctions on Russia. At the same time, they have avoided actions that could draw their countries directly into the conflict or escalate it through strategic miscalculation.

“The ‘special military operation’ against Ukraine was aimed at stopping NATO from encroaching on Russia’s periphery and its sphere of influence, and to bring Ukraine back under Russian influence.”

A Snapshot of the EU's Response to the Crisis

As soon as the conflict began, EU leaders “condemned in the strongest possible terms Russia’s unprecedented military aggression against Ukraine... [for] violating international law and undermining European and global security and stability.”⁶ They called upon Russia to “immediately cease the hostilities, withdraw its military from Ukraine and fully respect Ukraine’s territorial integrity, sovereignty and independence,” and noted that “such use of force and coercion has no place in the 21st century.”

As the crisis unfolded, the EU showed unprecedented unity and took quick decisions related to sanctions, humanitarian assistance, and military support. The EU has mobilised over €67 billion (US\$73.5 billion) to support Ukraine since the start of the conflict. This includes €37.8 billion (US\$41.5 billion) in economic assistance, €17 billion (US\$18.6 billion) in support of refugees and €12 billion (US\$13.1 billion) in military support.⁷ In March 2022, the EU also triggered the Temporary Protection Directive⁸ for Ukrainian citizens displaced due to the conflict. This mechanism granted protection to Ukrainian refugees, including the right of residence, and access to the labour market, medical assistance, and education.

The EU also activated the European Peace Facility (EPF)^b to support the Ukrainian army. As of March 2023, through the EPF, the EU has provided over €3.6 billion (US\$3.9 billion) in financial support to Ukraine’s armed forces, along with €45 million (US\$49 million) under the European Union Military Assistance Mission in support of Ukraine (EUMAM Ukraine).⁹ Further, to enhance defence cooperation among its member states, the EU released its Strategic Compass for Security and Defence^c and announced the creation of a rapid reaction force. Member states changed their defence and security postures, including increasing their defence budgets, providing arms and ammunition to Ukraine, and working with NATO for more coordinated support. Russia’s actions have also pushed countries to reconsider their strategic security posture and defence arrangements—Finland and Sweden by forgoing their neutral status and applying for NATO membership, and Denmark by voting to participate in EU security policy.¹⁰

b “The European Peace Facility (EPF) is an off-budget funding mechanism for EU actions, with military and defence implications under the Common Foreign and Security Policy. The EPF consists of two pillars, one for military operations and one for assistance measures”. For more details, see https://fpie.europa.eu/what-we-do/european-peace-facility_en

c “Strategic Compass outlines the EU’s plan of action to strengthen its security and defence policy by 2030. The Strategic Compass provides a shared assessment of the strategic environment in which the EU is operating, and of the threats and challenges it faces. The document makes proposals, with a timetable for implementation, to improve the EU’s ability to act decisively in crises and to defend its security and its citizens”. For more details, see <https://data.consilium.europa.eu/doc/document/ST-7371-2022-INIT/en/pdf>

A Snapshot of the EU's Response to the Crisis

The EU and its allies—the US, the UK, Canada, Norway, South Korea, Japan, Australia, the G7, and NATO—also implemented coordinated sanctions on Russia. As of March 2023, it has implemented 10 rounds of sanctions,¹¹ including bans on Russian energy resources, barring Russian banks from the SWIFT financial system, and blocking the Central Bank of Russia's transaction capacity. These measures aimed to limit Russian access to global financial institutions, reduce its trade volume, and freeze investments in key sectors such as energy, transport, and infrastructure, thereby weaponising the financial and trade markets. Still, despite there being three key areas of convergence among the EU countries, issues of divergence have also emerged.

“EU leaders have strongly condemned Russia's “unprecedented military aggression against Ukraine...[for] violating international law and undermining European and global security and stability” since the start of the conflict.”

Despite the bleak expectations regarding the EU's response at the beginning of the conflict, the grouping has largely remained united over the key issues. The three issues of convergence are a coordinated sanctions regime, re-engaging on security issues, and reducing energy dependencies.

- **Coordinated Sanctions Regime**

The sanctions against Russia are the largest in EU history and were introduced with an “aim to impose severe consequences on Russia for its actions and to effectively thwart Russian abilities to continue the aggression”.¹² In coordination with its allies, the EU has put in place 10 rounds of sanctions since February 2022, covering a spectrum of areas. These were swiftly agreed upon despite the EU's reliance on energy, trade, and investment from Russia. However, the sanctions have presented many challenges for the EU, including energy shortages, inflation, and lower growth rates. Still, support for the sanctions has remained high—according to a Eurobarometer^d poll, 80 percent of respondents agreed with imposing economic sanctions on the Russian government, firms, and individuals.¹³

In terms of financial sanctions, the EU has excluded key Russian banks from the SWIFT system, thereby restricting the country's access to the global financial markets and curtailing the transactions space for Russian businesses. In addition, the EU has also imposed a transaction ban and asset freeze on key Russian banks to ensure that they have limited manouvering space in the international markets.¹⁴

Another critical area under sanctions is the Russian energy sector. In May 2022, the EU agreed to ban Russian oil imports, impacting 75 percent of Russian oil imports to the region. Hungary, Slovakia, and the Czech Republic were allowed to receive deliveries of Russian crude oil through pipelines.¹⁵ At the same time, the EU prohibited the sale and supply of goods and technology in oil refining to Russia, making it difficult for Moscow to upgrade its oil refineries. These measures came alongside a ban on the import of all forms of Russian coal. Additionally, in October, the EU adopted a price cap on the maritime export of Russian oil and petroleum products to third countries.¹⁶

d Eurobarometer surveys measure public opinion in the EU member states.

The technology, aviation, and media industries have also been sanctioned. Restrictive measures have also been applied on 1,386 individuals and 171 entities,¹⁷ which include asset freezes, a ban on entry or transit through the EU, and a prohibition from making funds available to the listed individuals and entities. These coordinated measures are the most expansive sanctions that EU has adopted against Russia. Through these sanctions, the EU has demonstrated a will to act and its strength in using its financial system.

- **Re-engaging on Security**

The Ukraine crisis has revived debates on the need for an overhaul of the European security structure and independent decision-making by the European leadership. This was evident in French President Emmanuel Macron's remarks at the EU leaders' Versailles Summit in March 2022, where he said, "Europe must prepare itself for all scenarios...Europe must prepare itself to be independent of Russian gas, to be independent to ensure its own defence".¹⁸

Over the course of 2022, the EU took several critical measures to bolster itself as a security actor. First, it released the much-awaited Strategic Compass for Security and Defence,¹⁹ which included the establishment of a 5,000-troop rapid response force. Second, the EU adopted the Joint Communication on Defence Investment Gaps, which called for "enhanced defence expenditures to match the collective ambition to reduce critical military and civilian capability gaps and strengthen the European defence technological and industrial base"²⁰. Under this, it also established a Defence Joint Procurement Task Force "to support and facilitate the coordination and de-confliction of member states' short-term joint procurement needs".²¹ Third, the EU agreed to set up the two-year EUMAM Ukraine to train Ukrainian armed forces and to coordinate and synchronise such support.

At the national level, several member states committed to increasing their defence budgets—eastern European countries such as Poland, Romania, and Latvia increased their defence budgets by about 3 percent,²² while neutral countries such as Ireland also declared an intent to increase their defence spending.²³ Additionally, Germany reversed some key policies,²⁴ including the non-transfer of lethal weapons to conflict zones.

At the transatlantic level, NATO, added four new Enhanced Presence Missions in Hungary, Bulgaria, Slovakia and Romania, bringing the total to eight, to “reinforce Allied deterrence and defence” in the region.²⁵ Moreover, it activated its multinational force, the Rapid Reaction Force, to support its allies. To further strengthen its position, response force troop numbers were increased from 40,000 to 300,000.²⁶ It also adopted its new Strategic Concept in June 2022,²⁷ which sets the priorities for the alliance over the next decade. An important inclusion in the document was the reference to a future enlargement of the alliance, which reaffirmed the decision taken at the 2008 Bucharest Summit regarding the membership of Ukraine and Georgia.

The Ukraine crisis has also pushed neutral European countries to re-evaluate their security architecture. This was visible in the prospects of expanding NATO towards northern Europe. Denmark, Iceland, and Norway are original NATO signatories, Finland joined the alliance on 4 April 2023, and Sweden’s application is pending before Hungary and Türkiye. Finland and Sweden (when it accedes) will bring advanced military and civil defence capabilities to the table.

The prospective NATO expansion is important because it means Sweden and Finland will shed their neutrality—a hallmark of their defence postures. Both countries also overturned their policy of not supplying arms to war zones; they were the first to announce an intent to support Ukraine through arms transfers. Sweden provided 10,000 anti-tank weapons and other military equipment along with €572 million (US\$672 million) for military aid,²⁸ while Finland has sent 11 tranches of military assistance to Ukraine, totalling €189.2 million (US\$ 207 million).²⁹

- **Energy Diversification Becomes a Reality**

Energy issues have remained at the forefront for the EU since 2021. The Ukraine crisis has further highlighted the need for the member states to reduce their respective dependencies on Russian energy resources. Before the conflict, in 2020-2021, EU imported most of its energy resources (gas, crude oil and coal) from Russia.³⁰

Areas of Convergence

The Ukraine crisis has pushed the EU to work to diversify its energy resources away from Russia. It has imposed expansive sanctions on Moscow's energy resources, including a ban on all forms of coal and seaborne crude oil and petroleum products. At the same time, it is also working towards securing a new supply of resources, and has reached out to resource-rich nations such as the US, Norway, Qatar, Azerbaijan, and Egypt.³¹

The EU has also put forward an ambitious plan to soften the impact of the crisis on its member states by renewing its push for renewable energy. The launch of the RePowerEU Plan in March 2022 aims to reduce energy supplies from Russia by two-thirds by the end of 2022. In May 2022, an enhanced plan was released that presented a blueprint for the grouping to work towards increasing the amount of renewable energy in its energy matrix by scaling and speeding up the clean energy transition. RePowerEU is a significant update from the 2021 EU Green Deal, and covers three critical areas—energy saving, supply diversification, and an accelerated transition to renewables.³² To achieve these targets, the EU requires €210 billion (US\$220 billion) of additional investment until 2027.³³ In addition, it has also revised its target to increase its renewable energy generation capacities to 1236 GW by 2030.³⁴

Individual EU countries have also stepped up their diversification efforts, with the resource-rich Africa emerging as a key alternative; Germany, Italy, and Poland have announced various energy projects with countries in that region.³⁵ Germany has also secured a 15-year LNG deal with Qatar and is in the process of building new LNG terminals, and the government has enacted the 'LNG Acceleration Act' to streamline the licensing and procedural requirements to expedite the process.³⁶ Additionally, in December, a price cap on Russian crude oil (US\$60 per barrel)³⁷ was agreed upon by the G7 allies to limit Moscow's revenues while maintaining oil flow to the markets. Additionally, far-reaching sanctions have been placed on the Russian energy sector, including its crude oil and petroleum products exports.

While the EU has shown convergence on many areas, nuanced divergences among the member states remain. Although these divergences have not disrupted decision-making within the grouping, they will have consequences over the long term for Europe as it tries to formulate a comprehensive policy and a coherent strategy toward Russia. Three key areas of divergence exist—the battle of narratives, the energy conundrum, and security policies.

- **Battle of Narratives: East vs West Divide**

The conflict in Ukraine has exposed the fundamental difference in the narrative between Western and Eastern Europe on Russia, and their perceived threat perceptions. Since the beginning of the conflict, Poland, the Czech Republic, and the Baltic states have been the most proactive EU countries in supporting Ukraine (for instance, in military assistance and refugee rehabilitation). Their legacy of occupation informs their understanding of the situation in Ukraine and what the country is trying to achieve. Moreover, these countries had long warned Western Europe, especially France and Germany, of the consequences of an overreliance on Russian energy resources and of viewing the region from the Russian lens. These countries have been critical of the Western European states that have followed a path of commercial and political appeasement of Moscow.³⁸ Notably, at the start of the conflict in February 2022, German President Frank-Walter Steinmeier said his country should have “heeded earlier warnings from eastern European countries on Russian aggression.”³⁹ Despite their support to Ukraine, France, and Germany have sent mixed signals over Russia,⁴⁰ appearing torn between maintaining ties with Moscow and maintaining unity among the EU member states.

These divergences also stem from the differing threat perceptions due to varied historical experiences and geographical proximation. For Western Europe, any consideration of security architecture will involve Russia in some form, while for Eastern Europe, security is about defending itself against possible Russian intervention. For the Eastern European countries, their respective experience of the Soviet rule drives how they view and shape their response towards the current conflict. This also explains why they have pushed for a greater role for NATO and US in the conflict.

When the conflict ends, these differences will make it difficult for the EU to create a strong foreign, security, and defence policy. Unlike Germany and France, Eastern Europe does not view Russia as essential for European stability but sees it as a threat. For Eastern Europe, this conflict is about redrawing the post-Cold War European map.⁴¹

This complicates the EU's short-term and long-term outlook towards Russia. The Eastern European countries have bolstered the EU's short-term policy of sanctions and assisting Ukraine, but in the long term, several fundamental questions—the future of ties with Russia in a post-conflict Europe; the type of European security structure and what place Russia will have in it, if any; the level of burden each member state can take for rehabilitation and reconstruction in Ukraine—will need to be deliberated upon.

- **The Energy Question**

While Europe is thought to have won the 'energy war',⁴² primarily due to a mild winter, the months before were fraught with divergences among the member states on energy security issues, especially concerning the imposition of sanctions on Russian energy. For instance, reducing gas imports from Russia remains a major challenge for many European countries as sanctioning natural gas will further increase energy bills and impact their economies.

In March 2022, the EU declared it would cut gas imports from Russia by two-thirds within a year. By November, the member states were able to reduce their dependencies on Russian gas to less than 20 percent (from 83 percent in 2021).⁴³ Reducing dependencies in this area appears difficult even as EU states increasingly seek to ship in LNG tankers from producers such as the US and Qatar. But replacing cheap Russian natural gas with LNG will inevitably impact the economy as the cost of the energy resources will have to be recovered by raising energy prices, thereby adding pressure on the public energy bills. Additionally, increasing LNG flows will require more dedicated terminals, which can take two to five years to become operational.

Divergences also emerged during discussions on imposing sanctions on the import of crude oil from Russia. Member states such as Bulgaria, Hungary, Czech Republic, and Slovakia declared that, given their dependencies, the timeline proposed by the European Commission to phase out Russian resources by the end of 2022 would have a negative impact on their economies. For

example, Hungarian Prime Minister Viktor Orbán said that these sanctions will have “the effect of a nuclear bomb”⁴⁴ on Hungary’s economy and argued that such actions “would hurt Europe more than Russia”. These objections led to the exclusion of supply by pipelines and only imposed a ban on seaborne imports.

In the entire sanctions process, Hungary has emerged as an outlier; it signed an agreement with Russia’s Gazprom to receive 5.8 million cubic meters of gas per day, in addition to a 15-year deal inked in 2021.⁴⁵ Also, to extract concessions from the EU Commission on its recommendation to withhold funds due to a lack of adequate reforms in Hungary, Budapest blocked the EU’s financial aid package for Ukraine worth €18 billion (US\$19.7 billion) in December 2022.⁴⁶ In exchange for Hungary removing its veto, EU approved €5.8 billion (US\$6.3 billion) in post-COVID-19 recovery funding. In January 2023, Hungary insisted that nine persons be removed from the EU’s restrictive measures list, thereby diluting the sanctions regime.⁴⁷ Moreover, as inflation has soared in recent months due to a sharp increase in energy prices, partly due to Russia cutting its energy supplies to Europe in retaliation to the sanctions, Orbán had called on the EU leadership to evaluate the impact of the sanctions on individual member states.⁴⁸

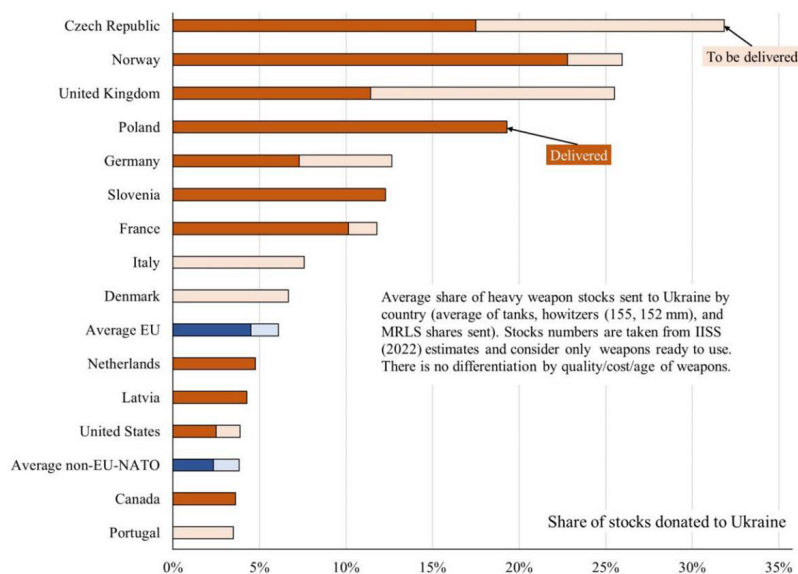
Given this position taken by the Hungarian government, rifts have emerged within the Visegrád Group—comprising Hungary, Poland, Slovakia, and the Czech Republic—despite the leaders meeting in November to stress cooperation.⁴⁹ For instance, Poland and Hungary, once close allies, have now taken divergent paths. Warsaw, now one of Kiev’s strongest allies and advocates, has often criticised⁵⁰ Budapest’s aim to maintain good relations with Moscow and its opposition to some EU sanctions.

- **Security Policy: Rhetoric vs Reality**

The conflict has resulted in increased conversations on enhancing European defence integration. There is a growing realisation among the member states of the multidimensional nature of security issues, leading them to assess their defence capabilities. However, it remains to be seen whether this momentum can be sustained, primarily for two reasons.

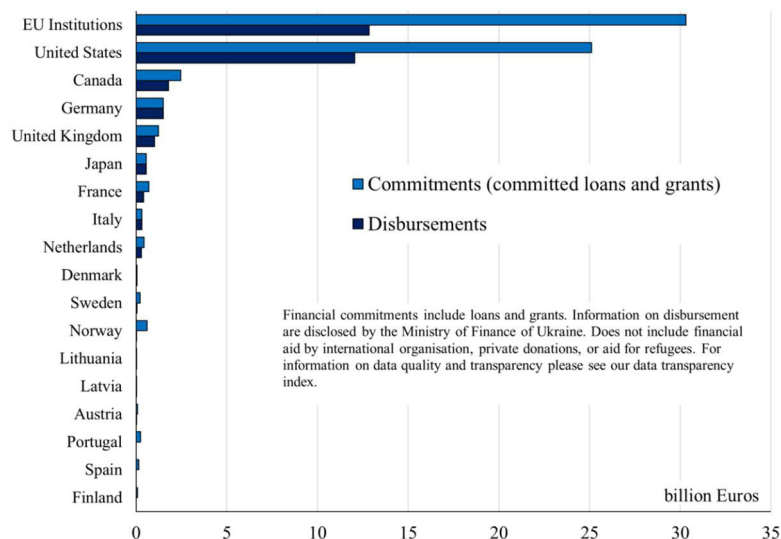
First is the question of arms delivery to Ukraine. The crisis saw an overhaul of security policies in the EU countries, a key outcome of which was the declaration of armament support to Ukraine. However, there are significant disparities between rhetoric and reality. Most weapons to Ukraine have been supplied by the UK, Poland, and the US, while the rest of Europe has fallen short of its commitments (see Figures 1 and 2). The most significant shortfall between pledges and arms deliveries is by Western European countries, including Germany. In February 2022, German Chancellor Olaf Scholz pledged to support Ukraine, overturning the policy of not providing lethal aid to war zones, but has since oscillated over providing heavy weaponry to Ukraine while emphasising that Germany “will not go alone”.⁵¹ Germany, which has faced heavy criticism for slow shipments, has delivered just €290 million worth of equipment despite promising €620 million.

Figure 1: Weapons Support to Ukraine—Committed vs Delivered (24 January 2022 to 15 January 2023)



Source: Kiel Institute for the World Economy⁵²

Figure 2: Government Support to Ukraine—Committed vs Disbursed (in € billion)

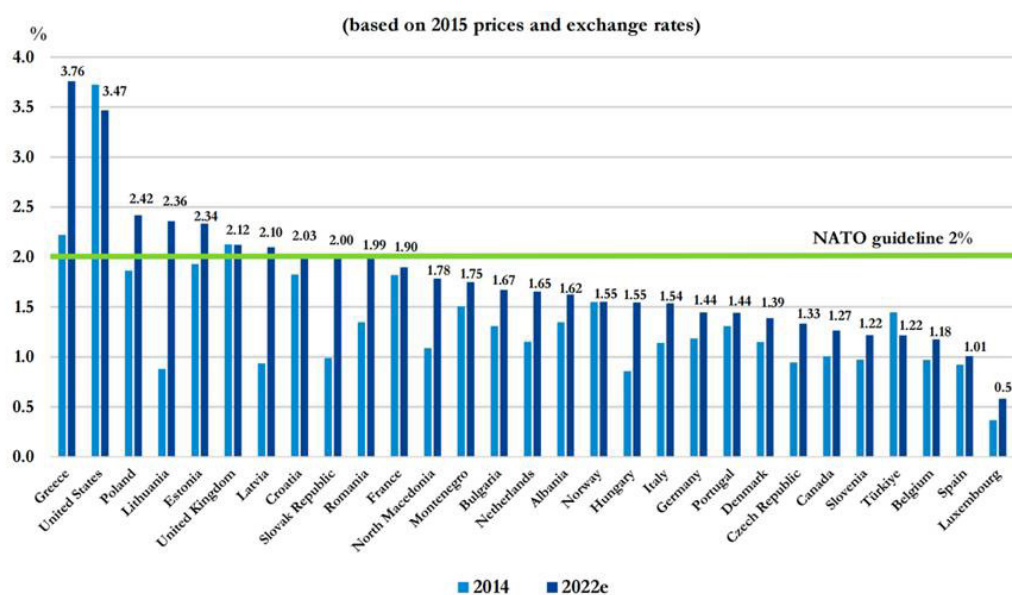


Source: Kiel Institute for the World Economy⁵³

The decision by Western European countries to send arms to Ukraine appears to be a reactionary policy, with recent pledges to enhance Ukrainian air defence assets. Still, 30 years of austerity measures in the defence sector in the West and dwindling ammunition stockpiles have diminished the ability to supply Ukraine from existing stocks.

The second critical issue is the defence spending by the NATO countries. The issue of committing 2 percent of their GDP to defence spending by 2024 has been a perennial concern for the alliance. The decision to do so was taken at the 2014 Warsaw Summit in the aftermath of the Crimean crisis, but the latest data shows that only nine of the 30 NATO countries have been able to meet this goal (see Figure 3).

Figure 3: Defence Spending by NATO Countries (2014 and 2022)



Source: NATO⁵⁴

There is a clear division over defence spending among the Eastern and Western European countries. While the Eastern European countries have consistently worked towards building their defence capabilities given their threat perception from Russia, the Western European countries have been plagued by years of disinvestment in defence. This was highlighted during the current crisis, given the missing critical capacities, low stockpiles, and the limited readiness of their respective forces.⁵⁵ While the EU and its member countries have taken several measures to increase their capabilities, this will require sustained and long-term investments towards acquisition, procurement, and capability and capacity building.

One Year of Conflict: Implications for the European Union

Despite the difficulties in maintaining convergences among the member countries on all decisions related to the Ukraine conflict, the EU has showcased its unity.⁵⁶ The crisis has led the neutral European states to reconsider their positions, strengthened NATO's defence and deterrence, and pushed the EU member states to bolster their own defence structure and the group's structures. There appears to be a strategic awakening within the EU, with new players shaping the European narrative and policy. However, despite the unity shown during the crisis, comprehensive policy outlooks in terms of economic recovery, security architecture, or the reconstruction of Ukraine have yet to materialise. At the same time, with the increase in nuclear rhetoric, the danger of escalation through miscalculation remains a real possibility. Still, there are some key implications for the EU:

- There is a critical realignment of the centre of policymaking for Ukraine from Brussels to Warsaw. The conflict in Ukraine has accelerated this shift, with the member states in Central and Eastern Europe playing a critical role. Poland and the Baltic states have driven the policy formulation to support Ukraine, filling the vacuum created by the Western countries in the early period of conflict. They have provided military support to Kiev, welcomed refugees, driven the consensus towards aid, and helped shape a narrative for the larger EU. The conflict has validated many concerns related to the threat from Russia, but in the short to medium term, these countries will continue to influence the EU's policy on Ukraine. However, in the long term, whether they will be able to steer policymaking on questions related to the economic recovery and reconstruction of Ukraine and peace with Russia remains to be seen. In short, while these power shifts in the EU are visible, they may not be permanent once the conflict-related sense of urgency is gone.
- While support remains for Ukraine, the ground realities are shifting within the EU. The discussions are turning away from conflict and war towards how long the fighting might last and its lasting impact. As the citizens face issues related to high inflation, inflated energy bills, and food insecurity, protests and strikes are being seen across the EU countries,⁵⁷ with demands for urgent economic measures from the national governments and the EU.

One Year of Conflict: Implications for the European Union

- The resilience of European democracies will also be tested by their capacities to retain public support for the conflict. This is primarily because of diverse policy priorities, such as climate change, economic stability, inflation, and the energy crisis. Such diverse priorities are likely to contribute to political instability, further straining the economies that were already weighed down by energy bills, migration, and conflict. As the opinions diverge within the EU and among the member states, it will likely be difficult for the EU to forge unity over Russia.
- With the conflict, there has been a significant recalibration in Europe in terms of hard security. Most of the EU member states are reviewing their defence capabilities and declaring their intent to revitalise their and the EU's national defence budgets and industrial base. Apart from this, they have also committed substantial military aid to bolster Ukraine's security. However, critical questions have emerged over what has been committed and what has been delivered to Kiev, and on member states' capabilities to further support Ukraine given the state of their own defence structures and ammunition stocks. The Ukrainian crisis has resulted in member states assessing their defence capabilities and capacities, and engaging in conversations on reforming the grouping. However, it remains to be seen whether this is a short- or long-term push.
- There are increasing questions about whether the sanctions are working. For instance, while the EU has sanctioned Russian energy sources and diversified away from Moscow, Russia's discounted oil prices have made it an attractive source to emerging economies. Its exports to countries like China, India, and Türkiye have increased manifold, raising questions regarding the impact of the sanction. Notably, the Russian economy contracted by 2.1 percent in 2022, far less than what was predicted.⁵⁸ Moreover, the IMF predicts that the Russian economy will grow by 0.3 percent in 2023 due to commodity exports. This raises questions regarding the effectiveness of the West to contain Russia's energy trade with countries outside the sanctions regime.

Conclusion

Russia's actions in Ukraine have raised more questions than the EU countries have been able to answer. An effective long-term response to the crisis appears missing in the EU's policymaking approach. However, as the crisis moves between hot conflict and war of attrition, it remains to be seen how the EU countries will work towards finding credible solutions to complex questions on the future of relations with Russia, Ukraine's reconstruction, and the EU's economic recovery.

The crisis has highlighted the ability of the EU countries to drive a consensus on issues related to energy security, defence spending, military and financial aid to Ukraine, and sanctions. At the same time, the differing national interests and strategic outlooks of the member countries have led to some divergences. While these are unlikely to pull the EU apart, they can cause increased resentment between Western and Eastern Europe. Balancing a Ukraine policy with a Russia policy will be challenging over the long term, but both endeavours will be essential to the future of European security. [ORF](#)

Ankita Dutta is a Fellow with ORF's Strategic Studies Programme.

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20, Rouse Avenue Institutional Area,
New Delhi - 110 002, INDIA
Ph. : +91-11-35332000. Fax : +91-11-35332005
E-mail: contactus@orfonline.org
Website: www.orfonline.org