LSE Public Policy Review

Europe and Russia's Invasion of Ukraine: Where Does the EU Stand?

RESEARCH

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LSE Press

ABSTRACT

Russia's invasion of Ukraine is transforming Europe profoundly. Europe has reacted politically, energetically and in terms of enlargement and defence. Unprecedented sanctions, the first ever activation of the temporary protection mechanism for refugees, energy diversification, efficiency and accelerated transition, as well as the revival of enlargement policy, greater defence spending and the development and use of the European Peace Facility, are all ground-breaking developments. Some, like the steps forward made on energy, will make the EU stronger and more resilient than what it was before the war. On other issues, like enlargement, it remains to be seen whether the EU will truly revive its accession policy. On European defence, the challenge is even greater, given that, notwithstanding the significance of the EU's moves, these are insufficient to reverse the trend of greater dependence on the US, reducing European foreign policy autonomy, first and foremost vis-à-vis China.

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KEYWORDS:

EU; Ukraine war; European unity; European foreign policy; enlargement; European defence; energy; transatlantic relations

TO CITE THIS ARTICLE:

Tocci N. Europe and Russia's Invasion of Ukraine: Where Does the EU Stand? *LSE Public Policy Review*. 2023; 3(1): 13, pp. 1–7. DOI: https://doi.org/10.31389/lseppr.79

DOI: 10.31389/lseppr.79

Russia's full-scale invasion of Ukraine in 2022 threw the European Union into another existential crisis. It raised the question that lies at the core of European integration once again: how far could the EU hold its member states together? Would the crisis be an opportunity for further integration, or would it create fault lines in the Union?

Crises have dogged the EU for almost two decades. The failed Constitutional Treaty, the sovereign debt crisis, migration, Brexit, nationalist-populism, the pandemic and now the war have shaken the foundations of European integration. In some cases, like the financial or the migration crises, the EU barely scraped through. These 'opportunities' to deepen integration and strengthen itself were not taken. It was in those years the Brexit referendum took place, and the Union was threatened by a Eurosceptic wave. During the Covid-19 pandemic, the EU rediscovered the 'Jean Monnetian' art of transforming crisis into an opportunity for integration.[1] It coupled post-pandemic economic recovery with a repowered European green agenda [2]. But just as Europe and the world were beginning to lift their gaze from the pandemic, Vladimir Putin's Russia invaded Ukraine. Since then, the EU has responded politically, economically and in terms of energy. Not only has it supplied arms and resources to Ukraine, but it has accelerated moves for Ukraine to join the EU. Over a year into the Russo-Ukrainian war, how is the EU faring?

POLITICAL UNITY: A UNITED EUROPE AND TRANSATLANTIC COMMUNITY… DETACHED FROM THE WORLD

When a crisis hits and European countries are called to address it, the perennial question is whether centripetal or centrifugal forces will prevail. Will European countries overcome their unique domestic interests and work together for the shared European interest or will their divisions paralyze or push apart the Union?

Russia is a particularly polarising issue for the EU. Northern and eastern European countries have traditionally pushed for a tougher stance, while western and southern states used to press for cooperation. The tension between these two camps explains why Russia's annexation of Crimea and military engagement in eastern Ukraine saw the EU take a two-track approach of sanctions and selective engagement [3]. When the full-scale war began, many feared that divisive forces would eventually gain the upper hand. They may have anticipated a moment of unity at the outset, when the shock of Russia's invasion and awe at Ukrainian resistance galvanized joint European action, but feared that this would dissipate as the months dragged on and as Europe reeled from the economic, energy and humanitarian costs of war [4]. Indeed, by the summer of 2022, the concern was the growing European rift between the 'peace' and 'justice' camps, with countries further away from the frontline pressing for an immediate ceasefire, and those closer to the heat of war being convinced that peace could be achieved at the expense of justice. It is this latter group that argue that Ukraine should be supported until it fully liberates its land and its people [5]. Despite this political divide, the EU has mustered and maintained a united policy response, and a response that is becoming more unified, not less, as the war progresses.

EU member states unanimously agreed on 11 packages of sanctions on Russia [6]. The most significant came in the early months of the war and, as time passed, the time lag between one package and the next increased. But this is because having sanctioned finance, technology, coal and oil, seized Russian public and private assets, banned responsible individuals, capped energy prices, and reduced the import of Russian gas to a trickle, there is little left to sanction. Rather than adding many more sectors, the bulk of the work on sanctions now concentrates on closing loopholes and tightening the implementation screws. Over the months, some disagreements surfaced. Victor Orban's Hungary tried to leverage Budapest's veto right to extract both financial concessions and sanction exemptions from the Union. But Orban's manoeuvrings have broadly failed, with the European Commission using a novel form of economic conditionality linked to the rule of law. In December 2022, the Commission, in fact, held back €22 billion in cohesion funds for Hungary until it fulfils conditions related to judicial independence, academic freedom, LGBTQI rights and the asylum system.

1 Jean Monnet, one of the founding fathers of European integration, wrote in his memoirs that: "Europe will be forged in crises and will be the sum of the solutions adopted for those crises" [1].

DOI: 10.31389/lseppr.79

Another area that could have proved Europe's Achilles heel is asylum policy. Alongside the eight million internally displaced persons within Ukraine, there are over eight million Ukrainian refugees in Europe, almost five million of whom have received temporary protection in the EU, with the right to live, work and travel across member states [7]. When the war broke out, European publics were overwhelmed by a wave of solidarity. The brutality of Russia's invasion, the heroism of Ukrainian resistance and the shared sense of destiny converged in explaining Europe's unprecedented humanitarian response to the war. Europe's solidarity with Ukrainian refugees was as inspiring as its closure and indifference to the plight of those from elsewhere is shameful. In the end, the fear that Ukraine refugees would wear out their welcome was unjustified, with millions of Ukrainians continuing to live in the EU, and with refugee status extended. Even through Russia's campaign to destroy Ukraine's energy infrastructure in the fall of 2022 in the hope of triggering a new wave of refugees that would break the Union's will to support Kyiv, solidarity held.

To date, politically the EU is standing firm. Divisions have not grown. In fact, they have diminished. In the early months of the war, west European countries – notably France – spoke of the need for negotiations and triggered the ire of north and east Europeans by insisting on the need for Russia not to be humiliated. But there are few in Berlin, Paris or Rome who now believe in the potential for negotiations, ceasefire, let alone a peace agreement with Russia. This unity is not limited to the EU. Russia's invasion of Ukraine has put the poisonous post-Brexit EU-UK relationship on a different footing; it has ushered unparalleled transatlantic unity notwithstanding acute differences over trade and industrial policy, and it has jelled cohesion within the G7 and other like-countries such as Australia and South Korea.

This growing European and transatlantic convergence stands in stark juxtaposition against the views held by many states in the 'Global South'. Although there are only seven countries that openly stand with Russia in the UN General Assembly, 32 others abstain from votes. Of these, setting aside China, which backs Moscow in all but name regardless of European attempts to nudge Beijing into exerting its influence on Moscow, the rest are more genuinely neutral regarding the war, although for different reasons. While there may be some anti-European sentiment, it is interests rather than ideas that are driving the ambivalence.

In most cases, especially in relatively small or distant countries in Africa, Asia and Latin America, with challenges of their own, the war is either viewed as a 'European war', and/or what matters are its consequences, beginning with food security. What they are more interested in is ensuring that the war ends quickly, even if this costs Ukrainian independence, sovereignty and territorial integrity. This is partly because these norms have been violated before (including by the West and Western-backed countries), and partly because not many countries feel directly threatened by invasion, occupation and annexation by their neighbours. Russia does not necessarily garner much sympathy, but nor is it challenged – perhaps *because* it is viewed as relatively weak and unthreatening [8]. Regardless, the war has revealed that many countries in the Global South are disengaged from the war and are not prepared to pay a price for an abstract rules-based international order, particularly one that is largely Western-made [9].

There is also a smaller group of mid-sized powers that do not want to passively stay clear of the war and its consequences, but rather wish to exploit their neutrality to serve their interests and increase their power. They have opportunistically leveraged their neutrality to extract gains from both sides. Countries like India stand out in this respect, as well as Israel, Turkey, Saudi Arabia and the UAE. They may have condemned Russia at the UN General Assembly, but they have also used their relations with Moscow and Kyiv to present themselves as mediators (especially Turkey), send weapons to Ukraine, and to increase their trade and energy imports from Russia.

EUROPE'S ENERGY AND ECONOMIC RESILIENCE

A major reason why Europe has remained united so far is because it has weathered the storm of the energy crisis remarkably well. This averted what could have been a devastating economic recession on the continent. In late spring 2022, the International Monetary Fund had predicted a contraction of 3–5% in countries like Germany, Italy, Hungary, Czech Republic and Slovakia. When the war began, few would have bet on the fact that with Russian gas closed off to Europe, the EU would have survived energetically, and therefore economically and politically.

DOI: 10.31389/lseppr.79

Vladimir Putin expected Europe to bend and eventually break over their need for energy, which is precisely why he turned the taps off at the cost of hurting Russia, too [10]. As Robert Falkner discusses in this issue, Europe was partly aided by exogenous factors like a warm winter and sluggish Chinese growth, but the EU and its member states also put in place a set of key measures that ought to be credited. They diversified their gas supplies by increasing imports from Norway, the US, Qatar, Azerbaijan, Algeria, Angola, Mozambique and the Republic of Congo. They met their targets for the refilling of gas storages and developed a European Energy Platform to aggregate demand for the refilling of storages for next winter. They coordinated the reduction of gas and electricity demand and met the targets they set themselves. And they accelerated the development of renewables, with these now representing the primary source of electricity generation in Europe. Notwithstanding the fuel switch from gas to coal and oil, overall emissions in Europe fell by 2.5% in 2022 [11]. All this has meant that Europe, so far at least, has averted the risk of recession, and, albeit sluggishly, its economy continues to grow.

This does not mean that the energy crisis is over and that the EU has squared the circle of energy security and the energy transition through deeper integration. Plenty of challenges remain. These include short-term ones concerning Europe's energy and economic resilience next winter, especially if China's growth picks up, while a hot summer could lead to higher-than-expected gas consumption and lower renewable energy production in Europe. Meanwhile, new-born instruments like the European Energy Platform remain to be tested, and there are even greater longer-term challenges. While energy prices have dropped in Europe from a peak of €340 MWh to around €40 MWh, they are still double what they used to be before the energy crisis and four times as high as in the US. Coupled with the potential impact of the US Inflation Reduction Act that could lure European companies to the other side of the Atlantic, the risk is Europe's deindustrialisation. China aggravates the problem. Beijing's market dominance in areas like renewables, critical minerals and batteries, alongside Europe's heightened awareness of the vulnerability generated by energy dependences, push Europeans to re-shore, near-shore or friend-shore green technologies and industries. Yet doing so is not easy and certainly comes at a high cost that will strain further public budgets. There is no silver bullet to address these problems, and as the EU scrambles for a solution, it could fall into the trap of protectionism and debt unsustainability. It remains to be seen whether the EU's Net Zero Industry Act will strike the right balance between security, affordability and sustainability [12]. However, EU institutions and member states are well aware of the trilemma as they search for solutions, and just like they have navigated the energy crisis relatively well so far, there's no reason to believe they'll necessarily fail in future.

THE CHALLENGES AHEAD: ENLARGEMENT AND DEFENCE

The challenges do not stop here, however. In two other areas, the tasks ahead of the EU are daunting. The first is enlargement. While never formally halted, the EU's enlargement process gradually ground to a halt after the big-bang eastern enlargement of the early 2000s. With the exception of Croatia in 2013, no country has entered the EU for almost two decades. The accession process has formally continued with the Western Balkans and Turkey, but it has been increasingly characterized by a double farce: candidate countries have largely pretended to reform, and the EU has pretended to integrate them. The outcome has not been ideal: Democracy and rule of law have faltered, economic development has languished, peace processes have stalled, and powers like Russia and China have increasingly made their presence felt. But the Union was absorbed by its successive existential crises, and by and large thought that stability in its neighbourhood would hold. The results were not great, but they were believed to be good enough.

That illusion was shattered by Russia's invasion of Ukraine. Suddenly it became obvious that stability, while guaranteed within the EU and NATO, cannot be taken for granted on the other side of the 'frontier' [13]. Unsurprisingly, Ukrainian President Volodymyr Zelensky applied for EU membership three days into Russia's large-scale invasion of his country. Now, Ukraine and Moldova are recognized as candidate countries, while Georgia – given its government's authoritarian turn despite public backlash – is now a potential candidate. In the Western Balkans, Albania and North Macedonia have opened accession negotiations, and Bosnia-Herzegovina has been recognized as a candidate. Brokered by the EU High Representative,

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Serbia and Kosovo are inching towards a normalisation of relations, which would accelerate both countries' European integration, and the change of leadership in Podgorica could revamp momentum for enlargement in Montenegro. All this does not amount yet to a decisive revival of the EU's accession policy, and plenty of problems remain to be solved both in enlargement countries and in the EU as far as the reform of its institutions and decision-making processes are concerned [14]. However, it is becoming increasingly obvious – to EU Member States and candidate countries – that potentially there is an extremely high cost to non-enlargement: the status quo is an intolerably high-risk gamble for European security.

This brings to a final set of challenges that pertain more directly to security and defence. Russia's invasion of Ukraine has created a contradiction. Europeans finally take security and defence more seriously. The war has led to more defence spending across Europe, from Germany's defence *Zeitenwende* of €100 billion additional spending on defence, to the more diffuse uptick in defence expenditures across mostly northern and east European states. EU member states' defence spending is expected to grow by €70 billion over the next three years, making NATO's 2% of GDP in defence spending finally within reach [15]. EU institutions, that traditionally considered defence a dirty word, have now mobilized a European Peace Facility to support Ukrainian defence. They have also approved a military training mission for the Ukrainian armed forces. Collectively, the EU and its members have provided €12 billion in military assistance to Ukraine as of March 2023 (and a total of €67 billion if economic assistance is included). The EU has also developed a mechanism for the procurement of ammunition for Ukraine, committing a first €2bn tranche to the endeavour.

In times of peace, this would have been read as hard evidence of European strategic military autonomy in the making. In times of war, paradoxically, the opposite is true. Russia's invasion of Ukraine is leading to a dramatic increase in European defence dependence on the US. This is true in operational terms: without US military support for Ukraine, Kyiv would have likely fallen, putting at an unprecedented risk the entire European continent. It is also true in terms of defence capacities: As Europeans are depleting their stocks, they spend to replace them with what is available: this is often American, not European. This does not mean that European defence industrial projects have stalled altogether. There are several that are promising, including: The European Patrol Corvette, including France, Italy, Greece, Spain and Norway as an observer; European space projects, including the Commission and the European Space Agency; the first steps in a European helicopter project including France, Germany Italy and the UK; and – provided ways are found to partner also with west European countries – Germany's missile defence initiative with east European countries. However, in times of war, the bulk of European defence spending is being targeted not to future projects but to short-term fixes, which means that, in relative terms, European dependence on US defence industry is increasing.

This is bad news for Europe. Transatlantic relations have not been so strong in many years, but this could reverse quite soon. Were a Republican candidate to win the 2024 US presidential elections, the US's commitment to Ukraine and to European security could be scaled down. This would leave Europeans at massive risk. Moreover, aside from who will win the next US presidential election, Europe's greater dependence on the US will most likely translate into its reduced ability to chart its way in the world. Especially regarding China, while European and US views are broadly convergent – with European views having distinctly hardened since the pandemic – they are not identical. There is, in fact, a substantial difference between the US drive for a decoupling of the Chinese and US economies, and the EU's calls for de-risking. This is because Washington's view is essentially competitive in nature. By decoupling in sensitive technological areas, the US aims to slow down China's rise. Whereas Europeans also talk about China as an economic competitor and systemic rival, it is not really competition they are most worried about. What Europeans fear is China's ability to exploit European vulnerabilities to gain strategic gains and interfere in European systems. Against the backdrop of Russia's weaponisation of energy, by 'de-risking' their relationship with China, the EU wants to avoid making the same mistake twice. In short, US and European views on China overlap but they are not the same. Yet Europe's growing defence dependence on the US may well mean that its ability to chart its own way vis-à-vis China has significantly reduced. In mere months, Europeans cannot reverse this situation; it should have been addressed many years ago. A sense of impotence may be part of the reason why, politically, this question continues to be avoided, although it does not make the problem disappear.

Finally, whereas European security and defence vulnerability is an existential challenge for Europe, it is a problem for the United States as well. When the US was an unrivalled global hegemon, it could afford to have relatively weak and dependent allies. Given that no power seriously challenged US supremacy on the global stage, there was no real price to be paid for European weakness. Europe's defence dependence on the US benefited American defence industry and foreign policy given that European allies were generally drawn into US foreign policy adventures, notably in the wider Middle East. That era is gone. Today the US is challenged by China, and it knows it. It has an interest in having partners and allies that are capable and strong, at the very least in order to look after themselves. The potential costs of a vulnerable Europe in security and defence terms far outweigh the economic and strategic gains of a dependent Europe on the US. This realisation is beginning to dawn in Washington, notably at high political level, but it is yet to trickle down across institutional and policy practice.

CONCLUSIONS

Russia's invasion of Ukraine is transforming Europe profoundly; in this respect, this war vindicates Jean Monnet's prediction that Europe will be the sum of the solutions to the crises that it will face. Europe has reacted politically, energetically and in terms of enlargement and defence. Crisis has not paralysed the Union into inaction, nor have the solutions found represented a lowest common denominator. Unprecedented sanctions, the first ever activation of the temporary protection mechanism, energy diversification, efficiency and accelerated transition, the revival of enlargement policy, greater defence spending, the development and use of the European Peace Facility, de facto representing an EU defence funding and procurement mechanism – all of these are ground-breaking developments. Some, like the steps forward made on energy, will certainly make the EU stronger than what it was before the war. On other issues, like enlargement, it remains to be seen whether the EU will truly revive the enlargement process. On European defence, the challenge is even greater, given that notwithstanding the significance of the EU's moves, these are insufficient to reverse the trend of greater dependence on the US. And for a Union that wants and must play a stronger role on the global stage, this is bad news.

FUNDING INFORMATION

This research was funded by the Europe Futures Fellowship, Institut für die Wissenschaften vom Menschen, Vienna.

COMPETING INTERESTS

The author has no competing interests to declare.

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TO CITE THIS ARTICLE:
Tocci N. Europe and Russia's Invasion of Ukraine: Where Does the EU Stand? *LSE Public Policy Review*. 2023; 3(1): 13, pp. 1–7. DOI: https://doi.org/10.31389/lseppr.79

Submitted: 24 March 2023
Accepted: 24 April 2023
Published: 08 September 2023

LSE Public Policy Review is a peer-reviewed open access journal published by LSE Press.